

Manager Commentary

During the period the following activity took in the underlying Parallel portfolios. Within the 2007 vintage there was one follow-on investment of £1.0m was made by the pool into Adelle as part of a senior debt restructuring which will be used to finance a cost reduction plan. With regard to divestment activity, Karavel, an on-line travel agent, was realised for £5.3m. Including income, a profit of £3.8m was achieved producing a gross realised IRR of 44%. A £2.7m loan repayment was also received from CI Traders following a refinancing of the remaining business. The core supermarket division was sold to Waitrose at the end of 2010 repaying all of the existing bank debt. The proceeds from both of these transactions was used to pay down the leverage facility that the pool has. Within the 2008 vintage there was one follow-on investment of £0.1m made into BDL to fund the acquisition of a small group of 4 hotels while there was no divestment activity during the quarter, although the proceeds from a sale made in Q1 were received. An EGM notice has been sent to investors for the purposes of seeking shareholder approval for the sale of the Fund's interest in Parallel Private Equity. Further details can be found on the Channel Islands Stock Exchange website (www.cisx.com).

Fund Objective

The Investment Manager will manage the Fund's portfolio with a view to realising its assets within the shortest period of time consistent, with achieving a reasonable realisation price for such assets and with the intention of disposing of all such assets within 5 years. Realisations will be managed, as far as possible, with a view to ensuring regular and consistent distributions of proceeds to Shareholders. This objective is as per the EGM resolution dated 28 January 2010.

Share Trading

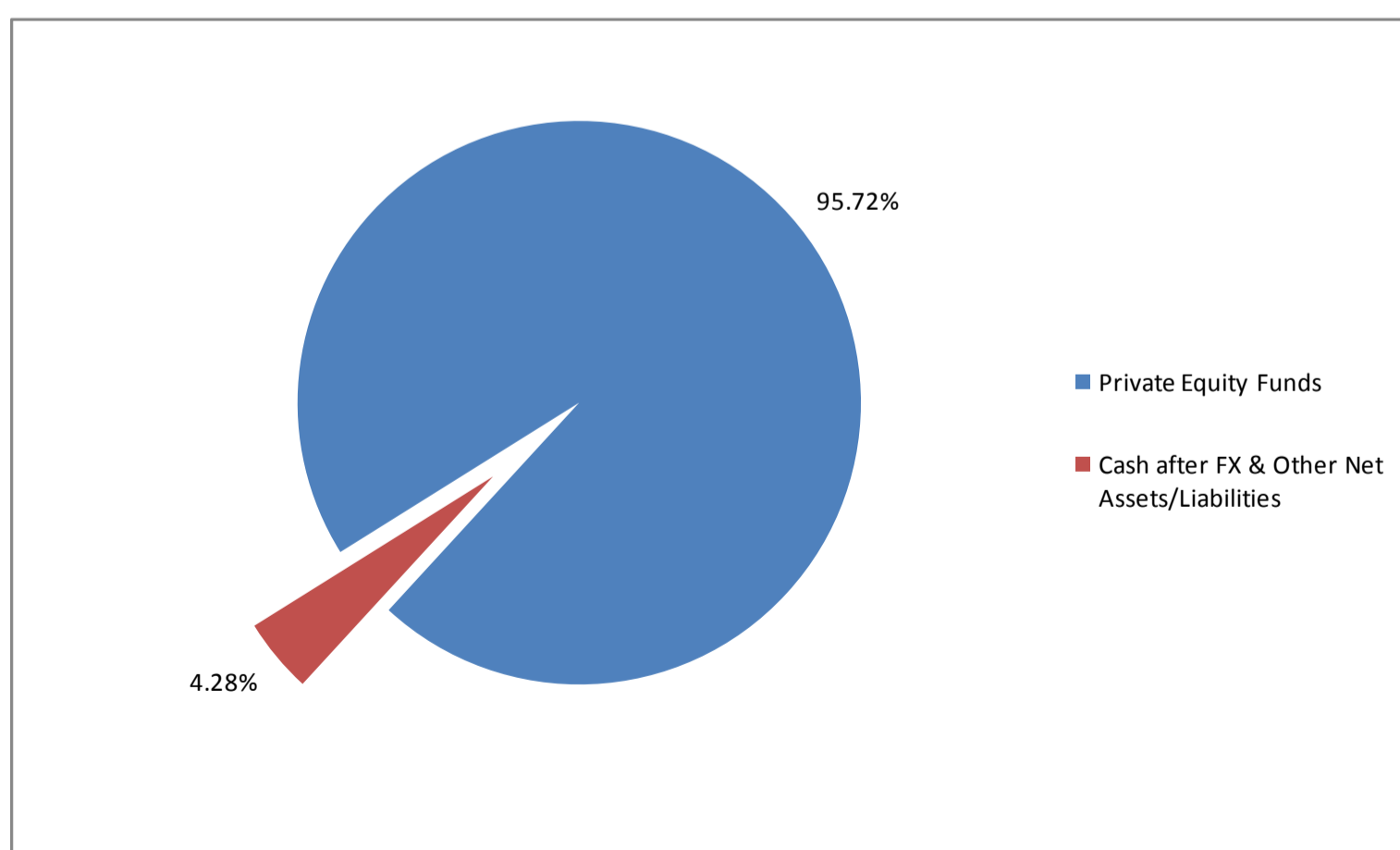
A significant landmark in the process of providing liquidity to investors was reached on 31 March 2010 with the lifting of the suspension of trading of the shares on the Channel Islands Stock Exchange.

