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J.P.Morgan Private Equity Limited

Unaudited Interim Report and Financial Statements

for the period ended 31 December 2013

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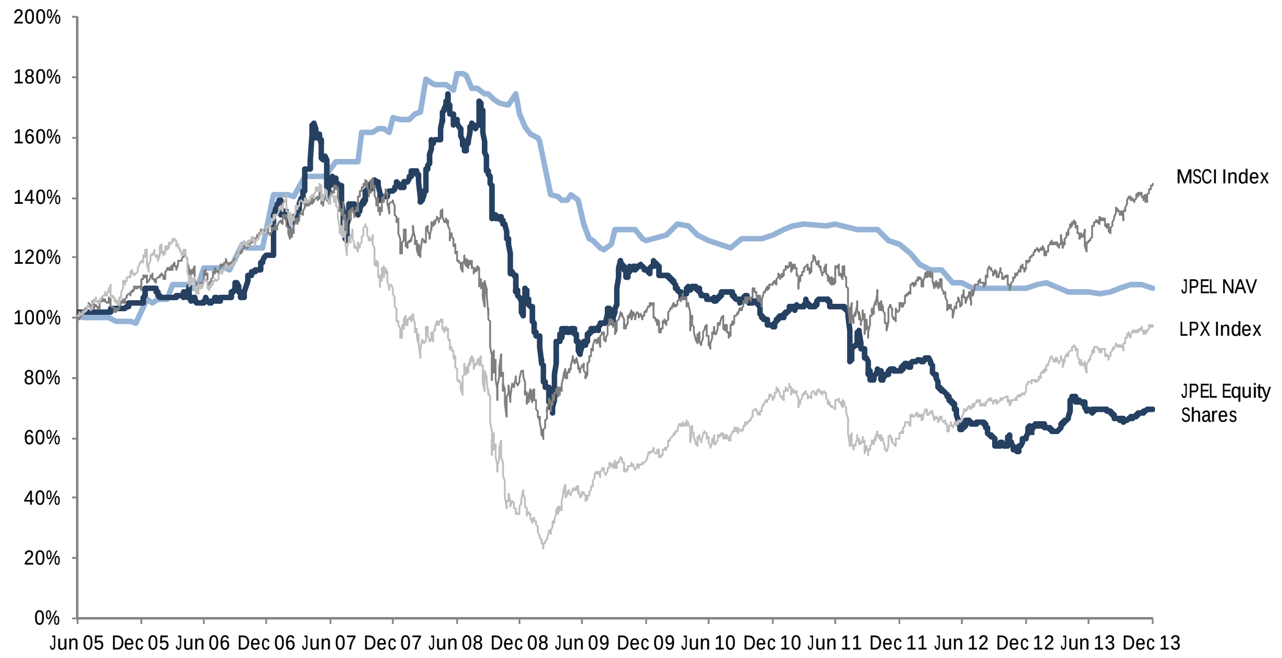
Financial Summary (Company Information)

	31 December 2013
US$ Equity Shares	
NAV per Share	$1.12
Share Price	$0.73
Shares in Issuance (excluding shares held in treasury)	346.4m
2015 ZDP Shares	
NAV per Share[1]	74.73p
Share Price	81.13p
Shares in Issuance (excluding shares held in treasury)	67.1m
2017 ZDP Shares	
NAV per Share[1]	78.40p
Share Price	89.50p
Shares in Issuance (excluding shares held in treasury)	30.4m
Statement of Financial Position (extract)	
Investments at Fair Value	$537.6m
Bank Deposits	$22.6m
Other Assets[2]	$0.3m
Credit Facility[3]	($48.1m)
Other Liabilities[4]	($1.9m)
Zero Dividend Preference Shares	($122.5m)
US$ Equity Net Asset Value[5]	$388.0m

Performance as at 31 December 2013

JPEL Performance Since Inception at 30 June 2005[6]



Past performance is not an indication of future performance.

1 Throughout the document, the term Net Asset Value per share or "NAV per Share" for each of JPEL's two classes of Zero Dividend Preference Shares (2015 ZDP Shares and 2017 ZDP Shares) refers to the carrying value of the ZDP shares as at 31 December 2013.
2 Includes accrued interest income and derivative assets.
3 On 7 March 2011, JPEL entered in to a multi-currency credit facility in the amount of US$150 million with Lloyds Bank.
4 Includes fee accruals and other payables.
5 Information presented as non-consolidated. The Net Asset Value represents the capital of the Company which includes the Net Asset Value of the ZDP shares as well as the Net Asset Value of the US$ Equity Shares. Numbers may not sum due to rounding.
6 Source: Managers, Bloomberg as at 31 December 2013, JPEL NAV data as at 31 December 2013, released via the London Stock exchange on 11 February 2014. LPX Composite performance shown is indexed to JPEL's initial trade price of $1.07 on 30 June 2005. The index is well diversified across regions and LPE investment styles and represents the development of all LPE companies covered by LPX that fulfill certain liquidity constraints. The LPX Composite in a global listed Private Equity ("LPE) index with a broad number of constituents.

Overview & Strategy

OVERVIEW

J.P. Morgan Private Equity Limited ("JPEL" or the "Company") is a Guernsey registered and incorporated closed ended investment company that trades on the London Stock Exchange (LSE: JPEL, JPZZ, JPSZ, JPWW). The Company is designed primarily to invest in the global private equity market. The fair value of the Company's total assets as at 31 December 2013 was $560.5 million.

JPEL held its initial public offering on 30 June 2005 under the name "Bear Stearns Private Equity Limited". The Company currently has three classes of shares: US$ Equity Shares, 2015 Zero Dividend Preference Shares ("2015 ZDP Shares") and 2017 Zero Dividend Preference Shares ("2017 ZDP Shares"). At 31 December 2013, 2015 ZDP Shares made up 15% of total capital, 2017 ZDP Shares made up 7% of total capital and US$ Equity Shares made up the remaining 78%.

JPEL issued warrants free of subscription cost to shareholders on record as at 17 August 2009. One warrant was issued for every six US$ Equity Shares owned. The warrants are publicly traded on the London Stock Exchange under the symbol "JPWW". As at the time of publication of the Semi-Annual Report, there were 57,895,919 warrants in issuance.

JPEL is managed by Bear Stearns Asset Management Inc. ("BSAM Inc."), JPMorgan Asset Management (UK) Limited ("JPMAM UK") and JF International Management Inc. ("JFIMI") (together, the "Managers"), all wholly-owned subsidiaries of JPMorgan Chase & Co. Following the acquisition of The Bear Stearns Companies Inc. by JPMorgan Chase & Co., the investment management team within BSAM Inc. that has managed the Company since its inception joined J.P. Morgan Asset Management. The Company has entered into a management agreement with the Managers to invest the assets of the Company on a discretionary basis, subject to the overall supervision of the Board of Directors (the "Directors"), a majority of whom are independent Directors of the Company. The Directors have overall responsibility for the Company's investment policy and the Company's activities.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of $2 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management, and private equity.

The key measure of performance used by the Board and shareholders to assess the Company's performance is the NAV which is prepared on a monthly basis by Augentius (Guernsey) Limited (the "Administrator"). The Portfolio Review on pages 9 to 11 is accordingly prepared on the Company basis as this information is considered more relevant to the needs of shareholders for assessment of the Company's performance.

INVESTMENT STRATEGY

The Company primarily pursues the following strategies to enhance shareholder value and to meet its investment objective:

- acquires secondary portfolios of direct investments and significantly invested partnership investments to accelerate NAV development;
- opportunistically invests in buyout, venture capital, and special situations funds and investments throughout the world based on attractive transaction values, advantageous market conditions, and compelling risk-adjusted return potential;
- obtains exposure to individual companies by co-investing alongside private equity sponsors in companies that offer the potential for substantial equity appreciation;
- diversifies its portfolio by manager, industry, geography, investment stage, and vintage year; and
- actively manages the portfolio by repositioning its investment composition from time to time in order to capitalise on changes in private equity market conditions.

In summary, the investment strategy of the Company is to achieve both short-term and long-term capital appreciation by investing in a well-diversified portfolio of private equity interests and by capitalising on the inefficiencies of the global secondary private equity market.

Investment Policy

ASSET ALLOCATION

The majority of the Company Portfolio is allocated to buyout funds, and the balance to venture capital, real estate and multi-style funds.

