

**STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED**

**Interim Report and Unaudited Condensed Consolidated Financial Statements**

**For the six months ended 30 September 2024**

**STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED**

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## STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED

### Directors and Administration

<b>Directors:</b>	Richard Crowder (Chairman) Rupert Evans Ian Crosby	
<b>Audit Committee:</b>	Rupert Evans Ian Crosby Mervyn Ellis (Delegated chairman of Audit Committee and a non board member)	
<b>Registered Office:</b>	4th Floor, Royal Bank Place Gategny Esplanade St Peter Port Guernsey, GY1 2HJ Channel Islands	
<b>Investment Adviser:</b>	Stonehage Fleming Investment Management (Guernsey) Limited 4th Floor, Royal Bank Place Gategny Esplanade St Peter Port Guernsey, GY1 2HJ Channel Islands	
<b>Investment Services Provider:</b>	Stonehage Fleming Investment Management Limited 6 St James's Square London SW1Y 4JU United Kingdom	
<b>Custodian and Banker:</b>	Butterfield Bank (Guernsey) Limited Regency Court Gategny Esplanade St Peter Port Guernsey GY1 3AP	
<b>Administrator, Secretary and Registrar of the Company:</b>	Vistra Fund Services (Guernsey) Limited PO Box 91 4th Floor, Royal Bank Place Gategny Esplanade St Peter Port Guernsey, GY1 2HJ Channel Islands	
<b>Legal Advisers:</b>	<i>As to Guernsey Law:</i> Mourant Ozannes Royal Chambers St Julians Avenue St Peter Port Guernsey GY1 4HP	<i>As to English Law:</i> Morgan Lewis & Bockius UK LLP Condor House 5-10 St Paul's Churchyard London EC4M 8AL
<b>Auditors:</b>	RSM CI (Audit) Limited 13/14 Esplanade St Helier Jersey JE4 9RJ Jersey	

## STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED

### Directors' Report for the six months ended 30 September 2024

The Directors present their interim report and the unaudited condensed consolidated financial statements for Stonehage Fleming Private Equity Heritage Fund Limited (the "Company") and FF&P Venture Funds Subsidiary Limited (the "Subsidiary") (together the "Fund") for the six months ended 30 September 2024.

#### Principal activities

The Company was incorporated on 23 August 2018, with registration number 65406.

The Company was established to deliver increase in capital value to Investors, by investing in pooled investment vehicles held by the Subsidiary. The Company aims to offer investors a diversified exposure to a broad spectrum of investment opportunities.

#### Results and dividends

The results for the period are set out on page 7. No dividend was declared or paid during the period (31 March 2024: US\$nil).

During the period, there were no redemptions of participating shares (31 March 2024: 1,126,512 shares) amounting to US\$nil (31 March 2024: USD 1,003,542).

On 26th November 2024, the Company redeemed 2,507,140 shares, returning funds to shareholders of approximately US\$2m. As a result of these redemptions, there are 112,355 Class A shares and 22,451,833 Class B shares in issue as at the date of this report.

#### Directors

All Directors, as detailed on page 2, are non executive. Rupert Evans, Ian Crosby and Richard Crowder are also directors of Stonehage Fleming Investment Management (Guernsey) Limited (the "Investment Adviser").

#### Audit Committee

There have been no changes to the Audit Committee. Mr Rupert Evans, Mr Ian Crosby and Mr Mervyn Ellis remain members of the Committee. Mr Ellis remains the delegated Chairman of the Committee due to him being a non board member.

Mr Ellis is a Senior Adviser in the Stonehage Fleming Family Office. He joined the Stonehage Fleming Group in 2004 with over twenty five years UK private client experience, including ten years as a tax partner with accounting firm Robson Rhodes. Mr Ellis qualified as a UK Chartered Accountant in 1975 and is a UK Chartered Tax Adviser.

