

GLOBAL PRIVATE EQUITY ONE LIMITED

Annual Report and Audited Financial Statements

For the year ended 31 March 2017

Global Private Equity One Limited

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Global Private Equity One Limited

Company Information

Directors	Joubert Hay Chris Gambrell Patrick Firth
Auditor	Saffery Champness La Tonnelle House Les Banques St Peter Port Guernsey, GY2 4BF
Investment Adviser	Investec Wealth & Investment, a division of Investec Securities Proprietary Limited 100 Grayston Drive Sandown Sandton South Africa, 2196
Administrator, Secretary and Registrar	Praxis Fund Services Limited Sarnia House Le Truchot St Peter Port Guernsey, GY1 1GR
Listing and Annual Sponsor	Clarien BSX Services Limited 25 Reid Street Hamilton HM11 Bermuda
Bankers	Investec Bank (Channel Islands) Limited PO Box 188 Glategny Court St Peter Port Guernsey, GY1 3LP
Registered Office	Sarnia House Le Truchot St Peter Port Guernsey, GY1 1GR
Company Number	60930 (Registered in Guernsey)

Global Private Equity One Limited

Investment Adviser's Report

Key Features

Current NAV/Share:	A: Class – US\$1,012.57 B: Class – US\$1,013.07
Issue Price/Share:	US\$1,000.00
Total Capital Committed ¹ :	US\$93.3m (96.9%)
Total Capital Allocated ² :	US\$17.5m (18.2%)
Total cash distributed to date:	US\$0.00 (first distribution expected within first three years)
Performance (Internal Rate of Return IRR referenced in US\$):	GPEOL Total: N/A ⁴ Private Equity investments only: N/A ⁵
Total Expense Ratio:	Class A: 2.75% upon completion of the portfolio investments ³ Class B: 2.45% upon completion of the portfolio investments ³
Funds raised:	US\$96.2m split as follows: US\$67.5m Class A investors US\$28.7m Class B investors (for individual capital commitments exceeding US\$3,000,000)
Inception date:	18 December 2015
Legal Entity	Global Private Equity One Limited
Reporting Currency	US\$
Regulator	Guernsey Financial Services Commission
Investment Advisor	Investec Wealth & Investment
Investment term	10 years (plus 3 years possible extension)
Administrator	Praxis Fund Services Limited
Auditors	Saffery Champness
Listing	Bermuda Stock Exchange

¹ Total capital committed to underlying private equity funds, including cash not yet called by the underlying funds for investment

² Cash that has been called by the underlying funds for investment

³ Please refer to the fee structure disclosure section below

⁴ Includes cash portfolio held for uncalled capital – will be calculated after the first full 2 years of investment (i.e. from 31 March 2018)

⁵ This return shall be calculated on the capital called by Carlyle and incorporates the marked to market values applied to the underlying Limited Partnerships and subsequent capital & dividend distributions – will be calculated after the first full 2 years of investment (i.e. from 31 March 2018). This is in line with standard industry practice

Investment Objective

The primary investment objective of the Company is to invest in a diversified portfolio primarily consisting of corporate private equity investments. The Company capitalises on the expertise of one of the leading global alternative asset managers, The Carlyle Group, by investing exclusively in portfolios managed or advised by The Carlyle Group. The objective will be met through underlying investments in respectively:

- Primary transactions in Limited Partnerships targeting specific geographies or sectors
- Secondary transactions by acquiring the participations previously committed to by other 3rd party investors to specific Limited Partnerships deemed consistent with the Company's investment objectives.

Investment Proposition

- The Company is a closed-ended company registered in Guernsey
- Whilst the Company will not utilise any form of gearing, leverage will be applied within the underlying Limited Partnerships included in the portfolio
- The cash portfolio will remain invested in underlying fiduciary deposits tiered across various maturities. These fiduciary deposits will be committed to large European banks and shall remain primarily USD referenced
- The investment is intended for a ten-year investment period to January 2026, with a 3 year extension option available at the Company Directors' discretion.

Global Private Equity One Limited

Investment Adviser's Report (continued)

Fee Structure

Investec Wealth & Investment Advisory fee

- Class A shares: 1.00% p.a. of the Company's invested capital (only applicable on capital called by Carlyle)
- Class B shares: 0.70% p.a. of the Company's invested capital (only applicable on capital called by Carlyle)
- No performance fees are payable to the Investment Advisor.

Carlyle management fees

- Management fees: Approx. 1.5% p.a. from the date of capital commitment to the underlying Limited Partnerships
- Performance fees applicable above a pre-determined preferred rate of return.

Other Fees

Approximately 0.25% p.a. incurred for depositary, audit, legal and other administrative and operating costs.

Portfolio Summary

As at 31 March 2017 Global Private Equity One Limited ("GPEOL") is fully allocated with US\$93.3 million in commitments to the following eight funds:

Fund	Commitments (as at 31 March 2017)
Carlyle Japan Partners III, L.P. ("CJP III")	US\$6.8 million
Carlyle U.S. Equity Opportunity Fund II, L.P. ("CEO II")	US\$7.1 million
Carlyle Asia Partners IV, L.P. ("CAP IV")	US\$2.3 million
Carlyle Strategic Partners IV, L.P. ("CSP IV")	US\$23.3 million
Carlyle Power Partners II, L.P. ("CPP II")	US\$8.6 million
Carlyle Asia Growth Partners V, L.P. ("CAGP V")	US\$16.3 million
AlpInvest Secondaries Fund VI, L.P. ("ASF VI")	US\$20.3 million
Carlyle International Energy Partners, L.P. ("CIEP")	US\$8.6 million

As at 31 March 2017, the Company's portfolio has drawn US\$16.9 million of capital and is approximately 18.1% invested.

CJP III is focused on mid and upper middle-market buyouts in Japan. As at 31 March 2017, the fund was 50% invested. The commitment period of the fund is scheduled to expire in August 2020. The fund did not make any first quarter investments and is currently marked at 1.50x, up from 1.37x in December 2016. Appreciation in the portfolio during the first quarter was principally driven by strong operating performance from Sunsho Pharmaceutical, Kyushu, SENQICIA and WingArc1st.

CEO II aims to find attractive middle market opportunities in North America. As at 31 March 2017, CEO II had invested approximately 23% of the fund's total commitments of US\$2.4 billion. The fund held its final close in January 2016 and is currently marked at 1.16x. The quarter 1 uptick in valuation is mainly attributable to the continued revenue and earnings before interest, tax, depreciation and amortisation growth trajectory at Array Canada. During the first quarter, the fund received US\$110 million of proceeds from Array's refinancing, returning 1.00x equity cost.

CAP IV is focused on Asian control-oriented buyouts. As at 31 March 2017, CAP IV was approximately 69% committed (including two signings during the first quarter). The commitment period of CAP IV is scheduled to expire in November 2018. During the quarter ended 31 March 2017, the fund made two new minority stake investments into i) Delhivery Logistics, a third party e-commerce logistics provider in India and ii) Atotech, a provider of plating chemicals and equipment to the printed circuit board and general metal finishing industries. The fund is currently marked at 1.46x, up from 1.23x in December, primarily driven by an increase in value of the PNB Housing Finance investment.

Global Private Equity One Limited

Investment Adviser's Report (continued)

Portfolio Summary (continued)

CSP IV is Carlyle's dedicated distressed and special situations investment strategy, focused on investing globally in primarily middle market companies with financial, operational or cyclical distress. CSP IV held a final close in February 2017, reaching its hard cap of US\$2.5 billion in total commitments. As at 31 March 2017, the fund has invested US\$317.5 million, or approximately 12.7% of commitments, and is marked at 1.19x, up from 1.03x in December 2016. The uptick in valuation is mainly driven by the increase in public share price of KAP Beteiligungs AG.