- A buyout fund typically targets the acquisition of a significant portion or majority control of businesses which normally entails a change of ownership. Buyout funds ordinarily invest in more mature companies with established business plans to finance expansions, consolidations, turnarounds and sales, or spinouts of divisions or subsidiaries. A leveraged buyout, commonly referred to as a LBO, is a buyout that uses debt financing to fund a portion of the purchase price of the targeted business.
- Venture capital refers to private equity capital typically provided to early-stage, high-potential growth companies.
- A multi-style investment strategy refers to fund managers that make investments in companies in various stages of development. A multi-style manager may make investments in start-up enterprises, later-stage venture companies and established businesses – all within the same fund. These investments may involve control positions or may be minority, passive positions.

By investing in a portfolio of private equity funds, the Company is exposed to numerous underlying investments in individual companies, ranging from start-up ventures to large, multi-national enterprises. The Managers will endeavour to purchase private equity fund interests and co-investments in the secondary market to ensure that JPEL's portfolio contains investments that will be made and exited in different economic cycles.

The Company may invest capital not otherwise allocated to private equity into near cash and other investments. The Company, in the Managers' discretion, may invest in a wide variety of investments and other financial instruments.

The Company will not enter into derivative transactions (such as options, futures and contracts for difference) other than for the purposes of efficient portfolio management.

The Company will not take any legal or management control of any underlying company or fund in the Company Portfolio.

RISK DIVERSIFICATION

The Managers actively monitor the Company Portfolio and attempt to mitigate risk primarily through diversification. Not more than 20% of the Company's Net Asset Value, at the time of investment, is permitted to be invested in any single investment. For the avoidance of doubt, if the Company acquires a portfolio of companies in a single transaction, this limitation shall be applied individually to each of the underlying companies purchased and not to the portfolio as a whole.

LEVERAGE

The Company has the ability to borrow up to 30% of its Total Assets subject to and in accordance with the limitations and conditions in its Articles. As part of its leverage policy, the Company may borrow for short-term or temporary purposes as is necessary for settlement of transactions, to facilitate the operation of the over-commitment policy or to meet ongoing expenses. The Directors and the Managers will not incur any short-term borrowings to facilitate any tender or redemption of Shares unless such borrowings have a repayment period of 180 days or less. The Company is indirectly exposed to borrowings to the extent that subsidiaries and underlying funds in its portfolio are themselves leveraged.

Chairman's Statement

During the six month period ending 31 December 2013, the Board continued to implement a plan of action to optimise the Company's capital structure, lower the cost of capital and provide additional liquidity for US$ Equity shareholders.

Since November 2012, when the Board and the Managers announced Phase I of JPEL's Strategic Initiatives, JPEL has taken several key steps, which we believe have fortified the Company's balance sheet and have better positioned JPEL for future growth.

I would like to begin this Chairman's Statement by reviewing Phase II of the Company's Strategic Initiatives, announced in January 2014. I will then review the Company's six-month performance ending 31 December 2013 as well as recent distribution activity from within the Company's mature portfolio of private equity assets.

RECENT EVENTS

In January 2014, JPEL announced the continuation of its two part strategic plan to improve the Company's position.

Phase I of JPEL's strategic plan was announced in November 2012 and was focused on reducing leverage and providing liquidity to shareholders. Since then, the Managers have:

- Reduced JPEL's total indebtedness by $75 million
- Retired the 2013 ZDP share class
- Reduced the cost of debt by approximately 31.3%
- Returned $20 million to USD Equity Shareholders through share buybacks

Phase II of JPEL's strategic plan was announced in January 2014 and was focused on creating meaningful near and medium-term liquidity solutions for shareholders as well as reinvigorating NAV growth.

Phase II outlined the following steps:

- Provide immediate liquidity to shareholders through coordinated third party market purchases.
    - On 15 January 2014, institutional investors purchased 84 million USD Equity Shares through market purchases at $0.80 per share, an 8.3% premium to the 14 January 2014 share price.
    - Amount of liquidity provided exceeded aggregate liquidity provided to US$ Equity shareholders through tenders and share buybacks over prior three years

- Provide medium-term liquidity for shareholders through the proposed creation of a Redeemable Realisation Share Class ("RRS") to go into effect after the 2015 ZDP Shares have been repaid.
    - Equity shareholders will be offered the option to transfer their US$ Equity Shares for shares in RRS which will entitle holders to all cash realisations from the Company's investment portfolio in proportion to their aggregate holding within the equity of the Company
    - Proposal will require shareholder approval at the Company's 2014 AGM and will take effect in approximately 24 months from the January announcement, after the 2015 ZDP Shares are retired

- Reinvigorate NAV growth by deploying up to $150 million of portfolio distributions over next 2 years into new investments in accordance with JPEL's investment policy.
    - JPEL will cease dividend and capital distributions to US$ Equity Shareholders and continue with its investment strategy of reinvesting distributions from JPEL's existing portfolio in order to create a concentrated portfolio of growth companies

Chairman's Statement (continued)

As a reminder, JPEL has employed the above investment strategy since the 4th quarter of 2008, investing into the post-credit crisis environment. JPEL has completed 23 investments since 15 September 2008, of which, 16 have been in single company investments (12) or situations where 2 to 3 companies comprise most of JPEL's private equity investment value (4).[1] Only 4 of the 23 investments were made outside of the United States and Europe. JPEL's post-credit crisis investments have demonstrated encouraging results to date.

- Since September 2008, JPEL has invested $155 million achieving a 22.4% IRR and 1.78x multiple of cost. 22 of the 23 investments are valued at or above cost. [2]

PORTFOLIO UPDATE

Positive distribution activity continued from mature underlying private equity portfolio

JPEL's portfolio continued to produce positive net distributions during the last six months of calendar year 2013 due in part to the seasoned nature of the portfolio and an improved exit environment in North America. Exclusive of new investment purchases and asset sales, JPEL received approximately $41.5 million of gross distributions and funded $3.3 million of capital calls.

Subsequent to the period, JPEL continued to receive very strong distribution flows. From 1 January 2014 through 18 February 2014, JPEL received $32.0 mm of distributions and funded approximately $0.5 mm of capital calls.

Notably, in early 2014, JPEL received two large realisations from two investments from JPEL's post-credit crisis portfolio, LifeLock and WinnCare.

- *LifeLock*: LifeLock is a publicly traded identity theft protection company based in the United States. JPEL closed its investment in LifeLock in February 2012. The LifeLock investment was a secondary co-investment made alongside leading venture capital firms. LifeLock's underlying private equity sponsors successfully completed an IPO of the company in October 2012. On 30 January 2014, the investment was fully realized via sale of shares in the public markets. JPEL received a net IRR of 68.2% and 2.5x its original cost.

- *WinnCare*: WinnCare is a French and European medical homecare equipment manufacturer, particularly focused on products for the elderly. JPEL gained exposure to WinnCare via a fund restructuring / secondary purchase of 2 remaining portfolio companies alongside a European LBO manager. The secondary purchase was structured through a transfer of a portion of the fund's remaining two assets into a new annex fund. On 4 February 2014, JPEL received a distribution of approximately $9 million from the sale of WinnCare. The sale returned 5.8x JPEL's cost and approximately 2.5x JPEL's cost of investment in the annex fund.

JPEL's investment pace, specifically in terms of deploying cash to new investments, continued to be measured during the last six months. JPEL's investment pace is expected to increase as the Company seeks to deploy up to $150 million of portfolio distributions over next 2 years into new investments in accordance with JPEL's investment policy.

The majority of reports from JPEL's underlying private equity sponsors used in deriving the Company's 31 December 2013 financial statements are based on underlying company data as at 30 September 2013 or later as private equity valuations typically lag the public markets by three to six months. As a result, the performance of JPEL's private equity portfolio during the period reflects the global markets at that time.

In the six months ending 31 December 2013, JPEL's NAV per US$ Equity Share increased 2.8% from an audited NAV per US$ Equity Share of $1.09 at 30 June 2013 to $1.12 per US$ Equity Share.

1 Count of investments does not include the Parallel Transaction.

2 At 30 November 2013. Includes all deals completed by JPEL since the collapse of Lehman Brothers on 15 September 2008 to date, excluding the Parallel Transaction which was a strategic acquisition completed with all JPEL shares in 2011 (including the Parallel Transaction, JPEL has invested $245mm and achieved 1.4x and 15.9% IRR on the investments during the period). Performance is calculated based on the underlying assets without cash drag, fees or debt on fund level. Cash flows have been converted to US Dollars.