#### Going Concern

The Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements as the assets of the Fund include sufficient cash to meet day to day expenditure, there are minimal creditors and shares are only redeemable at the discretion of the Directors. The Investment Adviser's ongoing correspondence with the Fund managers of the underlying investment companies has indicated that the amounts of outstanding commitments that are likely to be called are minimal and will not have an overall impact on the liquidity of the Fund. Accordingly, the Fund has adequate financial resources to continue in operational existence for the foreseeable future.

On 26th November 2024, the Company redeemed 2,507,140 shares, returning funds to shareholders of approximately US\$2m. As a result of these redemptions, there are 112,355 Class A shares and 22,451,833 Class B shares in issue as at the date of this report.

The Directors note that the Fund has sufficient cash resources to meet its obligations for at least one year after the approval of these financial statements and the Fund can continue to operate in its normal course of business.

The Directors have considered the impact of geopolitical developments on global capital markets and the prevailing macro-economic environment. The Company continues to operate normally and no events have occurred that require adjustment to, or disclosure in, the financial statements. The Directors do not consider that there has been or will be a material impact on the Company and will continue to monitor the situation as well as consider any likely implications accordingly.

#### Directors' responsibilities

The Companies (Guernsey) Law, 2008, as amended (the "Law") requires the Directors to prepare financial statements for each financial year. As disclosed in Note 2, the financial statements of the Fund are prepared in accordance with United Kingdom Accounting Standards and applicable law. The condensed set of financial statements included in this half-yearly financial report have been prepared in accordance with FRS 104 Interim Financial Reporting. The Directors are responsible for preparing the financial statements for each financial period which give a true and fair view of the state of affairs of the Fund and of the profit or loss for that period in accordance with applicable Guernsey Law and United Kingdom Accounting Standards, including FRS 104. In preparing these financial statements, the Directors are required to:

- \* select suitable accounting policies and 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 Fund will continue in business.

**STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED**

**Directors' Report for the six months ended 30 September 2024 (continued)**

**Directors' responsibilities (continued)**

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

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Fund and enable them to ensure that the financial statements have been properly prepared in accordance with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Auditor**

RSM Channel Islands (Audit) Limited has indicated their willingness to remain in office.

Approved and signed by the Board of Directors on 24 January 2025.

**Richard Crowder**  
Director

**Rupert Evans**  
Director

## **STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED**

### **Investment Adviser's Report For the six months ended 30 September 2024**

#### **Investment objective and performance outlook**

The Stonehage Fleming Private Equity Heritage Fund Limited ("Heritage Fund") was formed in September 2018 to separately hold a pool of assets previously held by two cells within FF&P Venture Funds PCC Limited. Investor interests in the Heritage Fund remained the same following the transfer of assets as those within the former cells of FF&P Venture Funds PCC Limited.

As at 30th September 2024, the published unaudited NAV of the Heritage Fund was \$20.43m and the NAV per share was \$0.81493 which represents a decrease of 2.9% over the 6-month period. Since its formation in September 2018, the Heritage Fund has generated a 1.12x TVPI (Total Value to Paid-in Capital) ratio and a 0.87x DPI (Distributed to Paid-in Capital) ratio.

The key detractors of the Fund's performance over the past 6 months were:

- Balderton IV driven by the fall in share price of The Hut Group which fell by 20% during the 6-month period, mainly due to market volatilities and investors' reactions following the firm's announcement to demerge its Ingenuity division.
- Navis Asia V driven by mark downs in Eng Kong and Evolution Wellness, mainly due to the decline in market comparable multiples.

The negative performance was partly offset by the mark ups from Summit Partners Europe driven by the strong performance in Darktrace. The manager is expected to fully exit their positions in Darktrace as part of a take-private transaction announced by Thomas Bravo.

The largest exposure within the portfolio is DN Capital II, a global venture capital fund that has generated a since inception net 1.6x TVPI and net 7.2% IRR. Other key holdings in the Heritage Fund include Balderton IV, Capital Today China II and Special Opportunities Fund IV.