CPP II is focused on power generation assets in North America. CPP II held its final close on 8 April 2016, bringing total commitments to US\$1.5 billion. As at 31 March 2017, CPP II has invested US\$501.0 million through four portfolio companies. The fund did not make any first quarter investments and is currently marked at 1.06x.

CAGP V aims to target small buyout and late stage growth investments mainly in China, India and Korea. Carlyle believes the current macro-economic environment will create compelling opportunities for this fund. CAGP V held its most recent close in February 2017, with total commitments reaching US\$297 million. The fund is seeking to raise a total of US\$1 billion in commitments. The fund closed on its first investment in March 2017, a US\$50 million investment in Golden Goose, an Italian luxury lifestyle fashion company looking to build the brand in Asia. The equity was invested alongside a €246 million investment from Carlyle Europe Partners IV.

ASF VI seeks to create a global diversified portfolio of high quality secondary investments with strong value creation potential and an attractive annual cash yield. The fund held its final close on 31 March 2017 on US\$3.3 billion in commitments compared to a US\$2.5 billion target (the overall program including SMAs reached its hard cap of US\$6.5 billion including closed and reserved capital). ASF VI was activated on 1 September 2016 and issued its first capital call on 9 May 2017. As at June 2017, Fund VI (ASF VI + SMAs, investing pro rata) is 17% committed (US\$1.1 billion) across 11 closed and pending investments.

CIEP is focused on oil and gas exploration & production, midstream, repair & maintenance and related businesses outside North America. The commitment period of the fund is scheduled to expire in September 2019. As at 31 March 2017, CIEP was approximately 19.9% invested through five portfolio companies. No acquisitions were made in the first quarter. The fund is currently marked at 1.43x, slightly up from its valuation in December 2016.

We are pleased with the overall performance of the underlying funds and the relative strength and diversity of the portfolio companies that the Company is invested in. Each investment team continues to review a robust pipeline of investment opportunities in its respective target market and, we believe, is well positioned to execute on attractive opportunities in the near to mid-term.

Portfolio - US\$93.3m Allocation

Fund	Committed Capital (US\$ millions) ¹	Allocation (%)	Allocated Capital (US\$ millions) ¹	Fair Market Value (US\$ millions)
Capped²				
CJP III	US\$6.8 ³	7.3%	US\$3.6	US\$4.8
CEOF II	US\$7.1	7.6%	US\$1.5	US\$1.6
CAP IV	US\$2.3	2.5%	US\$1.3	US\$1.7
Uncapped				
CSP IV	US\$23.3	25.0%	US\$2.1	US\$2.4
CPP II	US\$8.6	9.2%	US\$3.1	US\$2.9
CAGP V	US\$16.3	17.5%	US\$3.2	US\$2.8
ASF VI	US\$20.3	21.7%		
CIEP	US\$8.6	9.2%	US\$2.1	US\$2.3
	US\$93.3	100%	US\$16.9	US\$18.5

Global Private Equity One Limited

Investment Adviser's Report (continued)

Rationale

- CJP III, CEOF II, and CAP IV allocations capped at US\$6.8m³, US\$7.1m, and US\$2.3m, respectively²
- Largest allocation to CSP IV to provide exposure to U.S. & European distressed opportunities
- 9.0% allocation to CIEP with additional Real Assets exposure through CPP II that comprises, in aggregate, 18% of the portfolio
- Allocation to CAGP V to complement CAP IV and CJP III and to provide pan-Asian exposure of less than 30%
- Remaining allocation to ASF VI to improve diversification, mitigate J-curve and provide secondary exposure mostly in the U.S. & Europe

Resulting Portfolio Diversification

- Strategy: 34.8% Buyout/Growth / 18.2% Real Assets / 25.0% Corporate Opportunities / 21.8% Secondaries / 0.0% unallocated
- Geography: 40.2 U.S. Exposure / 59.6% Non-U.S. Exposure / 0.0% unallocated
- Vintage Year (estimated in part via secondaries exposure):

3.5%	2010
3.5%	2011
5.9%	2012
22.0%	2013
14.6%	2014
7.6%	2015
42.4%	2016

¹ As at 31 March 2017, capital commitment and allocated capital include equalisation costs

² Capped allocations represent funds in which no additional capacity exists for Investec beyond the amount indicated in this proposal

³ Increased from US\$6.5m to US\$6.8m due to the Yen-Dollar currency fluctuation

Investec Wealth & Investment,
18 July 2017

Global Private Equity One Limited

Report of the Directors

The Directors of Global Private Equity One Limited (the "Company") present their Annual Report and Audited Financial Statements (the "financial statements") for the year ended 31 March 2017.

The Company

The Company is a closed-ended investment company, registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. The Company commenced business on 17 December 2015 when the A and B Class Shares of the Company were admitted to trading on the Bermuda Stock Exchange.

The Company is a Guernsey Registered Closed-Ended Investment Company and is subject to the Registered Collective Investment Schemes Rules 2015.

Investment Objective

The Investment Objective of the Company is to invest in the Private Equity Opportunities Portfolio, being a diversified portfolio primarily consisting of corporate private equity investments, in each case, exclusively in entities managed or advised by the Carlyle Group. Private equity investing broadly refers to the purchase of equity, or equity-linked securities of unlisted, privately-held companies and then adding value through organic growth, restructuring, acquisitions and/or rationalisation.

Results and Dividends

The results for the period are set out in the Statement of Comprehensive Income on page 10.

The Directors do not recommend the payment of a dividend for the financial year.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and applicable law.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

International Accounting Standard ("IAS") 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors confirm that they have complied with these requirements in preparing the financial statements.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, having taken all the steps the Directors ought to have taken to make themselves aware of any relevant audit information and to establish the Company's auditor is aware of that information.

Global Private Equity One Limited

Report of the Directors (continued)

Statement of Directors' Responsibilities (continued)

The financial statements give a true and fair view and have been prepared in accordance with International Financial Reporting Standards, with the Companies (Guernsey) Law, 2008 and with the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

Directors and Other Interests

The Directors, all of whom are non-executive Directors, are as listed on page 1.

Chris Gambrell was a shareholder throughout the year in Praxis Fund Holdings Limited ('PFHL'), the immediate controlling party of the Company's Administrator. On 12 April 2017, his shareholding in PFHL were converted to shares in PraxisIFM Group Limited ("PIGL"). PIGL is the ultimate controlling party of the Administrator.

During the year, no Director has had any beneficial interest in the shares of the Company.

No Director is under contract of service with the Company. At the date of this report, no Director, or Investec Wealth & Investment, the Investment Adviser to the Company, holds any right, either contingent or otherwise, to subscribe for shares in the Company.

Details of fees paid to the Administrator and Investment Adviser during the year are contained in note 3 of these financial statements and details of fees paid to the Directors are contained in note 4 of these financial statements.