Holdings

Investment	Currency of Investment	Value as at 31 Mar 11 (in GBP)	Cash Movement	Value as at 30 Jun 11 (in GBP)	Contribution to Overall Change in Net Assets in the Period	Comments/Additional Information
Parallel Private Equity 2007	GBP	28,262,475	-	28,262,345	(0.00%)	Fund revaluation based on the quarterly partnership report provided by the fund manager.
Parallel Private Equity 2008	GBP	5,911,805	(509,943)	5,651,395	0.71%	Fund revaluation based on the quarterly partnership report provided by the fund manager. There was a distribution made by the partnership in April.
Other						
Cash	GBP	1,315,848	321,505	1,637,353	0.00%	
Other Net Liabilities	GBP	(137,142)	188,438	(120,847)	(0.49%)	
Total		35,352,986		35,430,246	0.22%	

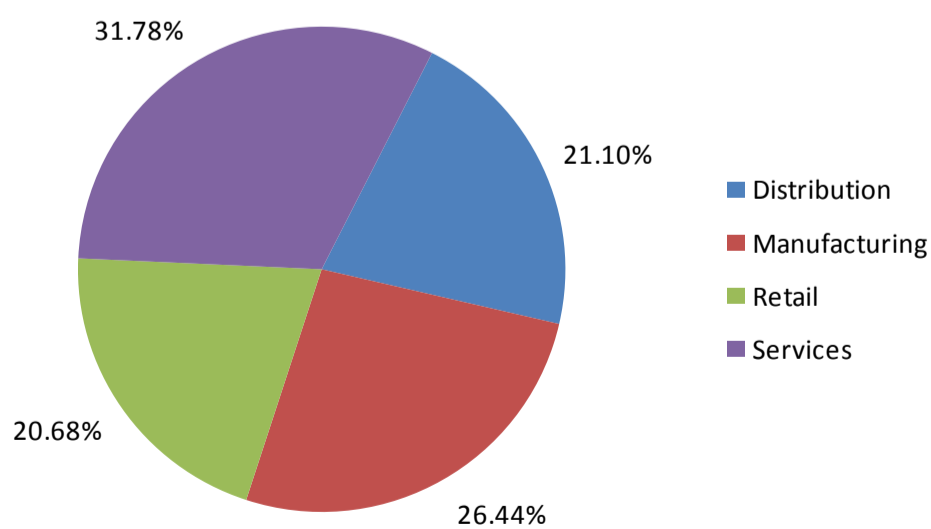
Performance Over Last 12 Months

	Sep-10	Dec-10	Mar-11	Jun-11
NAV per Share (£ Class)	0.8302	0.9296	0.9192	0.9213
% Change	(0.4%)	12.0%	(1.1%)	0.2%
NAV per Share (\$ Class)	0.7724	0.8592	0.8722	0.8756
% Change	4.7%	11.2%	1.5%	0.4%