#### **Stonehage Fleming Investment Management (Guernsey) Limited**

**24 January 2025**

## STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED

### Investment Portfolio Statement as at 30 September 2024

	As at 30 September 2024		As at 31 March 2024	
	US\$ '000	% of total net assets	US\$ '000	% of total net assets
<b>Private Equity Investments at valuation</b>				
Abry Partners VI, L.P.	40	0.2%	39	0.2%
Abry Senior Equity III, LP	26	0.1%	22	0.1%
Balderton Capital IV, L.P.	4,795	23.5%	5,073	24.0%
Beacon India Private Equity Fund, L.P.*	-	0.0%	15	0.1%
Capital Today China Fund	2,384	11.7%	2,900	13.6%
Cipio Partners, L.P.	523	2.6%	577	2.7%
DN Capital Global Venture II, L.P.	5,552	27.2%	5,326	25.2%
Lime Rock Partners V, L.P.	304	1.5%	962	4.6%
Navis Asia Fund V, L.P.	1,184	5.8%	1,495	7.1%
Norvestor V, L.P.	86	0.4%	101	0.5%
Shoreview Parallel Partners II, L.P.	16	0.1%	17	0.1%
Special Opportunities Fund IV Private Equity, L.P.	2,042	10.0%	2,044	9.7%
Sterling Capital Partners III, L.P.	129	0.6%	156	0.7%
Summit Partners Europe, L.P.	480	2.3%	378	1.8%
TA Atlantic and Pacific VI, L.P.	172	0.8%	192	0.9%
Trident Private Equity Fund III, L.P.	44	0.2%	41	0.2%
<b>Total value of investments</b>	<b>17,777</b>	<b>87.0%</b>	<b>19,338</b>	<b>91.5%</b>
<b>Net current assets</b>	<b>2,654</b>	<b>13.0%</b>	<b>1,786</b>	<b>8.5%</b>
<b>Total net assets</b>	<b>20,431</b>	<b>100.0%</b>	<b>21,124</b>	<b>100.0%</b>

\*Confirmation has been received from the custodian, Butterfield Bank, that no further capital commitments will be called in respect of this investment.

**STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED**  
**Condensed Consolidated Statement of Comprehensive Income**  
**for the six months ended 30 September 2024**

	<i>Notes</i>	Period ended 30 Sept 2024 US \$ '000	Period ended 30 Sept 2023 US \$ '000
Net loss on investments	6	(368)	(1,238)
Income		8	40
Expenses		(348)	(383)
<b>Net loss before taxation</b>		<u>(708)</u>	<u>(1,581)</u>
Tax credit/(paid)	5	15	(28)
<b>Total comprehensive loss for the period</b>		<u>(693)</u>	<u>(1,609)</u>
<b>Total comprehensive loss per share for the period</b>	13	(\$0.03)	(\$0.06)

**Condensed Consolidated Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares**  
**for the six months ended 30 September 2024**

	<i>Notes</i>	Period ended 30 Sept 2024 US \$ '000	Year ended 31 March 2024 US \$ '000
<b>Equity shareholders' funds at the start of the period/ year</b>		21,124	24,320
<b>Movement due to issue and cancellation of shares:</b>			
Redemptions of redeemable participating shares	10	-	(1,004)
<b>Total comprehensive deficit for the period/ year</b>		(693)	(2,192)
<b>Equity shareholders' funds at the end of the period/ year</b>		<u>20,431</u>	<u>21,124</u>

All results arise from continuing operations.

The accompanying notes on pages 10 to 15 form an integral part of these interim financial statements.



**STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED****Condensed Consolidated Statement of Financial Position****As at 30 September 2024**

	<i>Notes</i>	As at 30 Sept 2024 US \$ '000	As at 31 Mar 2024 US \$ '000
<b>Portfolio of Investments</b>			
Investments	7, 8	<u>17,777</u>	<u>19,338</u>
<b>Current assets</b>			
Cash at bank and cash equivalents		2,881	2,027
Debtors and other receivables		92	105
<b>Current liabilities</b>			
Creditors and accruals: amounts falling due within one year		(319)	(346)
<b>Net current assets</b>		2,654	1,786
<b>Total net assets</b>		<u>20,431</u>	<u>21,124</u>
<b>Shareholders' funds</b>			
Share Premium	10	10,747	10,747
Reserves	11	9,684	10,377
<b>Total shareholders' funds</b>		<u>20,431</u>	<u>21,124</u>
<b>Net asset value per Share</b>		\$0.81	\$0.84

The financial statements on pages 7 to 15 were approved by the Board of Directors at a meeting held on 24 January 2025 and signed on their behalf by:

**Richard Crowder**  
Director

**Rupert Evans**  
Director

The accompanying notes on pages 10 to 15 form an integral part of these interim financial statements.

**STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED**  
**Condensed Consolidated Statement of Cash Flows**  
**for the six months ended 30 September 2024**

	<i>Notes</i>	Period ended 30 Sept 2024 US \$ '000	Period ended 30 Sept 2023 US \$ '000
<b>Cash flows from operating activities</b>			
Net loss before taxation		(708)	(1,581)
Decrease in debtors		13	4
(Decrease)/increase in creditors		(28)	135
Net loss on investments	6	368	1,238
Tax paid		15	(28)
<b>Net cash used in operating activities</b>		<b>(340)</b>	<b>(232)</b>
<b>Cashflows from investing activities</b>			
Investment purchases	7	-	(11)
Investment sales	7	1,193	1,407
<b>Net cash from investing activities</b>		<b>1,193</b>	<b>1,396</b>
<b>Cashflows from financing activities</b>			
Payments on redemption of participating shares		-	(2,715)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(2,715)</b>
<b>(Decrease)/Increase in cash for the period</b>		<b>853</b>	<b>(1,551)</b>
Cash and cash equivalents at the beginning of the period		2,028	3,614
<b>Cash and cash equivalents at the end of the period</b>		<b>2,881</b>	<b>2,063</b>

The accompanying notes on pages 10 to 15 form an integral part of these interim financial statements.

**STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED**  
**Notes to the Condensed Consolidated Financial Statements**  
**for the six months ended 30 September 2024**

**1 Constitution and company structure**

Stonehage Fleming Private Equity Heritage Fund Limited (the "Company") was incorporated with limited liability in Guernsey on 23 August 2018 with Company number 65406. The Company wholly owns FF&P Venture Funds Subsidiary Limited (the "Subsidiary"), a Guernsey Company with Company number 48394. The Company and the Subsidiary are collectively referred to as the "Fund".

The principal activity of the Fund is that of investment holding.

**2 Basis of preparation**

The interim condensed financial statements are presented in USD, and have been prepared under the historical cost convention as modified by the revaluation of financial assets measured at fair value through profit and loss. They give a true and fair view and are in compliance with the Companies (Guernsey) Law, 2008. FRS 104 "Interim Financial Reporting", issued by the Financial Reporting Council ("FRC") in March 2015, has been applied in preparing this condensed set of financial statements.

The principal accounting policies applied in these financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 March 2024.

The interim condensed financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company's Annual Report and Financial Statements for the year ended 31 March 2024. The interim condensed financial statements have not been audited or reviewed by the Company's auditors.

Currently, there are no proposed or future amendments to FRS102 which are anticipated to impact the Company.

**Consolidation**

The Company's investment in the Subsidiary has been consolidated. The Fund's condensed consolidated financial statements consolidate the financial statements of the Company and the Subsidiary undertakings drawn up to 30 September each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Fund. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

**3 Significant judgements and key sources of estimation uncertainty**

The preparation of financial statements in conformity with FRS 102 / FRS 104 requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The critical judgements and key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing material adjustment of the carrying amount of assets within the next financial year, are those relating to going concern, and valuation of investments.