Historical Results

The results and assets and liabilities of the Company for the last 2 years are as follows:

	Total Assets US\$	Total Liabilities US\$	Total Comprehensive Income/(Loss) US\$
Year ended 31 March 2017	97,569,176	124,866	1,627,619
Period from 23 September 2015 (date of incorporation) to 31 March 2016	95,891,734	75,043	(279,211)

Investment Portfolio

	Percentage of Portfolio %	Cost US\$	Market Value US\$
Carlyle Japan Partners III Fund LP	26.1%	3,813,039	4,816,479
Carlyle Power Partners II LP	15.5%	3,194,786	2,873,686
Carlyle Asia Growth Partners V.LP	15.0%	3,219,819	2,774,647
Carlyle Strategic Partners IV. LP	13.2%	2,084,747	2,435,504
Carlyle International Energy Fund LP	12.4%	2,430,036	2,300,950
Carlyle Asia Partners IV Fund LP	9.1%	1,394,047	1,676,146
Carlyle Equity Opportunities Fund II LP	8.7%	1,540,770	1,604,196
	100.0%	17,677,244	18,481,608

The Alternative Investment Fund Managers Directive

The Alternative Investment Fund Managers Directive ("AIFMD") is the EU legislation aimed at increasing investor protection and reducing systemic risk by creating a harmonised EU framework for managers of alternative investment funds in the EU. The Company is a non-EU Fund with a non-EU Investment Adviser and it is listed on a non-EU exchange. As the Company has not sought to raise new capital in the EU, it is not considered to be marketed in the EU and, therefore, is not captured by AIFMD.

Auditor

A resolution to re-appoint Saffery Champness as auditor will be put to the members at the next Annual General Meeting.

By Order of the Board

Patrick Firth
Director
18 July 2017

Independent Auditor's Report To the members of Global Private Equity One Limited

We have audited the financial statements of Global Private Equity One Limited (the "Company") for the year ended 31 March 2017 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as issued by the IASB.

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on pages 6 and 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its result for the year then ended;
- are in accordance with International Financial Reporting Standards as issued by the IASB; and
- comply with the Companies (Guernsey) Law, 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Saffery Champness
Chartered Accountants
Guernsey
19 July 2017

Global Private Equity One Limited

Statement of Financial Position

As at 31 March 2017

	Notes	31 March 2017 US\$	31 March 2016 US\$
Non-Current Assets			
Investments at fair value through profit or loss	5	18,481,608	7,866,099
		<u>18,481,608</u>	<u>7,866,099</u>
Current assets			
Trade and other receivables	6	41,313,903	32,536,110
Cash and cash equivalents	7	37,773,665	55,489,525
		<u>79,087,568</u>	<u>88,025,635</u>
Current liabilities			
Trade and other payables	8	124,866	75,043
		<u>124,866</u>	<u>75,043</u>
Net current assets		<u>78,962,702</u>	<u>87,950,592</u>
Total net assets		<u>97,444,310</u>	<u>95,816,691</u>
Share capital	9	96,095,892	96,095,892
Management share capital	9	10	10
Revenue reserves		1,348,408	(279,211)
Total Equity		<u>97,444,310</u>	<u>95,816,691</u>
Net asset value per A Class Share	10	1,012.57	995.78
Net asset value per B Class Share	10	1,013.07	995.85

The financial statements on pages 9 to 28 were approved at a meeting of the Board of Directors and authorised for issue on 18 July 2017 and signed on its behalf by:

Patrick Firth
Director

The accompanying notes form an integral part of these financial statements.

Global Private Equity One Limited

Statement of Comprehensive Income

For the year ended 31 March 2017

		For the year ended 31 March 2017 US\$	For the period from 23 September 2015 (date of incorporation) to 31 March 2016 US\$
Income			
Unrealised gains/(losses) on investments at fair value through profit or loss	5	1,257,653	(453,289)
Realised foreign exchange gains on investments at fair value through profit or loss	5	75,942	-
Bank interest received		635,023	30,028
Foreign exchange gains		67,440	271,163
Total income		<u>2,036,058</u>	<u>(152,098)</u>
Expenses			
Investment advisory fees	3	127,298	19,307
Administration fee	3	97,073	29,074
Directors' fees and expenses	4	50,000	26,200
Auditor's remuneration		12,598	14,001
Legal and professional fees		2,176	19,341
Treasury fees		47,554	9,943
Listing and regulatory fees		22,526	4,713
Other expenses		7,117	4,534
Total expenses		<u>366,342</u>	<u>127,113</u>
Profit/(loss) before tax for the year/period		1,669,716	(279,211)
Withholding tax		(42,097)	-
Net profit/(loss) for the year/period, being total comprehensive income		<u>1,627,619</u>	<u>(279,211)</u>
Basic and diluted profit/(loss) per A Class Share	16	16.79	(2.95)
Basic and diluted profit/(loss) per B Class Share	16	17.22	(2.88)

The accompanying notes form an integral part of these financial statements.

Global Private Equity One Limited

Statement of Changes in Equity

For the year ended 31 March 2017

	Management Share Capital US\$	Ordinary Share Capital US\$	Revenue Reserve US\$	Total US\$
At 1 April 2016	10	96,095,892	(279,211)	95,816,691
Net profit for the year, being total comprehensive income	-	-	1,627,619	1,627,619
At 31 March 2017	10	96,095,892	1,348,408	97,444,310

	Management Share Capital US\$	Ordinary Share Capital US\$	Revenue Reserve US\$	Total US\$
At 23 September 2015 (date of incorporation)	-	-	-	-
Net loss for the period, being total comprehensive income	-	-	(279,211)	(279,211)
Proceeds of Ordinary Shares issued	-	96,220,428	-	96,220,428
Proceeds of Management Shares issued	10	-	-	10
Share issue costs	-	(124,536)	-	(124,536)
At 31 March 2016	10	96,095,892	(279,211)	95,816,691

The accompanying notes form an integral part of these financial statements.

Global Private Equity One Limited

Statement of Cash Flows

For the year ended 31 March 2017

	Notes	For the year ended 31 March 2017 US\$	For the period from 23 September 2015 (date of incorporation) to 31 March 2016 US\$
Cash flows from/(used in) operating activities			
Net profit/(loss) for the year/period		1,627,619	(279,211)
<i>Adjustment for:</i>			
Unrealised (gains)/losses on investments at fair value through profit or loss	5	(1,257,653)	453,289
Realised foreign exchange gains on investments at fair value through profit or loss	5	(75,942)	-
Foreign exchange gains		(67,440)	-
Interest income		(635,023)	(30,028)
Decrease/(increase) in prepayments and other receivables		6,672	(12,510)
Increase in other payables		49,823	75,043
Purchase of investments at fair value through profit or loss	5	(11,116,723)	(8,330,491)
Distributions from investments at fair value through profit or loss	5	1,834,809	11,103
Net cash used in operating activities		<u>(9,633,858)</u>	<u>(8,112,805)</u>
Cash flows from/(used in) investing activities			
Fixed deposits		(8,431,459)	(32,523,600)
Interest earned		282,017	30,028
Net cash used in investing activities		<u>(8,149,442)</u>	<u>(32,493,572)</u>
Cash flows from/(used in) financing activities			
Shares issued		-	96,220,438
Share issue costs		-	(124,536)
Net cash from financing activities		<u>-</u>	<u>96,095,902</u>
Net (decrease)/increase in cash and cash equivalents		(17,783,300)	55,489,525
Cash and cash equivalents at beginning of year/period		55,489,525	-
Effect of foreign exchange rate changes during the year/period		67,440	-
Cash and cash equivalents at end of year/period	7	<u>37,773,665</u>	<u>55,489,525</u>

The accompanying notes form an integral part of these financial statements.

Global Private Equity One Limited

Notes to the Financial Statements

For the year ended 31 March 2017

1. The Company

The Company is a closed-ended investment company, registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. The Company commenced business on 17 December 2015 when the A and B Class Shares of the Company were admitted to trading on the Bermuda Stock Exchange.