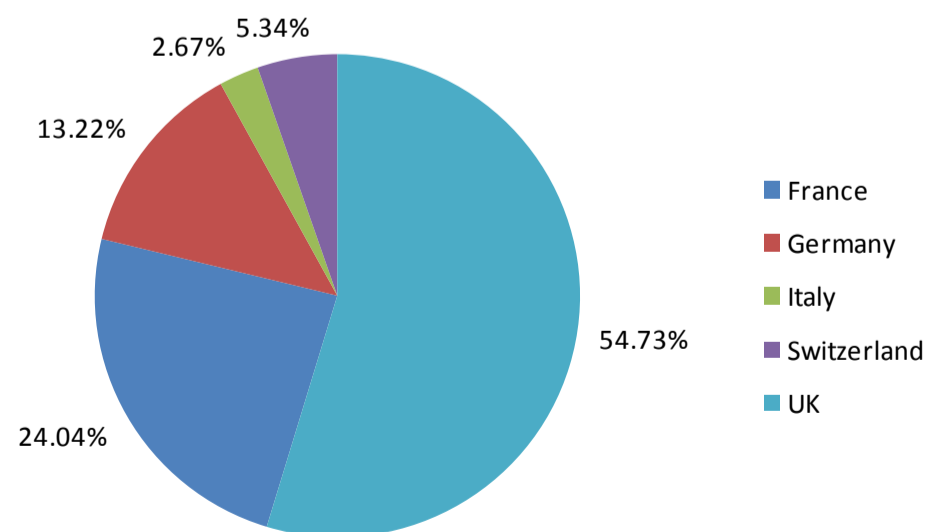
Investment Allocation

Parallel Private Equity Portfolio Companies - 2007 Pool					
Pool	Name	Business Description	Country	Sector	Deal Currency
2007	Enterprise	Utilities and public sector maintenance service provider	UK	Services	GBP
2007	Agent Provocateur	Premium retailer of lingerie and other products	UK	Retail	GBP
2007	Desmet Ballestra	Process Engineering of oils, fats, detergents and oleochemicals	Belgium	Manufacturing	EUR
2007	Kermel	Manufacturer of fibres for protective clothing	France	Manufacturing	EUR
2007	Scaff' Holding	Manufacture and rental of scaffolding	France	Services	EUR
2007	Parkeon	Parking and transport ticketing solutions	France	Manufacturing	EUR
2007	Argus (Eschenbach)	Design Production and Distribution of Frames, Sunglasses and Other Optical Products	Germany	Manufacturing	EUR
2007	Flaktwoods	Climate and air ventilation systems	Switzerland	Manufacturing	EUR
2007	Hydrasun	Supplier of hoses and connectors to the oil gas industry	UK	Manufacturing	GBP
2007	Restaurant Holdings (Gemeaz Group)	Catering and food distribution	Italy	Distribution	EUR
2007	CSC Customer Services Company	Outsourced call centre services	Switzerland	Services	CHF
2007	Paragon Print & Packaging	Printer/converter of self adhesive labels for the food sector	UK	Manufacturing	GBP
2007	Karavel	Online tour operator	France	Services	EUR
2007	Gardman	Design and distribution of garden products and provider of wild bird care	UK	Retail	GBP
2007	Martek Power	Design & manufacture of power supplies, inverters and converters	France	Manufacturing	EUR
2007	Adelie	Sandwich and food to go manufacturer	UK	Manufacturing	GBP
2007	2e2	IT services and infrastructure management	UK	Services	GBP
2007	Oasis	Chain of Dentists	UK	Services	GBP
2007	CI Traders	Conglomerate with retail, wholesale manufacturing, distribution and property arms	UK	Retail	GBP
2007	Original Factory Shop	Value retailer based in small towns	UK	Retail	GBP
2007	Project Duke	Manufacture of automotive components	Germany	Manufacturing	EUR
2007	Baby Cadum	Soap product and housewares brand owner and product developer	France	Distribution	EUR
2007	Sairp	Manufacturer of panels for trailer bodies	France	Manufacturing	EUR
2007	Siteco	Manufacturer of light fixtures	Germany	Manufacturing	EUR
2007	Burton's Foods	Biscuit manufacturer	UK	Manufacturing	GBP
2007	Retif II	Cash and Carry equipment for retail stores	France	Retail	EUR