Chairman's Statement (continued)

SHARE PRICE PERFORMANCE

The public market value of the Company's US$ Equity Shares increased by 0.2% during the six month period ending 31 December 2013. As at 10 February 2014, the Company's US$ Equity Shares closed at $0.728, representing a 35% discount to the 31 December 2013 NAV per US$ Equity Share.

The Managers and the Board continue to monitor JPEL's US$ Equity Share price and believe that the current market price does not reflect the underlying value of the Company's portfolio, and as such, may continue to buy back shares when opportunities arise. All of JPEL's remaining classes of ZDP Shares have performed well.

The NAV of JPEL's 2015 ZDP Shares rose 4.4% during this period, from 71.60p to 72.90p per share. At 31 December 2013, JPEL's 2015 ZDP Shares traded at an 8.5% premium to NAV.

The NAV of 2017 ZDP Shares rose 4.2% during this period, from 75.25p to 78.40p per share. At 31 December 2013, JPEL's 2017 ZDP Shares traded at a 14.2% premium to NAV.

MARKET OUTLOOK

As with any market environment, investment opportunities are created. The changing regulatory environment including pressures has led to significant activity within the opportunistic private equity secondary market. The Manager's expect this level of activity to continue over the next 18 to 24 months.

Opportunities in the portion of the secondary private equity market where JPEL primarily invests have been aided by the extreme volatility in the world. Please refer to the Company's audited financial statements dated 30 June 2013 for a more detailed review of the market risk associated with the Company's investment strategy.

In general, JPEL's Managers are focused on investing in concentrated private equity secondaries and secondary direct opportunities:

- Single company exposures – typically in existing private equity backed deals rather than traditional co-investments
- Top-heavy portfolios with 1 - 3 key company exposures – typically through fund recapitalizations and restructurings
- Investments with a focus on US and Europe
- Avoid highly competitive limited partnership auctions

JPEL will seek to emphasize investment opportunities that typically share one or more of the following core attributes:

- Seasoned investments with projected liquidity in 2 - 4 years
- Entry values that represent a discount to intrinsic value
- Visible growth prospects (i.e. growing economies, industries or specific situations, etc.)
- Manageable leverage
- Market leadership
- Downside protection

JPEL's Board and Managers remain committed to increasing shareholder value and improving the Company's NAV per US$ Equity Share. I would like to thank shareholders for the support that they have placed in the Company.

Trevor Ash
Chairman
24 February 2014

Corporate Actions

On 11 July 2013, the Company announced that at the Annual General Meeting held on 9 July 2013, the following special and ordinary resolutions were duly passed:

- Special Resolutions
  1. To renew the Company's authority to make purchases of up to 15 per cent of each class of its own issued shares pursuant to any proposed Tender Offer.
  2. To renew the Company's general authority to make market purchases of up to 14.99 per cent of each class of its own issued Shares.
- Ordinary Resolutions
  4. To approve and adopt the Annual Report and Financial Statements of the Company for the year ended 30 June 2012.
  5. To re-elect Gregory S. Getschow as a non-executive Director of the Company, who retires by rotation.
  6. To re-elect Christopher Paul Spencer as a non-executive Director of the Company, who retires by rotation.
  7. To re-elect Trevor Charles Ash as a non-executive Director of the Company, who retires by rotation.
  8. To re-elect PricewaterhouseCoopers CI LLC as Auditors to the Company.
  9. To re-authorise the Directors to determine the Auditors' remuneration.
  10. To re-authorise and agree the remuneration of the Directors in accordance with the Articles of Incorporation.
- The following special resolution put to shareholders received 63.8% of votes in favour of the resolution, below the required 75%, and therefore was not passed :
  3. To renew the disapplication of the pre-emption rights for up to 10 per cent. of each class of its own issued Shares as set out in the Articles of Incorporation.

- On 15 January 2014, the Company announced a Strategic Update:
  - Immediate liquidity event via third party market purchases for up to 84 million US$ Equity Shares at $0.80, representing a premium to prevailing share price
  - Maximisation of NAV growth over next 24 months by ceasing capital distributions and investing up to $150 million in growth companies
  - Medium term liquidity mechanism to create a Realisation Share Class
- On 6 February 2014, the Company announced that Liberum has been appointed as its joint corporate broker, with immediate effect.

Responsibility Statement

The Directors confirm to the best of their knowledge:

a. The condensed half year financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting; and

b. The Interim Report includes a fair review of the information required by the FCA's Disclosure and Transparency Rules 4.2.7R; and

c. The Interim Report includes a fair review of the information required by the FCA's Disclosure and Transparency Rules 4.2.8R (disclosure of related party transactions and changes therein).

The Interim Report was approved by the Board on 24 February 2014 and the above Responsibility Statement was signed on its behalf by

Trevor Ash

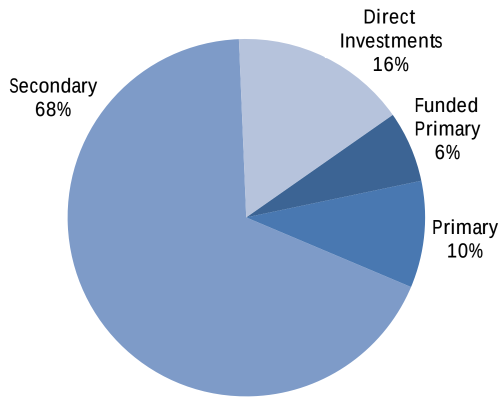
Chairman

Managers' Report

PORTFOLIO REVIEW

Since the Company's inception on 30 June 2005, JPEL's portfolio has grown to include over 100 separate fund interests, co-investments and funds of funds. With a private equity value of $537.6 million, JPEL's portfolio is diversified globally across multiple investment strategies and industries as at 31 December 2013.

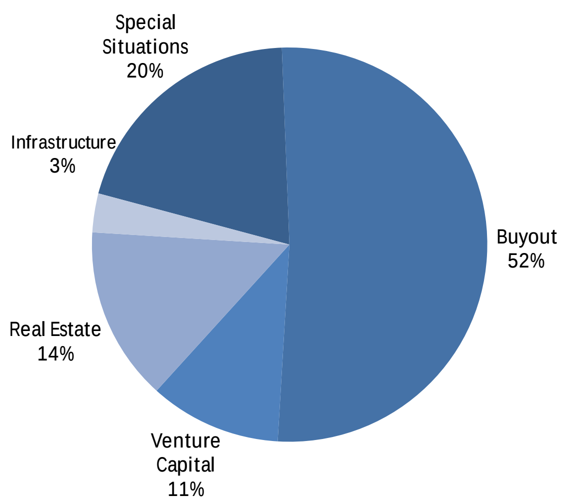
Investment Type[1]



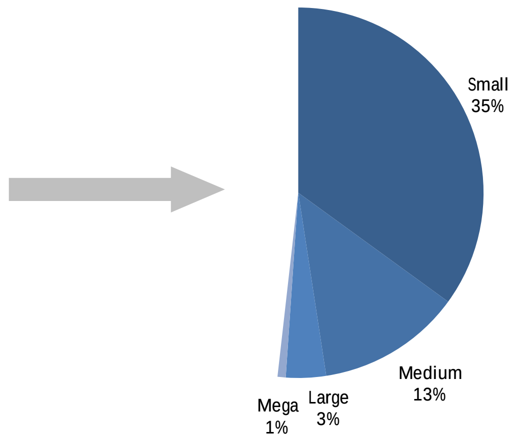
JPEL's portfolio is primarily composed of "highly funded assets" which include assets acquired in the secondary market and funded primary investments. In total these assets represent 74% of the portfolio. Funded primary investments are portfolios that are partially invested at the time of investment and tend to produce distributions and NAV growth more quickly since they are further along the private equity "J-Curve". JPEL will also make direct investments in private equity companies, which represent approximately 16% of the portfolio.

From time to time, JPEL may make a primary commitment to a fund, typically as part of a secondary transaction. As at 31 December 2013, primary investments made up 10% of JPEL's portfolio.