The Company is a Guernsey Registered Closed-Ended Investment Company and is subject to the Registered Collective Investment Schemes Rules 2015.

The Investment Objective of the Company is to invest in the Private Equity Opportunities Portfolio, being a diversified portfolio primarily consisting of corporate private equity investments, in each case, exclusively in entities managed or advised by the Carlyle Group. Private Equity investing, broadly refers to the purchase of equity, or equity-linked securities of unlisted, privately-held companies and then adding value through organic growth, restructuring, acquisitions and/or rationalisation.

2. Principal Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's Annual Report and Audited Financial Statements (the "financial statements"):

(a) Basis of Preparation

(i) General

The financial statements of the Company, which give a true and fair view, have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (the "IASB"), interpretations issued by the International Financial Reporting Interpretations Committee and are in compliance with the Companies (Guernsey) Law, 2008.

(ii) Judgements and estimates

The preparation of financial statements in accordance with IFRS requires the Board to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. The estimates and associated assumptions are based on various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The most critical judgements, apart from those involving estimates, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are the functional currency of the Company (see note 2(d)) and the fair value of investments designated to be at fair value through profit or loss (see note 2(f)). The valuation methods/techniques used by the Company in valuing financial instruments involve critical judgements to be made and, therefore, the actual value of financial instruments could differ significantly from the value disclosed in these financial statements.

Global Private Equity One Limited

Notes to the Financial Statements

For the year ended 31 March 2017

2. Principal Accounting Policies (continued)

(a) Basis of Preparation (continued)

(iii) IFRS

New and Amended Accounting Standards effective and adopted

- IAS 1 (amended) "Presentation of Financial Statements" (amendments effective 1 January 2016);

In addition, the IASB completed its latest Annual Improvements to IFRS project in September 2014. This project has amended a number of existing standards and interpretations effective for accounting periods commencing on or after 1 January 2016.

The adoption of these standards has had no material impact on the financial statements of the Company.

New and Amended Accounting Standards

At the date of approval of these financial statements, the following standards and interpretations, which are relevant to the Company, have not been applied in these financial statements and were in issue but not yet effective:

- IAS 39 (amended), "Financial Instruments: Recognition and Measurement" (amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception, effective for periods commencing on or after 1 January 2018, or on application of IFRS 9 if earlier);
- IFRS 7 (amended), "Financial Instruments: Disclosures" (amendments relating to additional hedge accounting disclosures resulting from the introduction of the hedge accounting chapter in IFRS 9, effective for periods commencing on or after 1 January 2018, or on application of IFRS 9 if earlier);
- IFRS 9, "Financial Instruments" (effective for periods commencing on or after 1 January 2018);
- IFRS 15, "Revenue from Contracts with Customers" (effective for periods commencing on or after 1 January 2018);

In addition, the IASB completed its Disclosure Initiative project in January 2016 and its Annual Improvements 2014-2016 Cycle project in December 2016. These projects have amended a number of existing standards and interpretations effective for accounting periods commencing on or after 1 January 2017 or 1 January 2018.

The Directors believe that none of these standards and interpretations will have a significant impact on the financial statements of the Company, with the exception of IFRS 9 "Financial Instruments – Classification and Measurement" which is not expected to significantly affect the financial position of the Company but may require additional disclosure in future financial statements.

(b) Income

Dividend income from investments at fair value through profit or loss is recognised when the Company's right to receive payment is established, normally the ex-dividend date.

Other income relates to interest income. Interest income is recognised on a time-proportionate basis using the effective interest method and includes interest income from cash and cash equivalents and fixed deposits.

(c) Expenses

Expenses are accounted for on an accruals basis. All expenses are charged to the Statement of Comprehensive Income, except for expenses incurred in relation to the launch of the Company, which have been charged against share capital.

Global Private Equity One Limited

Notes to the Financial Statements

For the year ended 31 March 2017

2. Principal Accounting Policies (continued)

(d) Foreign Currency

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). The Directors have considered the primary economic currency of the Company; the currency in which the original finance was raised; the currency in which distributions will be made; and ultimately what currency would be returned to shareholders if the Company was wound up. The Directors have also considered the currency to which the Company's investments are exposed. On balance, the Directors believe that the US Dollar best represents the functional currency of the Company during the year. Therefore the books and records are maintained in the US Dollar. For the purpose of the financial statements, the results and financial position of the Company are presented in US Dollar, which has been selected as the presentational currency of the Company.

Transactions in foreign currencies are translated into US Dollars at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to US dollars at the closing exchange rate ruling at the Statement of Financial Position date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to US dollars at the exchange rates ruling at the dates on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the Statement of Comprehensive Income in the "Foreign exchange gains/losses" line.

(e) Financial Instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial Assets

The classification of financial assets at initial recognition depends on the purpose for which the financial asset was acquired and its characteristics.

All financial assets are initially recognised at fair value. All purchases of financial assets are recorded at trade date, being the date on which the Company became party to the contractual requirement of the financial asset.

The Company's financial assets comprise:

- Investments at fair value through profit or loss
- Trade and other receivables
- Cash and cash equivalents

A financial asset (in whole or in part) is derecognised either:

- when the Company has transferred substantially all the risk and rewards of ownership;
- when it has not retained substantially all the risk and rewards and when it no longer has control over the asset or a portion of the asset; or
- when the contractual right to receive cash flow has expired.

(ii) Financial Liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics.

All financial liabilities are initially recognised at fair value net of transaction costs incurred. All purchases of financial liabilities are recorded on trade date, being the date on which the Company becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Company's financial liabilities approximate to their fair values.

Financial liabilities measured at amortised cost include other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

Global Private Equity One Limited

Notes to the Financial Statements

For the year ended 31 March 2017

2. Principal Accounting Policies (continued)

(e) Financial Instruments (continued)

(ii) *Financial Liabilities (continued)*

A financial liability (in whole or in part) is derecognised when the Company has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the Statement of Comprehensive Income.

(f) Investments at fair value through profit or loss

The Company's investments comprise of private equity investments. The investments are designated as fair value through profit or loss as the performance of the investments is evaluated on a fair value basis.

(i) *Fair value measurement*

Private Equity investments are initially recognised at cost, which is deemed to be their fair value at acquisition. Transaction costs are expensed in the Statement of Comprehensive Income. Subsequent to initial recognition, Private Equity investments are measured at fair value. Realised gains and losses on disposal of investments, where the disposal proceeds are higher/lower than the carrying value of the investment are presented in the Statement of Comprehensive Income in the period in which they arise. Unrealised gains and losses arising on the fair value of investments are presented in the Statement of Comprehensive Income in the period in which they arise. Dividend income, if any, from equity investments is recognised in the Statement of Comprehensive Income within dividend income when the Company's right to receive payments is established.

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

(ii) *Derecognition*

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Comprehensive Income. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

(g) Trade and other receivables

All receivables, excluding fixed deposits, do not carry any interest, are short-term in nature and are accordingly stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Fixed deposits included in other receivables are short-term in nature and are accordingly stated at their nominal value.

(h) Cash and Cash Equivalents

Cash comprises current deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of bank deposits, overdrafts and money market equivalents with original maturity of 90 days or less.

(i) Segmental Reporting

The Board of Directors considers that the Company is engaged in a single segment of business, being the holding of investments. The Board considers that it is the Company's Chief Operating Decision Maker.

(j) Dividends

The Company may pay dividends at the discretion of the Directors. The Directors will consider declaring and paying a dividend if such dividend appears to be justified by the financial position of the Company.