**Judgements : Going concern**

The Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements as the assets of the Fund include sufficient cash to meet day to day expenditure, there are minimal creditors and shares are only redeemable at the discretion of the Directors. The Investment Adviser's ongoing correspondence with the Fund managers of the underlying investment companies has indicated that the amounts of outstanding commitments that are likely to be called are minimal and will not have an overall impact on the liquidity of the Fund. Accordingly, the Fund has adequate financial resources to continue in operational existence for the foreseeable future.

The Directors note that the Fund has sufficient cash resources to meet its obligations for at least one year after the approval of these financial statements and the Fund can continue to operate in its normal course of business.

The Directors have considered the impact of geopolitical developments on global capital markets and the prevailing macro-economic environment. The Company continues to operate normally and no events have occurred that require adjustment to, or disclosure in, the financial statements. The Directors do not consider that there has been or will be a material impact on the Company and will continue to monitor the situation as well as consider any likely implications accordingly.

**STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED**  
**Notes to the Condensed Consolidated Financial Statements**  
**for the six months ended 30 September 2024**

**3 Significant judgements and key sources of estimation uncertainty (continued)**

*Estimates and assumptions : Valuation of investments*

The Investment Adviser believes that the underlying investments are reasonably valued based on their knowledge of the investments and the information provided by underlying investment managers and administrators. All investment valuations are reviewed on a regular basis based on information provided by the underlying administrators. Where, based on the knowledge of the Investment Adviser, there are doubts as to the basis of valuation provided, the Investment Adviser can recommend to the Directors that they feel it is appropriate that discounts or uplifts to the value provided are applied. Further details of considerations are disclosed in note 8.

**4 Related party transactions and material contracts**

**Investment Adviser fee**

The Investment Adviser is entitled to receive an annual fee equal to 1.8% of the Fund Net Asset Value ("NAV"), calculated as of the last Business Day of each quarter and payable quarterly in arrears. The Investment Adviser is also entitled to be reimbursed for all reasonable out-of-pocket expenses properly incurred in the performance of its duties except that the Investment Adviser is responsible for the fees of the Investment Services Provider. Fees payable to Investment Adviser during the period amounted to US\$185,000 (30 September 2023: US\$210,000) of which US\$185,000 (31 March 2024: US\$194,000) remained outstanding as at the period end.

**Directors' fees**

The Directors are entitled to receive fees of £15,000 per annum, save for the Chairman, who is entitled to receive £20,000 per annum. The Directors are also entitled to be reimbursed for travelling, hotel and other expenses incurred by them in the course of their duties relating to the Company. Total Director fees incurred during the period were US\$33,000 (30 September 2023: US\$32,000), of which US\$nil remained (31 March 2024: US\$nil) outstanding at the period end.

**Audit Committee Fees**

The audit committee Chairman is entitled to receive a fee of £7,000 per annum. Audit committee fees incurred during the period were US\$4,800 (30 September 2023: US\$4,300), of which \$2,400 (31 March 2024: US\$2,000) remained outstanding at the period end. In addition, the committee is entitled to reimbursement of any reasonable expense incurred in relation to the performance of its responsibilities, no such expenses were incurred during the period (30 September 2023: US\$nil).

**Administration fee**

The Fund pays Vistra Fund Services (Guernsey) Limited (the "Administrator") an administration fee based on the NAV of the Fund, payable quarterly in arrears. The fee is 12.5 basis points of the NAV, up to a NAV of US\$75m, then 10 basis points for the NAV over US\$75m and subject to a minimum annual fee of US\$60,000, the minimum reducing by US\$2,000 with the disposal of each underlying fund, to an absolute minimum of US\$45,000. The Administrator is also entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in providing administration services. The time apportioned Administration fees incurred during the period amounted to US\$26,000 (30 September 2023: US\$26,000), of which US\$13,000 (31 March 2024: US\$39,000) remained outstanding as at period end.