Investment Strategy[1]



Buyout Fund Sizes[2]



Currently, buyout funds constitute approximately 52% of JPEL's portfolio. Within this strategy, the majority of the Company's investments are with fund managers that focus on small to medium sized buyouts, which generally utilize less leverage.

JPEL maintains a 20% allocation to special situation funds which includes mezzanine, debt, turnaround and distressed funds. Infrastructure, real estate and venture capital funds represent 3%, 14% and 11% of private equity net asset value, respectively.

1 Based on 31 December 2013 market value of investments, percentages based on underlying fund-level values.
2 Fund classifications for buyout strategy are based on total fund commitments: Small: $0 - $500 million; Medium: $500 - $2,000 million; Large: $2,000 million - $5,000 million; Mega: over $5,000 million. Co-investments allocated by size of underlying sponsor fund.

Managers' Report (continued)

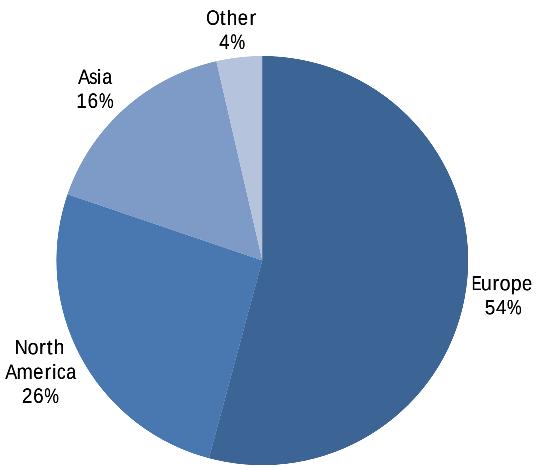
PORTFOLIO REVIEW (CONTINUED)

Portfolio Age[1]

Average Age of Portfolio by Investment Strategy	
Average age of investments:	7.0 years
§ Buyout investments:	5.2 years
§ Small buyout:	5.0 years
§ Medium buyout:	6.3 years
§ Large buyout:	3.5 years
§ Mega buyouts:	8.8 years
§ Venture Capital investments:	7.9 years
§ Real Estate investments:	7.4 years
§ Special Situations:	6.3 years
§ Infrastructure investments:	7.6 years

When making investment decisions, JPEL seeks more mature assets that have good potential for near-term exits. With an average age of 7.0 years, JPEL's portfolio is well positioned on the private equity "J-Curve" to receive distributions once M&A and IPO markets normalize. As venture assets often take longer to develop, JPEL's venture capital investments have a more mature weighted average life of 7.9 years.

Geographic Footprint[2]



European Exposure

Country	% of Portfolio
Germany	16.5%
United Kingdom	11.5%
Spain	7.3%
Sweden	3.8%
France	3.5%
Italy	2.3%
Finland	1.5%
Switzerland	1.5%
Channel Islands	1.4%
Denmark	1.0%
Luxembourg	0.6%
Poland	0.6%
Netherlands	0.6%
Belgium	0.6%
Ireland	0.5%
Norway	0.3%
Malta	0.2%
Hungary	0.1%
Total	53.9%

JPEL's private equity portfolio is diversified with investments in over 35 countries, helping to mitigate country and regional risk as well as to capitalise on the growth of expanding economies. Europe and North America represent the majority of the Company's portfolio at 54% and 26% respectively. JPEL's allocation to Asia stands at 16% while investments in the rest of the world represent 4% of the portfolio.

Within Europe, more than 50% of JPEL's underlying assets are located in Germany and the United Kingdom. Approximately 75% of the Company's exposure to Germany is a result of JPEL's investment in Deutchse Annington Immobilien Group, a highly diversified real estate portfolio of lower income housing. Spain comprises 7.3% of JPEL's private equity investments, of which approximately 60% is invested in a leading industrial flooring company which derives the majority of its revenue outside of Spain from Western Europe and Latin America.

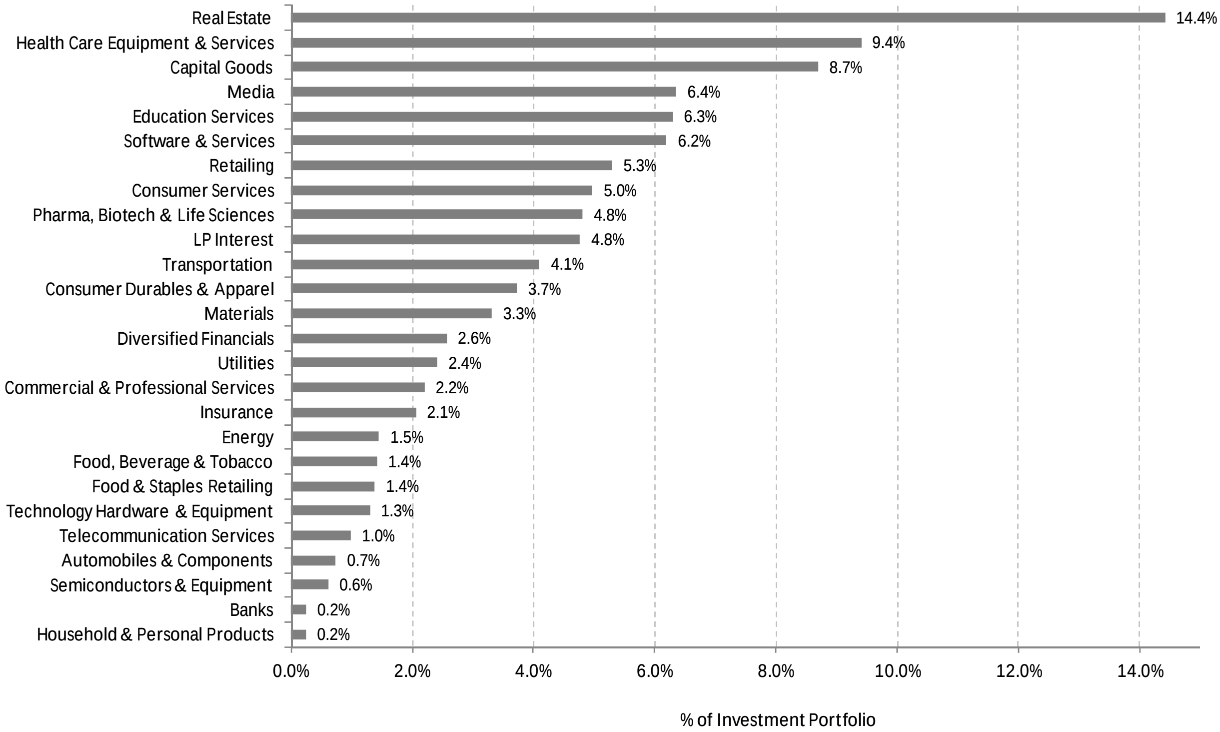
1 Based on 31 December 2013 market value of investments, percentages based on underlying company-level values. Average age of investments is based on the date in which each individual portfolio company investment was made, subject to availability. Weighting is based on underlying portfolio company level values. Age calculated at 31 December 2013. Average is weighted based on investments at market value as at 31 December 2013 percentages based on underlying company-level values.
2 Based on 31 December 2013 market value of investments, percentages based on underlying company-level values.

Managers' Report (continued)

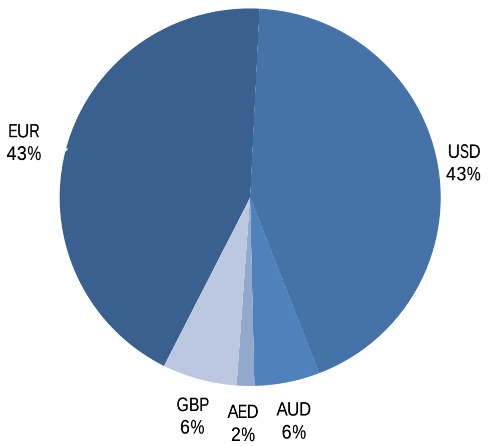
PORTFOLIO REVIEW (CONTINUED)

Industry Composition [1]

In addition to geographic diversification, the Managers diversify JPEL's portfolio by industry composition. The portfolio is currently weighted towards real estate at more than 14% of the portfolio and healthcare-oriented companies with approximately 14% of investment value in this sector.



Currency Composition [2]



The Managers continue to monitor JPEL's exposure to foreign currencies and take currency exposure into consideration when making investment decisions. The currency composition of JPEL's portfolio may change as the Company continues to pursue an investment policy focused on geographic diversification.