Global Private Equity One Limited

Notes to the Financial Statements

For the year ended 31 March 2017

3. Related Parties & Material Agreements

During the year the Company was responsible for the continuing fees of the Investment Adviser, and the Administrator in accordance with the Investment Advisory and Administration Agreements.

There is no parent or ultimate controlling party of the Company.

Investment Advisory Agreement

With effect from 9 October 2015, Investec Wealth & Investment, a division of Investec Securities Proprietary Limited (the "Investment Adviser") was appointed as the Investment Adviser. Pursuant to the provisions of the Investment Advisory Agreement, the Investment Adviser is entitled to receive an annual advisory fee of (i) 1.0% of the net asset value ("NAV") of the Company, attributable to the A Class Shares (excluding cash held by the Company attributable to the A Class Shares and a pro rata portion (apportioned as between the A Class and the B Class Shares based on the amount of the subscription proceeds of each class) of the Expense Provision) paid annually in arrears; and (ii) 0.70% of the NAV of the Company attributable to the B Class Shares (excluding cash held by the Company attributable to the B Class Shares) and a pro rata portion (apportioned as between the A Class Shares and the B Class Shares based on the amount of the subscription proceeds of each class) of the expense provision, will accrue and be paid quarterly in arrears.

During the year, the investment advisory fee expense was US\$98,056 for A Class Shares (for the period from 23 September 2015 to 31 March 2016: US\$14,836) and US\$29,242 for B Class Shares (for the period from 23 September 2015 to 31 March 2016: US\$4,471). As at 31 March 2017, the investment advisory fee payable was US\$57,649 (31 March 2016: US\$14,836) for A Class Shares and US\$17,194 (31 March 2016: US\$4,471) for B Class Shares.

The Investment Advisory agreement can be terminated by either party giving not less than 12 months written notice.

Investec Bank (Channel Islands) Limited, the Company's bankers, and the Investment Adviser are both part of the Investec worldwide group. Cash and cash equivalents of US\$9,698,824 (31 March 2016: US\$31,189,928) and fixed deposits of US\$10,126,624 (31 March 2016: US\$nil) was held with Investec Bank (Channel Islands) Limited as at 31 March 2017.

Administration Agreement

With effect from 9 October 2015, Praxis Fund Services Limited (the "Administrator") was appointed as the Administrator. Pursuant to the provisions of the Administration and Secretarial Agreement, the Administrator is entitled to receive an administration fee and company secretarial fee, payable quarterly in arrears, at a rate of 0.10% per annum of the NAV of the Company, subject to an annual minimum of US\$90,000 per annum, plus disbursements. The Administrator also received an establishment fee of £15,000 (US\$22,851) in 2015 for services rendered in connection with the initial set up of the Company, preparation of pre-launch documentation and other services rendered in connection with the launch of the Company and the issue of the shares. The Administrator will also charge an annual fee of £500 plus time costs relating to FATCA.

During the year, the administration fee expense was US\$97,073 (for the period from 23 September 2015 to 31 March 2016: US\$29,074). As at 31 March 2017, the administration fee payable was US\$24,044 (31 March 2016: US\$29,074).

Directors' Interest

The Administrator is deemed to be a related party, as, until 12 April 2017, Chris Gambrell was a shareholder in Praxis Fund Holdings Limited ("PFHL"), the immediate controlling party of the Administrator throughout the year. On 12 April 2017, his shareholding in PFHL were converted to shares in PraxisIFM Group Limited ("PIGL"). PIGL is the ultimate controlling party of the Administrator. He is entitled to a Director's fee of US\$25,000 per annum. Joubert Hay is a Director of the Company and Investec Securities Proprietary Limited, the Investment Adviser. He receives no Director's fee from the Company.

No Director, other than those listed above, and no connected person of any Director, has any other interest, the existence of which is known to, or could with reasonable diligence be ascertained by that Director, whether or not held through another party, in the share capital of the Company.

Global Private Equity One Limited

Notes to the Financial Statements

For the year ended 31 March 2017

3. Related Parties & Material Agreements (continued)

Cash Management

PraxisIFM Treasury Services Limited ('PTSL') provides cash management services to the Company in respect of uninvested cash, for which it receives a fee of up to 0.1% per annum of the cash balances managed. For the year ended 31 March 2017, PTSL fees of US\$47,554 (for the period from 23 September 2015 to 31 March 2016: US\$9,943) were incurred and at 31 March 2017, an outstanding amount of US\$11,295 (31 March 2016: US\$9,943) remained payable to PTSL.

4. Directors' Fees

Each of the Directors has entered into an agreement with the Company to act as a non-executive Director of the Company. Their annual fees, pro rata for periods less than one year, excluding all reasonable expenses incurred in the course of their duties (which will be reimbursed by the Company), are as follows:

	31 March 2017		31 March 2016	
	Annual Fee US\$	Actual Charge US\$	Annual Fee US\$	Actual Charge US\$
Joubert Hay	-	-	-	-
Chris Gambrell	25,000	25,000	25,000	13,100
Patrick Firth	25,000	25,000	25,000	13,100
		<u>50,000</u>		<u>26,200</u>

5. Investments at fair value through profit or loss

	31 March 2017 US\$	31 March 2016 US\$
Unlisted investments	18,481,608	7,866,099
	<u>18,481,608</u>	<u>7,866,099</u>
Cost at the start of the year/period	8,319,388	-
Purchases of investments at fair value through profit or loss	11,116,723	8,330,491
Distributions from investments at fair value through profit or loss*	(1,834,809)	(11,103)
Realised foreign exchange gains on investments at fair value through profit or loss	75,942	-
Cost at the end of the year/period	<u>17,677,244</u>	<u>8,319,388</u>
Net unrealised losses on investments at fair value through profit or loss brought forward	(453,289)	-
Movement in net unrealised gains/(losses) on investments at fair value through profit or loss	1,257,653	(453,289)
Net unrealised gains/(losses) on Investments at fair value through profit or loss carried forward	<u>804,364</u>	<u>(453,289)</u>
Investments at fair value through profit or loss at the end of the year/period	<u>18,481,608</u>	<u>7,866,099</u>

*Distributions include recallable capital

6. Trade and Other Receivables

	31 March 2017 US\$	31 March 2016 US\$
Fixed deposits	40,955,059	32,523,600
Prepayments	5,828	12,500
Bank interest receivable	353,006	-
Amount due on Management Shares	10	10
	<u>41,313,903</u>	<u>32,536,110</u>

The Directors consider that the carrying amount of other receivables approximates fair value.

7. Cash and Cash Equivalents

	31 March 2017 US\$	31 March 2016 US\$
Cash at bank	<u>37,773,665</u>	<u>55,489,525</u>

Global Private Equity One Limited

Notes to the Financial Statements

For the year ended 31 March 2017

8. Trade and Other Payables

	31 March 2017	31 March 2016
	US\$	US\$
Administration fees	24,044	29,074
Investment Adviser's fee	74,843	19,307
Audit fee	12,236	14,001
Sundry expenses	13,743	12,661
	<u>124,866</u>	<u>75,043</u>

The Directors consider that the carrying amount of the trade and other payables approximates to their fair value.

9. Share capital

Each Share in the Company will carry with it all the rights and privileges as contemplated in the Memorandum and Articles of Incorporation.

The Company's authorised and issued share capital comprises 10 Management Shares of US\$1.00 each and Ordinary Shares consisting of 200,000 A Class Shares of US\$1,000 each and 200,000 B Class Shares of US\$1,000 each.