2007 Pool - Sector Allocation

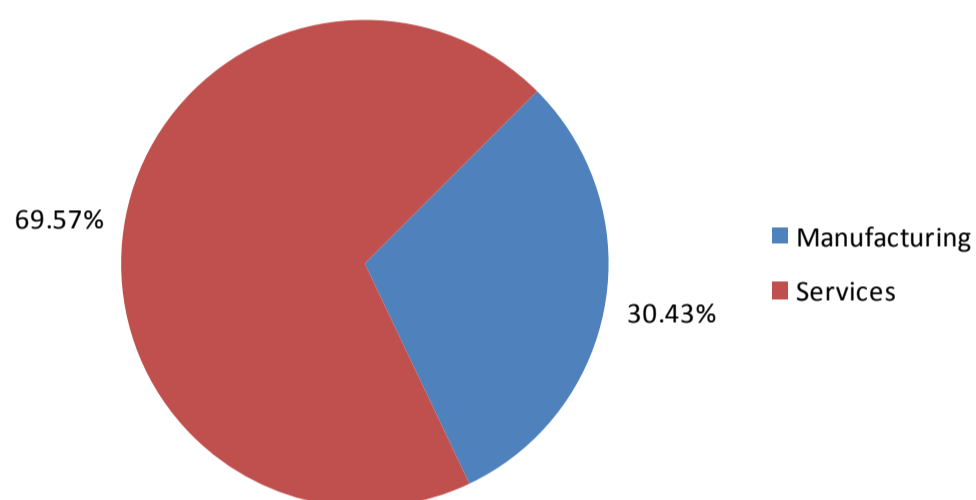


2007 Pool - Country Allocation

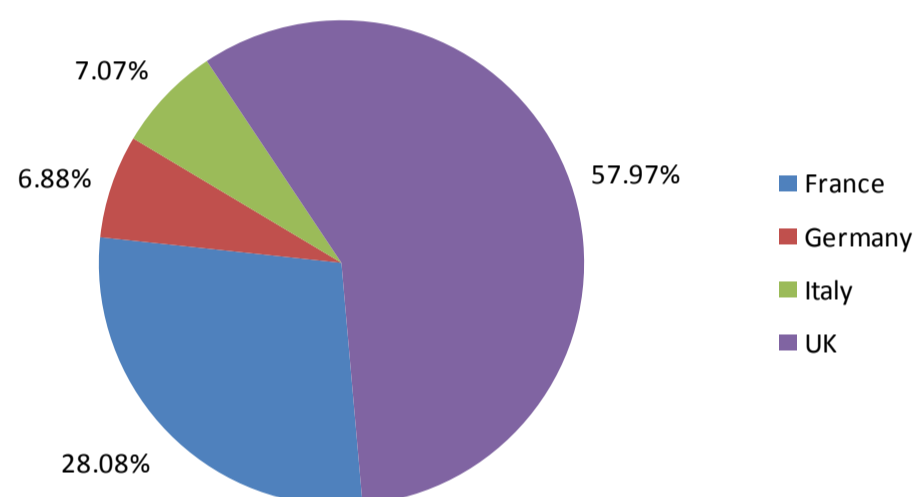


Parallel Private Equity Portfolio Companies - 2008 Pool					
Pool	Name	Business Description	Country	Sector	Deal Currency
2008	Inspicio	Global testing and inspection provider	UK	Services	GBP
2008	Civica	Public sector software and services	UK	Services	GBP
2008	Radius Systems	Manufacture of thermoplastic pipe systems	UK	Manufacturing	GBP
2008	Biomnis	Provider of medical diagnostics	France	Services	EUR
2008	Aqua	Manufacture of machine housing and switching cabinets	Germany	Manufacturing	EUR
2008	TEG	Provider of in flight entertainment services to airlines	UK	Services	GBP
2008	Global Resource Solutions	Recruitment consultancy	UK	Services	GBP
2008	IDSS	Installer & maintainer of CCTV, alarm and air conditioning systems	UK	Services	GBP
2008	BDL Select Hotels	Four star hotel chain	UK	Services	GBP
2008	Emmeti	Heating, water distribution and air conditioning systems	Italy	Manufacturing	EUR
2008	Trophy	Provider of motorcycle clothing and equipment	France	Manufacturing	GBP
2008	Locatel	Provider of interactive TV systems to hospitals and hotels	France	Services	EUR

2008 Pool - Sector Allocation



2008 Pool - Country Allocation



Additional Information

- The Fund is listed on the Channel Islands Stock Exchange (CISX) and official announcements relating to the Fund can be found on the exchange's website (www.cisx.com) under the 'CISX Market News' section.
- The financial year-end for the Fund is 31 March and the audited Report and Financial Statements can also be found on the CISX website.
- The Annual Management Charge for the Fund is 1%.
- There is no Performance Fee for the Fund.
- The ISIN for the GBP Share Class is GG00B1LG5L92 and for the USD Share Class is GG00B1M8FR07.
- The Sedol for the GBP Share Class is B1LG5L9 and for the USD Share Class is B1M8FR0.
- Information relating to the Fund is also available on the SPL Funds website (www.splfunds.com).

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