As at 31 December 2013, investments held in US Dollars made up approximately 43% of JPEL's private equity market value. Investments held in Euros comprised 43% of the private equity portfolio, while the Australian Dollar, Sterling, and UAE Dirham represented 6%, 6% and 2% of the portfolio, respectively.

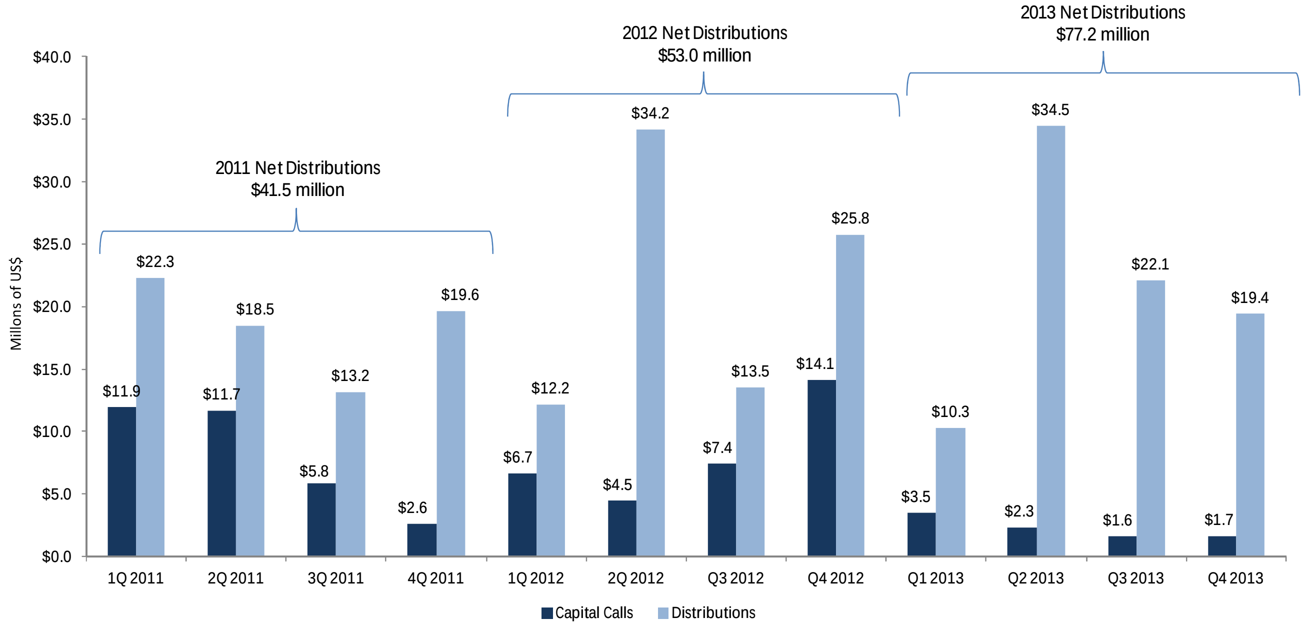
1 Based on 31 December 2013 market value of investments, percentages based on underlying company-level values.
2 Based on 31 December 2013 market value of investments, percentages based on underlying fund-level values.

Managers' Report (continued)

CAPITAL CALLS AND DISTRIBUTIONS

JPEL invests with a goal of delivering consistent NAV growth and generating a high level of distributions.

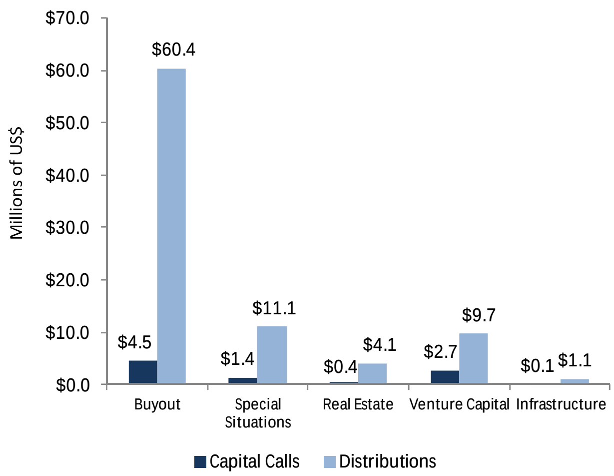
Capital Call and Distribution Summary (1 January 2011 – 31 December 2013)



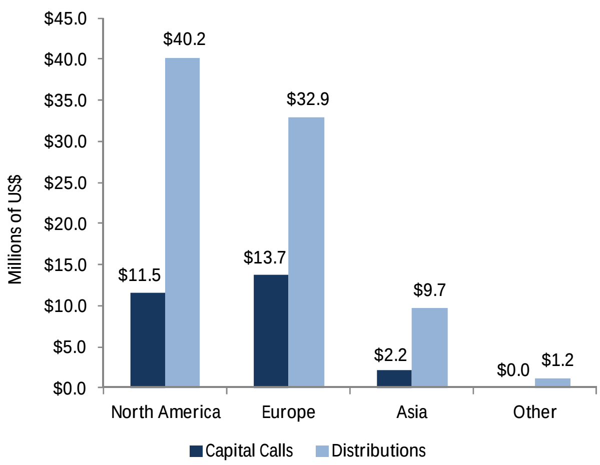
JPEL's distribution activity has been steadily increasing over the past three years. In 2013, the Company received net distributions of $77.2 million versus $53.0 million in 2012.

Cash Flow Breakout

Cash Flows by Investment Strategy
(12 months ending 31 December 2013)



Cash Flows by Geographic Region
(12 months ending 31 December 2013)



In the past twelve months JPEL's buyout section of the portfolio has produced strong distribution cash flow with the majority coming from North America and Europe.

Managers' Report (continued)

TOP 20 FUNDS & COMPANIES INFORMATION

Top 20 Funds[1,2]

	Fund	Region	Fund Strategy	% of Private Equity Investments
1	Life Sciences Holdings SPV I Fund	Europe	Venture Capital	3.1%
2	Alcentra Euro Mezzanine No1 Fund	Europe	Special Situations	3.0%
3	Liberty Partners II	North America	Buyout	2.9%
4	Duke Street LP (Parallel Private Equity)	Europe	Buyout	2.6%
5	Leeds Equity Partners V	North America	Buyout	2.3%
6	Guggenheim Aviation Offshore Investment Fund II	North America	Special Situations	2.3%
7	Barclays Private Equity (Parallel Private Equity)	Europe	Buyout	2.2%
8	Milestone Link Fund	Europe	Buyout	2.1%
9	Hutton Collins Capital Partners II	Europe	Special Situations	2.1%
10	Almack Mezzanine I Fund	Europe	Special Situations	2.1%
11	Argan Capital Fund	Europe	Buyout	1.8%
12	GSC European Mezzanine Fund II	Europe	Special Situations	1.7%
13	Macquarie European Infrastructure Fund	Europe	Infrastructure	1.5%
14	Omega Fund III	Europe	Venture Capital	1.5%
15	Aqua Resources Fund Limited	Europe	Buyout	1.4%
16	Black Diamond Capital Management	North America	Special Situations	1.4%
17	Catalyst Buyout Fund 1	Asia	Buyout	1.3%
18	10th Lane Finance Co.	North America	Special Situations	1.2%
19	Beacon India Private Equity Fund	Asia	Buyout	1.2%
20	Macquarie Alternative Investment Trust III	Asia	Buyout	1.2%

Top 20 Companies[1,2]

	Company	Country	Industry Group	% of Private Equity Investments
1	Deutsche Annington Immobilien Group	Germany	Real Estate	12.6%
2	China Media Enterprises Limited	China	Media	4.5%
3	RCR Industrial S.a.r.l	Spain	Capital Goods	4.2%
4	Alliant Investor A LLC	USA	Commercial & Professional	2.5%
5	Concorde Career Colleges, Inc.	USA	Consumer Services	2.4%
6	FibroGen Europe	Finland	Pharmaceuticals, Biotechnology &	2.0%
7	Compre Group	United Kingdom	Insurance	1.9%
8	Gulf Healthcare International LLC	United Arab Emirates	Health Care Equipment & Services	1.8%
9	WinnCare	France	Health Care Equipment & Services	1.7%
10	Original Factory Shop	United Kingdom	Retailing	1.7%
11	Education Management Corporation	USA	Consumer Services	1.4%
12	Diaverum	Sweden	Health Care Equipment	1.4%
13	Everis Spain	Spain	Software & Services	1.2%
14	Back Bay	USA	Real Estate	1.1%
15	CSC Customer Services Company	Switzerland	Software & Services	0.8%
16	SSK Pertorp	Sweden	Materials	0.8%
17	Agent Provocateur	United Kingdom	Retailing	0.8%
18	Global TV	Australia	Software & Services	0.7%
19	Nobel Learning Communities, Inc.	USA	Consumer Services	0.7%
20	ION Media	USA	Media	0.7%

1 Top 20 Funds and Top 20 Companies include underlying funds and companies indirectly owned through the purchase of secondary interest in Private Equity Access Fund II Ltd, Bear Stearns Global Turnaround Fund, L.P., BoS Mezzanine Partners Fund, L.P. (BoS company-level exposure includes estimated pro rated fund-level leverage), and Macquarie Private Capital Trust.
2 Percentages are calculated based on 31 December 2013 unaudited market value of investments.