- 10 Management Shares are in issue as at 31 March 2017 and 31 March 2016. The Management Shares do not receive any economic benefit from the Company. These shares exist for the sole purpose of voting on purely administrative matters (as described below) at the Company's annual general meeting if there is no quorum of shareholders on such date, to enable the Company to function effectively. While Ordinary Shares are in existence, the Management Shares carry no voting rights save for Ordinary Resolutions which relate to administrative matters including, without limitation, the appointment of directors, auditors and approving the annual financial statements of the Company. Following the redemption of all the Ordinary Shares in the Company, the Management Shares shall be entitled to vote on Ordinary and Special Resolutions and in respect of all matters. Where entitled to vote, each Management Share carries 1,000 votes on a show of hands at a general meeting of the Company. The Management Shares are held beneficially by Praxis Fund Holdings Limited, part of PraxisIFM Group Limited.
- The A Class Shares are the shares allocated to each shareholder who, on the applicable Closing Date, subscribed for an aggregate subscription amount that is less than US\$3,000,000 (that is less than 3,000 shares).
- The B Class Shares are the shares allocated to each shareholder who, on the applicable Closing Date, subscribed for an aggregate subscription amount that is equal to or more than US\$3,000,000 (that is equal to or more than 3,000 shares).
- All costs, fees and expenses are paid or provided for by the Company before any distributions will be made to shareholders. The fees payable to the Investment Adviser by the Company shall be taken into account in the calculation of the dividends and the redemption amounts payable in respect of the A Class Shares and the B Class Shares respectively. The effect of this is that the return on the A Class Shares will be lower than the return on the B Class Shares, because a higher fee percentage (see note 3) for the Investment Adviser will be attributed to the Class A subscription proceeds and included in the payment calculations relating to the A Class Shares. All other rights attributed to the A Class Shares and the B Class Shares are identical.

Global Private Equity One Limited

Notes to the Financial Statements

For the year ended 31 March 2017

9. Share capital (continued)

Subject to the Articles and to any special rights or restrictions for the time being attached to any class of Share:

- On a show of hands each holder of Ordinary Shares who is present in person at a general meeting of the Company shall have one vote, and on a poll each holder of Ordinary Shares who is present in person or by Proxy shall be entitled to one vote for each fully-paid Ordinary Share held.
- On a show of hands the holder of the Management Shares who is present in person or by Proxy at a general meeting of the Company shall have 1,000 votes in respect of each Management Share held.

Issued share capital

	31 March 2017		
	A Shares No.	B Shares No.	Total No.
Total number of Ordinary Shares at the beginning and end of the year	67,476.926	28,743.502	96,220.428

	31 March 2017		
	A Shares US\$	B Shares US\$	Total US\$
Ordinary Share capital at the beginning and end of the year	67,476,926	28,743,502	96,095,892

	31 March 2016		
	A Shares No.	B Shares No.	Total No.
Number of Ordinary Shares at the beginning of the period	-	-	-
Ordinary Shares issued during the period	67,476.926	28,743.502	96,220.428
Total number of Ordinary Shares at the end of the period	67,476.926	28,743.502	96,220.428

	31 March 2016		
	A Shares US\$	B Shares US\$	Total US\$
Ordinary Share capital at the beginning of the period	-	-	-
Ordinary Share capital issued during the period	67,476,926	28,743,502	96,220,428
Ordinary Share issue costs	-	-	(124,536)
Ordinary Share capital at the end of the period	67,476,926	28,743,502	96,095,892

10. Net asset value per Share

The net asset values per A and B Class Share as at 31 March 2017 are US\$1,012.57 and US\$1,013.07, respectively (31 March 2016: US\$995.78 and US\$995.85). The net asset value per share is based on the net assets attributable to A Class shareholders of US\$68,325,027 and to B Class shareholders of US\$29,119,283 (31 March 2016: US\$67,192,497 and US\$28,624,194). At the year end, the number of A and B Class Shares in issue were 67,476.926 and 28,743.502, respectively (31 March 2016: 67,476.926 and 28,743.502).

11. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of its financial assets and financial liabilities are disclosed in note 2 to these financial statements.

Global Private Equity One Limited

Notes to the Financial Statements

For the year ended 31 March 2017

11. Financial instruments (continued)

(b) Categories of financial instruments

	31 March 2017		31 March 2016	
	Fair Value US\$	Percentage of net assets attributable to shareholders %	Fair Value US\$	Percentage of net assets attributable to shareholders %
Financial assets				
<i>Investments at fair value through profit or loss:</i>				
Unlisted Private Equity investments	18,481,608	18.97%	7,866,099	8.21%
Loans and receivables:				
Cash and cash equivalents	37,773,665	80.79%	55,489,525	91.86%
Trade and other receivables	41,313,903	0.37%	32,536,110	0.01%
	<u>79,087,568</u>	<u>81.16%</u>	<u>88,025,635</u>	<u>91.87%</u>
Total financial assets	<u>97,569,176</u>	<u>100.13%</u>	<u>95,891,734</u>	<u>100.08%</u>
Financial liabilities				
Trade and other payables	124,866	0.13%	75,043	0.08%
Total financial liabilities	<u>124,866</u>	<u>0.13%</u>	<u>75,043</u>	<u>0.08%</u>

Fair values versus carrying amounts

The Directors consider that the carrying amounts of the Company's financial instruments approximates to their fair value.

Classification of fair value measurements

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company classifies fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1 – Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3 – Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company's private equity investments are held through managed funds, which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock-up periods, redemption gates and side pockets.

All of the Company's private equity investments are disclosed as Level 3 investments in the fair value hierarchy.

Global Private Equity One Limited

Notes to the Financial Statements

For the year ended 31 March 2017

11. Financial instruments (continued)

(b) Categories of financial instruments (continued)

Classification of fair value measurements (continued)

The Company's Investment Adviser considers a variety of valuation techniques and inputs used in valuing these funds as part of its due diligence prior to recommending an investment to the Directors of the Company; to ensure they are reasonable and appropriate and, therefore, that the NAV of these funds may be used as an input into measuring their fair value. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The fair value of unlisted, private equity investments may be determined using a variety of techniques, including earnings multiple; analysis of recent fund raising; recent investment transactions in the investee companies; discounted cash flows; net asset values; and comparison to similar instruments for which observable prices exist. Assumptions and inputs used in valuation techniques include equity prices and expected price volatilities and correlations. While the underlying fund managers may utilise various model-based approaches to value their investment portfolios, on which the Company's valuations are based, no such models are used directly in the preparation of fair values of the investments disclosed in these financial statements.

The Directors value all private equity investments at the net asset values of those investments as at the relevant valuation date; as determined in accordance with the terms of the funds; and as notified to the Company by the relevant fund manager or fund administrator. If the Directors consider this not to represent fair value, certain adjustments will be made.

The Directors, having reviewed the valuations provided to them, have determined that no adjustments to these valuations were necessary at the year end date (31 March 2016: none).

The net asset values reported by the relevant fund managers and/or fund administrators and used by the Directors as at 31 March 2017 may be unaudited as at that date and may differ from the amounts which would have been realised from a redemption of the investment in the relevant fund as at 31 March 2017.

As the key input into the valuation of the Company's investments is official valuation statements, the Directors do not consider it appropriate to present a sensitivity analysis on the basis that insufficient benefit is likely to be derived from this by the end user.