**Custodian fee**

The Fund pays a custodian fee to Butterfield Bank (Guernsey) Limited (the "Custodian"), based on 0.05% of the NAV of the Fund, payable quarterly in arrears and subject to a minimum fee of US\$5,000 per annum. The Custodian is also entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in providing custodian services. Custodian fees incurred during the period amounted to US\$5,100 (30 September 2023: US\$5,900), of which US\$5,100 (31 March 2024: US\$3,000) remained outstanding as at period end.

**5 Taxation**

The Company is subject to the standard rate of income tax for Companies, which is 0%.

The Subsidiary is exempt from Guernsey taxation under The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. A fixed annual fee of £1,200 is payable to the States of Guernsey in respect of this exemption.

In certain jurisdictions other than Guernsey, foreign taxes may be withheld at source on distributions received by the Subsidiary, these have been shown in the "taxation" line in the Consolidated Statement of Comprehensive Income.

For the period ended 30 September 2024, a taxation credit of US\$15,000 was recognised (30 September 2023: US\$28,000 charged) in the Statement of Comprehensive income.

**STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED**  
**Notes to the Condensed Consolidated Financial Statements**  
**for the six months ended 30 September 2024**

**6 Net loss on investments**

	<i>Period ended</i> <b>30 Sept 2024</b> <i>US \$ '000</i>	<i>Period ended</i> <b>30 Sept 2023</b> <i>US \$ '000</i>
<b>Private Equity Investments</b>		
Proceeds from investments	1,193	1,407
Original cost of investments realised	(749)	(521)
Realised gain on investments	444	886
Unrealised loss on investments during the period	(812)	(2,124)
Net loss on investments for the period	<u>(368)</u>	<u>(1,238)</u>

The main contributors to the unrealised loss on investments during the period were Balderton Capital IV (US\$ 168,000), DN Capital Global Venture II (US\$ 148,000) and Navis Asia Fund V (US\$ 209,000).

**7 Investments**

	<i>30 Sept 2024</i> <i>US \$ '000</i>	<i>31 Mar 2024</i> <i>US \$ '000</i>
<b>Private Equity Investments</b>		
Cost brought forward	102,343	103,321
Purchases	-	62
Proceeds from sales	(1,193)	(2,792)
Realised gains on investments sold	444	1,752
Cost as at end of the period/year	<u>101,594</u>	<u>102,343</u>
Unrealised loss	(83,817)	(83,005)
Value as at end of the period/year	<u>17,777</u>	<u>19,338</u>

The realised gains on investments sold during the period comes from the investment in Capital Today China Growth Fund (US\$ 444,000).

A 10% Loan to Value (LTV) security is held over the investment portfolio at Bank of Butterfield in connection with the US\$1 million overdraft facility extended to the Fund. As at the period end, the facility remained unused.

**8 Fair value of financial instruments**

FRS 102 requires the Fund to classify investments according to fair value hierarchy that reflects the significance of the inputs used in making the measurements. FRS 102 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The highest priority to unadjusted quoted prices for identical instruments in active markets (Level 1 measurements) and the lowest priority to valuation techniques using observable inputs or valuation techniques using unobservable inputs (Level 3 measurements).

The three levels of fair value hierarchy under FRS 102 are as follows:

Level 1 - Unadjusted quoted prices for identical instruments in an active market

Level 2 - Inputs other than quoted prices in Level 1 that are observable, either directly or indirectly

Level 3 - Valuation techniques using unobservable market data

The level in the fair value hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level of input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that the measurement is level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement. The Investment Adviser considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Unlisted equity securities of other open ended investment funds fall under Level 2 as fair value represents the unadjusted net asset value per share quoted by the manager or administrator of an underlying fund, is redeemable at the reported net asset value at measurement date, and if a transaction at net asset value could have taken place at a statement of financial position date.