Condensed Interim Statement of Comprehensive Income - Unaudited

for the period ended 31 December 2013

	Notes	01/07/2013 to 31/12/2013 $'000	01/07/2012 to 31/12/2012 $'000
Income			
Interest and distribution income	3	374	1,194
Other net changes in fair value of financial assets and financial liabilities through profit or loss	5	26,784	2,069
Realised foreign currency gain/(loss) on forward contracts and share transactions		372	(2,450)
Total net income		27,530	813
Expenses			
Investment management fee		(2,781)	(3,207)
Accounting and administration fees		(125)	(124)
Audit fee		(131)	(170)
Directors' fees		(80)	(80)
Other expenses		(1,482)	(1,776)
Total Expenses		(4,599)	(5,357)
Net profit/(loss) before finance costs		22,931	(4,544)
Finance costs			
Loan interest payable	4	(739)	(740)
ZDP interest payable		(4,884)	(8,380)
Unrealised foreign currency loss		(12,179)	(7,723)
Profit/(loss) before tax		5,129	(21,387)
Tax expense		-	-
Profit/(loss) for the period		5,129	(21,387)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period:		5,129	(21,387)
Earnings per share			
Basic and diluted earnings/(losses) per share		$0.01	$(0.04)

All items in the above statement are derived from continuing operations.

The notes on pages 18 to 28 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Financial Position

as at 31 December 2013

	Notes	31 December 2013 $'000 Unaudited	30 June 2013 $'000 Audited
Non-current assets			
Financial assets at fair value through profit or loss	8	537,576	533,935
Current assets			
Cash and cash equivalents		21,670	13,032
Receivables		929	1,134
Derivative financial assets		335	378
		22,934	14,544
Current liabilities			
Payables and accruals		(1,926)	(2,229)
Net current assets		21,008	12,315
Non-current liabilities			
Payables and accruals		-	(200)
Loan balances		(48,123)	(55,323)
Zero dividend preference shares	10	(122,464)	(107,859)
		(170,587)	(163,382)
Net Assets		387,997	382,868
Represented by:			
Share capital	11	467,108	467,108
Reserves		(79,111)	(84,240)
Total equity		387,997	382,868
NAV per Equity share		$1.12	$1.11

The condensed interim financial statements on pages 14 to 17 are approved by the Board of Directors on 24 February 2014 and were signed on its behalf by:

Trevor Ash
Director

Chris Spencer
Director

The notes on pages 18 to 28 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Changes in Equity - Unaudited

for the period ended 31 December 2013

	Share capital $'000	Reserves $'000	Total $'000
At 1 July 2013	467,108	(84,240)	382,868
profit for the period	-	5,129	5,129
Total comprehensive income for the period	-	5,129	5,129
Total transactions with owners of the Company for the period ended 31 December 2013	-	-	-
At 31 December 2013	467,108	(79,111)	387,997

The notes on pages 18 to 28 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Changes in Equity - Unaudited

for the period ended 31 December 2012

	Share capital $'000	Reserves $'000	Total $'000
At 1 July 2012	488,872	(58,471)	430,401
Loss for the period	-	(21,387)	(21,387)
Total comprehensive loss for the period	-	(21,387)	(21,387)
Share buy backs	(21,764)	-	(21,764)
Total transactions with owners of the Company for the period ended 31 December 2012	(21,764)	-	(21,764)
At 31 December 2012	467,108	(79,858)	387,250

The notes on pages 18 to 28 form an integral part of these condensed interim financial statements.

Condensed Interim Statement of Cash Flows - Unaudited

for the period ended 31 December 2013

	Notes	01/07/2013 to 31/12/2013 $'000	01/07/2012 to 31/12/2012 $'000
Operating activities			
Profit/(loss) for the period		5,129	(21,387)
Adjustments for:			
Interest income	3	(16)	(22)
Distributions from investments	3	(358)	(1,172)
Interest expense	4	5,623	9,120
Net derivative losses/(gains)	5	43	(601)
Net losses on financial assets and financial liabilities profit or loss	5	(26,827)	(1,468)
Unrealised foreign currency loss		12,179	7,723
Operating cash flows before changes in working capital		(4,227)	(7,807)
Decrease in receivables		205	227
Increase in payables		215	351
Cash used in operations		(3,807)	(7,229)
Investing activities			
Purchase of investments		(17,876)	(26,781)
Net proceeds from sale of non-current financials assets		40,336	38,609
Interest received	3	16	22
Other income distributions from investments	3	358	1,172
Cash from investing activities		22,834	13,022
Financing activities			
Equity shares buy back	11	-	(21,764)
Loans received		-	12,828
Loans paid		(9,935)	-
Interest paid		(763)	(738)
Buyback of Zero Dividend Preference shares		-	(470)
Cash used in financing activities		(10,698)	(10,144)
Net increase/decrease in cash and cash equivalents		8,329	(4,351)
Cash and cash equivalents at beginning of period		13,032	18,812
Effects of exchange difference arising from cash and cash equivalents		309	511
Cash and cash equivalents at end of the period		21,670	14,972

The notes on pages 18 to 28 form an integral part of these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

J.P. Morgan Private Equity Limited (the "Company") is a closed ended investment fund incorporated as a limited liability company in Guernsey under The Companies (Guernsey) Law, 2008. As at 31 December 2013, the Company's capital structure consisted of three classes of shares, US$ equity shares and two series of Zero Dividend Preference shares, all of which are listed on the London Stock Exchange.

The primary objective of the Company is to achieve capital growth, with income as a secondary objective, from a diversified portfolio consisting predominantly of private equity limited partnership interests. The Company may also invest directly in private equity investments.

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its financial statements for the year ended 30 June 2013 except as described below under 'Standards and amendments for annual periods beginning on or after 1 January 2013.'

Statement of compliance

These condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting (IFRS) and in accordance with the requirement of IAS 34 *Interim Financial Reporting.*

They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 30 June 2013.

These condensed interim financial statements were approved by the Board of Directors on 24 February 2014.

Standards and amendments effective for annual periods beginning on or after 1 January 2013
IFRS 13: Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. Application of this definition may result in different fair values being determined for the relevant assets.

IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

The adoption of IFRS 13 has not resulted in any change in fair value of any of the Company's assets or liabilities. The disclosures as required by IAS 34 Paragraph 16A (j) have been included in Notes 6 and 7.

Segmental information

The Board has considered the requirements of IFRS 8 – "Operating Segments". The Board is of the view that the Company is engaged in a single segment of business, being Private Equity. The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company.

As of 31 December 2013, only one shareholder holds greater than 10% of the total number of US$ equity shares in issue with a holding of approximately 12.6%.

The Board is charged with setting the Company's investment strategy in accordance with the Company's prospectus, dated 16 August 2011. They have delegated the day-to-day implementation of this strategy to the Managers but retain responsibility to ensure that adequate resources of the Company are directed in accordance with their decisions. The Managers have been given full authority to act on behalf of the Company in the management of the Company's assets in accordance with the Amended and Restated Investment Management Agreement on behalf of the Company and to carry out other actions as appropriate to give effect thereto.