The following table analyses within the fair value hierarchy the Company's financial assets (by class) measured at fair value:

	Fair value as at 31 March 2017			
	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Investments at fair value through profit or loss	-	-	18,481,608	18,481,608
	-	-	18,481,608	18,481,608

	Fair value as at 31 March 2016			
	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Investments at fair value through profit or loss	-	-	7,866,099	7,866,099
	-	-	7,866,099	7,866,099

Investments into Private Equity Opportunities through the Carlyle Group, which are fair valued at each reporting date, have been classified within level 3 as they are not traded and contain unobservable inputs.

Global Private Equity One Limited

Notes to the Financial Statements

For the year ended 31 March 2017

11. Financial instruments (continued)

(b) *Categories of financial instruments (continued)*

Classification of fair value measurements (continued)

The following table presents the movement in level 3 financial instruments:

	31 March 2017	31 March 2016
	US\$	US\$
Opening balance	7,866,099	-
Purchases of investments at fair value through profit or loss	11,116,723	8,330,491
Distributions from investments at fair value through profit or loss	(1,834,809)	(11,103)
Realised foreign exchange gains on investments at fair value through profit or loss	75,942	-
Total unrealised gains/(losses) on investments at fair value through profit or loss	1,257,653	(453,289)
Closing balance	<u>18,481,608</u>	<u>7,866,099</u>

The Company recognises transfers between levels of fair value hierarchy as of the end of each reporting period in which the transfer has occurred.

There were no transfers between any fair value hierarchy levels during the year (31 March 2016: none).

(c) *Net gains and losses on investments at fair value through profit or loss*

	For the period from 1 April 2016 to 31 March 2017	For the period from 23 September 2015 (date of incorporation) to 31 March 2016
	US\$	US\$
<i>Investments at fair value through profit or loss:</i>		
<u>Unlisted Private Equity investments</u>		
Unrealised losses on investments at fair value through profit or loss at the beginning of the year/period	(453,289)	-
Movement in net unrealised gains/(losses) on investments at fair value through profit or loss during the year/period	1,257,653	(453,289)
Unrealised gains/(losses) on investments at fair value through profit or loss at the end of the year/period	<u>804,364</u>	<u>(453,289)</u>

12. Financial Risk Management

The Company is exposed to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Market Price Risk

Market price risk results mainly from the uncertainty about future prices of financial instruments held. It represents the potential loss the Company may suffer through holding market positions in the face of price movements and changes in interest rates or foreign exchange rates, with the maximum risk resulting from financial instruments being determined by the fair value of the financial instruments.

All securities investments present a risk of loss of capital. The Investment Adviser moderates this risk through a careful selection of securities and other financial instruments within specified limits in accordance with the investment policies adopted by the Company. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

Global Private Equity One Limited

Notes to the Financial Statements

For the year ended 31 March 2017

12. Financial Risk Management (continued)

Market Price Risk (continued)

The Company's exposure to market price risk arises from uncertainties about future prices of its investments. This risk is managed through diversification of the investment portfolio. The Company's overall market positions are monitored on a regular basis by the Investment Adviser and are reviewed on a quarterly basis by the Board of Directors.

At 31 March 2017, the Company's market risk is affected by three main components: changes in actual market prices, interest rate and foreign currency movements. Interest rate and foreign currency movements are shown below. A 20% increase in the market prices of the investments, with all other variables held constant, would result in a 3.79% (31 March 2016: 0.82%(10% increase)) increase in net assets attributable to shareholders. If the market prices of the investments had been 20% lower, with all other variables held constant, net assets attributable to shareholders would have fallen by 3.79% (31 March 2016: 0.82% (10% increase)).

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's cash and cash equivalents are held in interest bearing and fixed deposit accounts. As a result, the Company is directly subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash or cash equivalents are invested at short-term interest rates.

	31 March 2017		
	Interest bearing US\$	Non interest bearing US\$	Total US\$
Assets			
Investments at fair value through profit or loss	-	18,481,608	18,481,608
Cash and cash equivalents	34,319,552	3,454,113	37,773,665
Trade and other receivables	40,955,059	353,016	41,308,075
Total financial assets	75,274,611	22,288,737	97,563,348
Liabilities			
Payables	-	124,866	124,866
Total financial liabilities	-	124,866	124,866
	31 March 2016		
	Interest bearing US\$	Non interest bearing US\$	Total US\$
Assets			
Investments at fair value through profit or loss	-	7,866,099	7,866,099
Cash and cash equivalents	52,056,113	3,433,412	55,489,525
Trade and other receivables	32,523,600	-	32,523,600
Total financial assets	84,579,713	11,299,511	95,879,224
Liabilities			
Payables	-	75,043	75,043
Total financial liabilities	-	75,043	75,043

The sensitivity analysis below has been determined based on the Company's exposure to interest rates for interest-bearing assets and liabilities (included in the interest rate exposure table above) at the reporting date, with the stipulated change deemed to have taken place at the beginning of the financial period and held constant through the reporting period in the case of instruments that have floating rates. 25 basis points represents management's assessment of the reasonably possible change in interest rates.

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Notes to the Financial Statements

For the year ended 31 March 2017

12. Financial Risk Management (continued)

Interest Rate Risk (continued)

As at 31 March 2017, if interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's net assets attributable to shareholders would have increased/decreased by US\$85,799 (31 March 2016: US\$130,148) due to the increase in the interest earned on the Company's cash balances

The Investment Adviser monitors the Company's overall interest rate sensitivity on a regular basis by reference to prevailing interest rates and the level of the Company's cash balances.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Some of the net assets of the Company are denominated in currencies other than US Dollars, with the effect that the Statement of Financial Position and Statement of Comprehensive Income can be significantly affected by currency movements.

The table below summarises the Company's exposure to currency risks:

31 March 2017						
	Cash and cash equivalents	Receivables	Liabilities	Investments at fair value through profit or loss	Total	
	US\$	US\$	US\$	US\$	US\$	US\$
Japanese Yen	3,454,113	-	-	4,816,479	8,270,592	
Pound Sterling	-	-	(24,057)	-	(24,057)	
	<u>3,454,113</u>	<u>-</u>	<u>(24,057)</u>	<u>4,816,479</u>	<u>8,246,535</u>	
31 March 2016						
	Cash and cash equivalents	Receivables	Liabilities	Investments at fair value through profit or loss	Total	
	US\$	US\$	US\$	US\$	US\$	US\$
Japanese Yen	3,433,412	-	-	4,003,878	7,437,290	
Pound Sterling	-	-	(24,711)	-	(24,711)	
	<u>3,433,412</u>	<u>-</u>	<u>(24,711)</u>	<u>4,003,878</u>	<u>7,412,579</u>	

The Company is exposed to currency risk in relation to its Japanese Yen- and Pound Sterling-denominated financial instruments. The Investment Adviser monitors the Company's currency positions on a regular basis, and the Board of Directors reviews them on a quarterly basis.

The sensitivity analysis below has been determined based on the sensitivity of the Company's outstanding foreign currency denominated financial assets and liabilities to a 5% increase / decrease in the US Dollar against Japanese Yen and Pound Sterling, translated at the year end date.

The following analysis details the Company's sensitivity to a 5% increase/decrease in foreign currency exchange rates. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

As at 31 March 2017, if the US Dollar had weakened by 5% against Japanese Yen and Pound Sterling, with all other variables held constant, the Company's net assets attributable to shareholders would have been 0.424% higher (31 March 2016: 0.388% higher) and 0.001% lower (31 March 2016: 0.001% lower) respectively. Conversely, if the US Dollar had strengthened by 5% against Japanese Yen and Pound Sterling, with all other variables held constant, the Company's net assets attributable to shareholders would have been 0.424% lower (31 March 2016: 0.388% lower) and 0.001% higher (31 March 2016: 0.001% higher) respectively.