The price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value, that price is adjusted using a valuation technique and classified as Level 3 investment.

**STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED**  
**Notes to the Condensed Consolidated Financial Statements**  
**for the six months ended 30 September 2024**

**8 Fair value of financial instruments (continued)**

Level 3 is comprised of private equity funds held by the Fund that are not quoted in active markets. In determining the fair value of its private equity funds, the Fund relies on the valuation as reported in the latest available financial statements and/or capital account statements provided by the private equity fund's general partner, unless the Investment Adviser is aware of reasons that such a valuation may not be the best approximation of fair value. In such cases, the Fund reserves the right to assign a fair value to such investments which differs from the one reported by the private equity fund's general partner. These differences may arise because a number of reasons including but not limited to:

- a) The report received from the private equity fund's general partner may be non-coterminous with the Fund reporting date;
- b) The report received from the private equity fund's general partner may be based on principles that are not aligned with the fair value principles set out in FRS 102 or that of the Fund; and
- c) The Investment Adviser may have other observable or unobservable data that would indicate that amendments are required to particular portfolio company at fair values presented in the report from private equity fund's general partner.

As at the reporting date the classification of investments was as follows:

Level 3 - Valuation techniques using unobservable market data

	<i>As at 30 Sept 2024</i>	<i>As at 31 Mar 2024</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Investments at valuation	17,777	19,338

There have been no transfers between levels during the period.

**9 Financial instruments**

The following table details the categories of financial assets and financial liabilities held by the Fund at period end:

	<i>As at 30 Sept 2024</i>	<i>As at 31 Mar 2024</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss</b>		
Investment in private equity fund instruments	17,777	19,338
	<u>17,777</u>	<u>19,338</u>
<b>Measured at undiscounted amount receivable</b>		
Other receivables	93	80
Cash at bank and cash equivalents	2,881	2,027
	<u>2,974</u>	<u>2,107</u>
<b>Total financial assets</b>	<u><u>20,751</u></u>	<u><u>21,445</u></u>
<b>Financial liabilities</b>		
<b>Measured at undiscounted amount payable</b>		
Creditors and accruals	319	346
<b>Total financial liabilities</b>	<u><u>319</u></u>	<u><u>346</u></u>

**STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED**  
**Notes to the Condensed Consolidated Financial Statements**  
**for the six months ended 30 September 2024**

**10 Share Capital**

	<i>As at 30 Sept 2024</i>	<i>As at 31 Mar 2024</i>
	<i>US\$</i>	<i>US\$</i>
<b>Authorised share capital</b>		
Unlimited number of unclassified shares of no par value	-	-

The Company has two Classes of Shares: Class A Shares and Class B Shares. Both Classes of Shares have identical rights save that at any meeting of the members of the Company where a resolution is proposed in respect of which both holders of Class A Shares and Class B Shares are entitled to vote, the total number of votes that may be cast by holders of Class A Shares shall equal, notwithstanding the number of Class A shares in issue, 35 percent of the total votes which are cast by the holders of the Class A Shares and Class B Shares.

As at 30 September 2024, both Class A and Class B shares have US\$0.96 (31 March 2024: US\$0.96) called and paid out of commitments of US\$1.00 (31 March 2024: US\$1.00). On 25th June 2024, the Directors resolved to waive all outstanding undrawn commitments, this means that no further capital will be called from investors in the Fund.

In the event of the Company being wound up, the assets available for distribution among the members shall be applied in proportion to the number of shares held by the members.