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12. Financial Risk Management (continued)

Liquidity Risk

The Investment Adviser monitors the Company's currency positions on a regular basis, and the Board of Directors reviews them on a quarterly basis.

The following table analyses the Company's financial liabilities, which will be settled on a net basis, into relevant maturity groupings based on the remaining period from the year end date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

The table below shows the maturity analysis of the Company's assets and liabilities:

31 March 2017	Less than 3 months US\$	3-12 months US\$	No stated maturity US\$	Total US\$
Assets				
Investments at fair value through profit or loss	-	-	18,481,608	18,481,608
Cash at bank	37,773,665	-	-	37,773,665
Trade and other receivables	-	41,308,065	10	41,308,075
Total assets	37,773,665	41,308,065	18,481,618	97,563,348
Liabilities				
Other payables	124,866	-	-	124,866
Total liabilities	124,866	-	-	124,866
31 March 2016				
	Less than 3 months US\$	3-12 months US\$	No stated maturity US\$	Total US\$
Assets				
Investments at fair value through profit or loss	-	-	7,866,099	7,866,099
Cash at bank	55,489,525	-	-	55,489,525
Trade and other receivables	-	32,523,600	10	32,523,610
Total assets	55,489,525	32,523,600	7,866,109	95,879,234
Liabilities				
Payables	75,043	-	-	75,043
Total liabilities	75,043	-	-	75,043

Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. These financial assets include cash and cash equivalents, receivables and investments at fair value through profit and loss. The Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying value or fair value of these financial assets.

As the investment portfolio consists solely of investments managed by the Carlyle Group, investment transactions are settled by the Company upon receipt of a Limited Partnership drawdown notice received from the Carlyle Group.

The Carlyle Group will initially consider the Company's application to invest as a Limited Partner on receipt of subscription documents and commitment letters. Following acceptance as a Limited Partner investor, a Limited Partner drawdown notice will be issued to the Company in tranches against the total amount committed. Failure to meet the drawdown obligation may cause the investment transaction to fail.

Global Private Equity One Limited

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For the year ended 31 March 2017

12. Financial Risk Management (continued)

Credit Risk (continued)

Credit risk on liquid funds is limited, as the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The following table shows the maximum exposure to credit risk:

	31 March 2017	31 March 2016
	US\$	US\$
Investments at fair value through profit or loss	18,481,608	7,866,099
Cash and cash equivalents	37,773,665	55,489,525
Trade and other receivables (excluding prepayments)	41,308,075	32,523,610
Total	97,563,348	95,879,234

Amounts in the above table are based on the carrying value of the assets. The carrying amounts of these assets are considered to represent their fair value.

As at 31 March 2017 and 31 March 2016 no receivables are impaired or past due.

22% of the cash held by the Company is held by Investec Bank (Channel Islands) Limited ("IBCI"), 26% is held with BNP Paribas, 26% is held with Lloyds and the final 26% is held with Santander. Bankruptcy or insolvency of any of these banks may cause the Company's rights with respect to these assets to be delayed or limited. The Company monitors its risk by monitoring the credit rating of the banks, which currently have Standard & Poor's long-term ratings of BB+, A, BBB+ and A respectively (31 March 2016: BBB-, A and BBB+). If credit quality deteriorates, the Investment Adviser may move the holdings to other banks.

The Investment Adviser monitors the Company's credit exposure on a regular basis, and the Board of Directors reviews it on a quarterly basis.

The Company's investments are held in Private Equity Opportunities through the Carlyle Group, an unrated investment company.

Concentration Risk

Concentration risk may arise if the Company's investments are concentrated in a low number of investments, each representing a relatively large percentage of the Company's net assets. At times the Company may hold a relatively small number of investments, each representing a relatively large portion of the Company's net assets, until it is fully invested. Losses incurred in such investments could have a materially adverse effect on the Company's overall financial condition. Whilst the Company's portfolio is diversified in terms of the companies in which it invests, the investment portfolio of the Company may be subject to more rapid change in value than would be the case if the Company were required to maintain a wider diversification among types of securities, countries and industry groups. The Company is exposed to concentration risk in respect of its investments at fair value through profit or loss, all of which are held with the Carlyle Group.

13. Commitments

The Company has total commitments at 31 March 2017 of:

- ¥828,615,670 (31 March 2016: ¥828,615,670) regarding its investment in Carlyle Japan Partners III LP, with ¥385,334,131 (31 March 2016: ¥386,547,838) of this outstanding at 31 March 2017;
- US\$8,589,971 (31 March 2016: US\$8,589,971) regarding its investment in Carlyle International Energy Fund LP, with US\$6,461,276 (31 March 2016: US\$6,529,083) of this outstanding at 31 March 2017;
- US\$7,055,742 (31 March 2016: US\$7,055,742) regarding its investment in Carlyle Equity Opportunities Fund II LP, with US\$5,514,973 (31 March 2016: US\$5,685,079) of this outstanding at 31 March 2017;
- US\$2,277,720 (31 March 2016: US\$2,277,720) regarding its investment in Carlyle Asia Partners IV Fund LP, with US\$961,494 (31 March 2016: US\$1,081,733) of this outstanding at 31 March 2017;

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13. Commitments (continued)

- US\$8,592,396 (31 March 2016: US\$8,500,000) regarding its investment in Carlyle Power Partners II LP, with US\$5,489,279 (31 March 2016: US\$8,500,000) of this outstanding at 31 March 2017;
- US\$16,300,000 (31 March 2016: US\$16,300,000) regarding its investment in Carlyle Asia Growth V LP, with US\$13,080,181 (31 March 2016: US\$16,300,000) of this outstanding at 31 March 2017;
- US\$23,300,000 (31 March 2016: US\$nil) regarding its investment in Carlyle Strategic Partners IV LP, with US\$21,215,254 (31 March 2016: US\$nil) of this outstanding at 31 March 2017; and
- US\$20,300,000 (31 March 2016: US\$nil) regarding its investment in Alpinvest Secondaries Fund VI LP, with US\$20,300,000 (31 March 2016: US\$nil) of this outstanding at 31 March 2017.

14. Taxation

The Company is exempt from Guernsey income tax and is charged an annual exemption fee of £1,200 (31 March 2016: £1,200).

The Company is subject to federal and state tax on effectively connected income ("ECI") received from certain of its underlying portfolio holdings in the US and Japan. Such taxes are deducted by the investee from income before being paid to the Company.

15. Capital management

The Company's capital comprises the funds it has raised through the issue of share capital.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to ensure that the Company will be able to continue as a going concern, the Board continuously monitors forecast and actual cash flows and matches the maturity profiles of assets and liabilities. The Company has no external borrowings.

16. Earnings/(loss) per A Class and B Class Share

Earnings per A Class Share are based on the profit for the year of US\$1,132,622 (for the period from 23 September 2015 to 31 March 2016: loss of US\$196,329) and on a weighted average number of A Class Shares in issue during the year of 67,477 (31 March 2016: 66,531).

Earnings per B Class Share are based on the profit for the year of US\$494,997 (for the period from 23 September 2015 to 31 March 2016: loss of US\$82,882) and on a weighted average number of B Class Shares in issue during the year of 28,744 (31 March 2016: 28,744).

17. Subsequent events

On 5 April 2017, US\$111,370 was drawn down on the Company's commitment to Carlyle International Energy Fund LP.

On 23 May 2017, US\$1,159,797 was drawn down on the Company's commitment to Alpinvest Secondaries Fund VI LP.

There are no other significant events since the year end that require disclosure in these financial statements.