**Issued Unclassified Shares:**

<u>Number of shares</u>	Class A	Class B	<i>Company</i>
At 1 April 2024	124,839	24,946,489	25,071,328
Redeemed	-	-	-
At 30 September 2024	<u>124,839</u>	<u>24,946,489</u>	<u>25,071,328</u>

<u>Number of shares</u>	Class A	Class B	<i>Company</i>
At 1 April 2023	130,448	26,067,392	26,197,840
Redeemed	(5,609)	(1,120,903)	(1,126,512)
At 31 March 2024	<u>124,839</u>	<u>24,946,489</u>	<u>25,071,328</u>

<u>Share Premium</u>	Class A US\$ '000	Class B US\$ '000	<i>Company</i> US\$ '000
At 1 April 2024	54	10,693	10,747
Redeemed	-	-	-
At 30 September 2024	<u>54</u>	<u>10,693</u>	<u>10,747</u>

<u>Share Premium</u>	Class A	Class B	<i>Company</i>
At 1 April 2023	59	11,692	11,751
Redeemed	(5)	(999)	(1,004)
At 31 March 2024	<u>54</u>	<u>10,693</u>	<u>10,747</u>

**11 Reserves**

	<i>30 Sept 2024</i>	<i>31 Mar 2024</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
<b>Realised gains on investments</b>		
Balance brought forward	38,958	37,206
Movement during the period/ year	444	1,752
Balance carried forward	<u>39,402</u>	<u>38,958</u>

**STONEHAGE FLEMING PRIVATE EQUITY HERITAGE FUND LIMITED**  
**Notes to the Condensed Consolidated Financial Statements**  
**for the six months ended 30 September 2024**

**11 Reserves (continued)**

	<b>30 Sept 2024</b>	<b>31 Mar 2024</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>
<b>Unrealised loss on investments</b>		
Balance brought forward	(26,470)	(23,249)
Unrealised loss on investments during the period/year	(812)	(3,221)
Balance carried forward	<u>(27,282)</u>	<u>(26,470)</u>
<b>Income and expenditure</b>		
Balance brought forward	(5,258)	(4,535)
Movement during the period/year	(325)	(723)
Balance carried forward	<u>(5,583)</u>	<u>(5,258)</u>
<b>Other reserve</b>		
Balance brought forward	3,147	3,147
Movement during the period/year	-	-
Balance carried forward	<u>3,147</u>	<u>3,147</u>
<b>Total reserves</b>	<u>9,684</u>	<u>10,377</u>

**12 Commitments**

At 30 September 2024 there were financial commitments outstanding of US\$ 2,551,684 (31 March 2024: US\$2,627,351) in private equity funds, detailed below:

	<b>30 Sept 2024</b>	<b>31 Mar 2024</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>
Abry Partners VI, L.P.	658	658
Abry Senior Equity III, LP	364	364
DN Capital Global Venture II, L.P.	89	87
Lime Rock Partners V, L.P.	10	104
Norvestor V, L.P.	70	68
Special Opportunities Fund IV Private Equity, L.P.	862	862
Summit Partners Europe, L.P.	438	424
TA Atlantic and Pacific VI, L.P.	60	60
	<u>2,551</u>	<u>2,627</u>

At 30 September 2024, the total recallable distributions amounted to US\$8,573,033.

The Investment Adviser's ongoing correspondence with the fund managers of the underlying investment companies has indicated that the amounts of outstanding commitments and recallable distributions that are likely to be called are minimal.

**13 Total comprehensive loss per share**

The total comprehensive loss per share has been calculated on a weighted average basis and is arrived at by dividing the total comprehensive loss for the period by the weighted average number of shares in issue for the Company during the period.

**14 Immediate and ultimate controlling party**

The issued share capital of the Company is owned by numerous parties and therefore there is deemed to be no ultimate controlling party defined by section 33 of FRS 102 - Related Party Disclosures.

**15 Subsequent events**

On 26th November 2024, the Company redeemed 2,507,140 shares, returning funds to shareholders of approximately US\$2m.

As a result of these redemptions, there are 112,355 Class A shares and 22,451,833 Class B shares in issue as at the date of this report.

There are no other events subsequent to the period end which would have a material impact on the consolidated financial statements of the Fund and which require disclosure.