Whilst the Managers may take investment decisions on a day-to-day basis regarding the allocation of funds to different investments, any changes to the investment strategy or major allocation decisions have to be approved by the Board, even though they may be proposed by the Managers. The Board therefore retains full responsibility as to the major allocation decisions made on an ongoing basis. The Managers will act under the terms of the Amended and Restated Investment Management Agreement which cannot be changed without the approval of the parties to the agreement.

The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the NAV which is prepared on a monthly basis by Augentius (Guernsey) Limited (the "Administrator"). The NAV reported by the Administrator is prepared on a basis consistent with International Financial Reporting Standards.

1. SIGNIFICANT ACCOUNTING POLICIES continued

The Company's financial assets held as of the year end and the geographical area the Company is invested into are presented in the table below. The Company does not hold any non-current assets other than financial instruments.

	31-Dec-13		30-Jun-13	
Region	$ '000	% of NAV	$ '000	% of NAV
Europe	296,234	55%	268,782	50%
North America	148,712	28%	159,560	30%
Asia	73,257	14%	85,709	16%
RoW	19,373	3%	19,884	4%
TOTAL	537,576	100%	533,935	100%

2. FINANCIAL RISK

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements as at 30 June 2013. There have been no changes in the risk management department since year end or in any risk management policies.

3. INTEREST AND DISTRIBUTION INCOME

The following table details the interest and other distribution income earned during the period:

	01/07/2013 to 31/12/2013 $'000	01/07/2012 to 31/12/2012 $'000
Interest income from financial assets that are not at fair value through profit or loss:		
Cash and cash equivalents	16	22
Distributions from financial assets at fair value through profit or loss:		
Private equity investments	358	1,172
	374	1,194

4. LOAN INTEREST PAYABLE

The following table details the interest expense incurred during the period:

	01/07/2013 to 31/12/2013 $'000	01/07/2012 to 31/12/2012 $'000
Interest expense from financial instruments that are not at fair value through profit or loss:		
Financial liabilities at amortised cost	739	740

5. NET GAINS/ (LOSSES) ON INVESTMENTS

The following table summarises the gains from financial assets and liabilities at fair value through profit or loss for the period:

	01/07/2013 to 31/12/2013 $'000	01/07/2012 to 31/12/2012 $'000
Designated at fair value through profit or loss		
Investment portfolio	26,827	1,468
Held for trading		
Derivative financial instruments	(43)	601
Net gain from financial assets and liabilities at fair value through profit or loss	26,784	2,069

6. FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level I: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level II: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level III: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	31 December 2013			
	Total $'000	Level I $'000	Level II $'000	Level III $'000
Investments at fair value through profit or loss:				
Portfolio Funds and subsidiaries	537,576	5,854	-	531,722
Derivative instruments	335	-	335	-
Total financial assets at fair value	537,911	5,854	335	531,722

	30 June 2013			
	Total $'000	Level I $'000	Level II $'000	Level III $'000
Investments at fair value through profit or loss:				
Portfolio Funds and subsidiaries	533,935	3,934	-	530,001
Derivative instruments	378	-	378	-
Total financial assets at fair value	534,313	3,934	378	530,001

There have been no significant transfers between the levels during the period.

The changes in the fair value of Portfolio Funds and subsidiaries which the Company has classified as Level III are as follows:

	01/07/2013 to 31/12/2013 $'000	01/07/2012 to 31/12/2012 $'000
Fair value at beginning of the period	530,001	621,633
Purchase of investment and funding of capital calls	16,867	23,980
Distributions from limited partnership interests	(21,659)	(18,675)
Net fair value movement in the period (including foreign exchange gains/losses)	6,513	(23,387)
Fair value at the end of the period	531,722	603,551

6. FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE continued

A reconciliation of the Level III portfolio gains or losses included in profit or losses for the year ended 31 December 2013 are as follows:

	01/07/2013 to 31/12/2013 $'000	01/07/2012 to 31/12/2012 $'000
Reconciliation of accumulated unrealised gains/(losses) movements		
Accumulated unrealised losses at beginning of the period	(75,222)	(23,780)
Net unrealised gains/(losses) in the period (including foreign exchange gains/losses)	6,513	(23,387)
Accumulated unrealised losses at the end of the period	(68,709)	(47,167)

During the year the Company received $18,001,723 as realised gain from investments still held at the period end. $6,513,342 relates to unrealised appreciation in value of investments held at the period end. Total gains in investments classified as Level III that are still held at period end were $24,515,065.

Total realised and unrealised gains and losses recorded for Level III Portfolio Funds and subsidiaries, if any, are reported in "Other net changes in fair value of financial assets and financial liabilities through profit or loss" in the statement of comprehensive income.

Valuation of investments

The Company has interests in various different types of investments including: investments in subsidiaries, unquoted investments in funds, direct investments in unquoted companies and direct investments in public companies.

Investments in subsidiaries

Investments in subsidiaries are based on the latest available net asset values of the subsidiaries. The Company reviews the net asset values and considers the liquidity of the subsidiaries or its underlying investments, value date of the net asset values and any restrictions on dividends from the subsidiaries. If necessary, the Company makes adjustments to net asset values of the subsidiaries to obtain the best estimate of its fair value.

Unquoted investments in funds

The unquoted investments in funds are valued in accordance with IPEVCG.

Investments in private equity funds do not have a readily available market and are generally valued based on the fair value of each private equity fund as reported by the respective general partner as per the capital statement, which necessarily incorporates estimates made by those general partners. The Company believes that this value, in most cases, represents fair value as of the relevant statement date, although, if other factors lead the Company to conclude that the value provided by the general partner does not represent fair value, the Directors and Managers will adjust the value of the investment from the general partner's estimate. The Company estimates fair value based on publicly available information and the most recent financial information provided by the general partners, as adjusted for cash flows since the date of the most recent financial information.

Where no valuation is available from the general partner or an independent valuation agent the Directors and Managers will estimate the fair value in accordance with IPEVCG.

The public equity securities known to be owned within the purchased private equity fund are based on the most recent information reported to the Company by the general partners.

Direct investments in unquoted companies

Direct investments into unquoted investments are generally valued based on the fair value of each investment as reported by the respective management.

Direct investments into unquoted investments where no fair value is being provided to the Company by the management or sponsor are carried at fair value, as estimated by the Directors and Managers. In estimating fair value, the Directors and Managers also consider the value assigned to each investment by the lead investor (if any) with which the Company has co-invested, to the extent known.

The Directors and Managers also consider the estimated fair value based on the projected enterprise value at which the underlying company could be sold in an orderly disposition over a reasonable period of time and in a transaction between willing parties other than in a forced sale or liquidation. In these instances, market multiples considering specified financial

6. FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE continued

measures (such as EBITDA, adjusted EBITDA, cash flow, net income, revenues or NAV) and/or a discounted cash flow or liquidation analysis can be used.

Direct investments in public companies
When valuing direct investments in public companies the Company uses the quoted market price at the reporting date.

Consideration may also be given to such factors as the company's historical and projected financial data, valuations given to comparable companies, the size and scope of the company's operations, the company's strengths, weaknesses, applicable restrictions on transfer, industry information and assumptions, general economic and market conditions and other factors deemed relevant. The Directors and Managers may also engage the services of a third party valuation firm to assist with valuing the asset.

As the investments, including the valuation of such investments, are under the control of the managers of these funds, it is not practical to provide sensitivity analysis around the main inputs used within the various valuation models. Subsidiaries are valued at their net asset values adjusted by the Company to obtain best estimate of fair values.

Valuation processes

The Managers perform the valuation of financial assets required for financial reporting purposes, including Level 3 fair values. The Managers report to the Board of Directors and the Audit Committee. Discussions of the valuation process and results are held between the Managers and the Board of Directors at least once every quarter.

7. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTISED COST

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Receivables
- Cash and cash equivalents
- Payables and accruals
- Loan balances
- Zero Dividend Preference Shares (“ZDP shares”)

8. SCHEDULE OF INVESTMENTS

Vehicle	Investment	31 December 2013 $000's	30 June 2013 $000's
Back Bay	Stoneleigh Back Bay Associates LLC	6,099	5,929
BMFL/BMML*	BoS Mezzanine Partners, LP	51,912	50,388
BSPEL Aus	Macquarie Private Capital Trust	55,692	59,134
BSPEL Lux	Alto Capital II	5,498	5,242
BSPEL Lux	Realza Capital Fondo, FCR	2,022	1,784
Convey**	China Media Enterprises Limited	23,943	29,340
Iberian	Alia Capital Fund I C.V.	1,394	1,618
JPEL	10th Lane Finance Co., LLC	6,507	6,631
JPEL	Alliant Investor A, LLC	13,597	-
JPEL	Aksia Capital III	3,499	2,949
JPEL	Apollo International Real Estate Fund	744	729
JPEL	Apollo Investment Fund V, L.P.	515	761
JPEL	Apollo Real Estate Investment Fund IV, L.P.	575	239
JPEL	Argan Capital Fund	9,413	8,881
JPEL	Arlington Capital Partners II, L.P.	1,296	1,446
JPEL	Arrow Path Fund II, L.P.	1,582	1,585
JPEL	Bain Capital Fund VI, L.P.	8	8
JPEL	BCP V Co-Investors	1,013	906
JPEL	Beacon India Private Equity Fund	6,478	6,654
JPEL	Bear Stearns Global Turnaround Fund LP	16,766	17,647
JPEL	Bear Stearns Private Opportunity Ventures, L.P.	2,180	1,943
JPEL	Black Diamond Capital Management	7,487	7,109
JPEL	Blackstone Real Estate Partners IV, L.P.	1,477	1,498
JPEL	Blue River Capital I, LLC	5,598	6,452
JPEL	Candover 2001 Fund	256	346
JPEL	Candover 2005 Fund	2,223	2,153
JPEL	Clearwater Capital Partners Fund I, L.P.	1,776	2,368
JPEL	Clearwater Capital Partners Opportunities Fund (Cayman) Ltd.	220	238
JPEL	Colony Investors VI, L.P.	102	165
JPEL	CPC RD Investment LLC	1,264	1,264
JPEL	DFJ Esprit Capital III L.P.	3,090	2,213
JPEL	Doughty Hanson & Co. Technology Fund	301	294
JPEL	Esprit Capital I Fund	5,198	4,882
JPEL	Gemini Israel III, L.P.	23	23
JPEL	Global Buyout Fund, L.P.	5,173	5,343
JPEL	Global Opportunistic Fund	3,943	4,139
JPEL	Green Investors III, L.P.	-	169
JPEL	Gridiron Capital Fund, L.P.	4,458	4,514
JPEL	Guggenheim Aviation Offshore Investment Fund II, L.P.	12,152	13,377
JPEL	Highstar Capital III Prism Fund, L.P.	4,667	4,760
JPEL	Hupomone Capital Fund, L.P.	1,598	2,255
JPEL	Hutton Collins Capital Partners II LP	2,773	2,565
JPEL	Industry Ventures Acquisition Fund, L.P.	2	2
JPEL	Industry Ventures Fund IV, L.P	1,753	1,967
JPEL	Industry Ventures Fund V, L.P	4,414	3,872
JPEL	Leeds Equity Partners IV Co-Investment Fund A, L.P.	5,854	3,274
JPEL	Leeds Equity Partners IV, L.P.	5,524	4,321
JPEL	Leeds Equity Partners V, L.P.	12,182	11,522

8. SCHEDULE OF INVESTMENTS continued

Vehicle	Investment	31 December 2013 $000's	30 June 2013 $000's
JPEL	Liberty Partners II, L.P.	15,540	21,203
JPEL	Life Sciences Holdings SPV I Fund, L.P.	16,672	15,320
JPEL	Luxury Optical Holding Co.	2,504	2,543
JPEL	Main Street Resources I, L.P.	441	681
JPEL	Main Street Resources II, L.P.	2,176	2,750
JPEL	Markstone Capital Partners, L.P.	2,022	2,075
JPEL	Milestone 2010, L.P	8,455	7,851
JPEL	Milestone Link Fund, L.P.	11,319	10,668
JPEL	Montagu III L.P.	435	1,357
JPEL	Morning Street Partners, L.P.	791	801
JPEL	Nuance Communications, Inc	-	372
JPEL	Omega Fund III, L.P.	5,374	3,807
JPEL	Oxford Bioscience Partners IV, L.P.	311	305
JPEL	Primopiso Acquisition S.a.r.l	22,672	21,457
JPEL	Private Equity Access Fund II Ltd	2,903	3,024
JPEL	Providence Equity Partners IV, L.P.	394	359
JPEL	Quadrangle Capital Partners, L.P.	604	821
JPEL	Strategic Value Global Opportunities Feeder Fund I-A, LP	1,601	1,754
JPEL	Strategic Value Global Opportunities Master Fund, LP	2,333	2,273
JPEL	SVE Star Ventures	153	244
JPEL	Targa Resources Corp.	-	288
JPEL	Terra Firma Deutsche Annington L.P.	2,952	2,800
JPEL	Thomas H. Lee Equity Fund V, L.P.	531	529
JPEL	Trumpet Feeder Ltd	1,493	2,739
JPEL	Warburg Pincus Private Equity VIII, L.P.	2,768	3,345
JPEL	Wellington Partners Ventures II GMBH & CO.KG (B)	1,108	1,030
JPEL	Wellington Partners Ventures III Life Science Fund L.P.	2,484	2,162
JPEL H	Aqua Resources Fund Limited	7,771	6,676
JPEL H	Britania Investments S.a.r.l	3,289	3,113
JPEL H	Gulf Healthcare International LLC	8,059	8,060
JPEL H	Industry Ventures Fund V-A, L.P.	2,487	6,430
JPEL H	Industry Ventures Fund VI, L.P.	2,177	2,301
JPEL H	Omega Fund IV, L.P.	675	622
JPEL H	Parallel Ventures Limited Partnership and Parallel Private Equity Limited Partnership	36,273	36,842
JPEL TF	Terra Firma Deutsche Annington L.P. (JPEL TF Limited)	64,570	62,434
Total market value of Investments held by the Company		**537,576**	**533,935**

*The value attributed to BoS Mezzanine Partners, LP represents the valuation of JPEL's interest in BMML. This comprises BoS Mezzanine Partners, LP, $57,996,369 and net liabilities of $6,084,394.

**The value attributed to China Media Enterprises Limited represents the valuation of JPEL's interest in JPEL Convey Limited. This comprises China Media Enterprises Limited, $28,829,022 and net liabilities of $4,886,462.

Investment Vehicle	Abbreviation
JP Morgan Private Equity Limited	JPEL
Back Bay (Guernsey) Limited	Back Bay
BSPEL Australia Limited	BSPEL Aus
BSPEL Luxembourg SARL	BSPEL Lux
BSPEL Mezzanine Funding Limited	BMFL
BSPEL/Migdal Mezzanine Limited	BMML
Iberian Acquisition Holdings LLC	Iberian
JPEL Convey Limited	Convey
JPEL Holdings Limited	JPEL H
JPEL TF Limited	JPEL TF

9. LOAN BALANCES

	31 December 2013 $'000	30 June 2013 $'000
Lloyds Bank	48,123	55,323
Maturity profile		
Due after more than one year	48,123	55,323

The Company has entered into a multi-currency loan facility agreement with Lloyds Bank. The facility is for US$150,000,000 and bears interest of US$ LIBOR/EURIBOR + 330 bps on drawn amounts with a leverage of greater that 10% loan to value. At leverage rates of below 10% the loan bears interest of US$ LIBOR/EURIBOR +285 bps. A flat 1% rate is paid on undrawn amounts.

The facility has a remaining term of approximately three years and will expire on 31 January 2017. The facility also contains a number of covenants that restrict total leverage and promote asset diversification. Specifically, the Company is limited to a leverage ratio of 30 per cent of Total Assets. Furthermore, the asset base off of which the Company may borrow funds may be reduced if certain diversity criteria are breached; including geography, investment strategy, investment type, and company and manager concentration limitations. As at 31 December 2013, the Company's leverage ratio was 9.2 per cent, and the Company continued to be in compliance with the terms of the credit agreement. The facility is drawn down to €35,000,000 at 31 December 2013.

10. ZERO DIVIDEND PREFERENCE SHARES

The Company started the period with two classes of ZDP shares: 2015 ZDP shares and 2017 ZDP shares.

The holders of the 2015 ZDP shares are entitled to a redemption amount of 48.75 pence per ZDP share as increased daily at such a daily compound rate as would give a final entitlement of 87.30 pence on 31 October 2015. The effective interest rate is 8.45% p.a. based on the placing price of 50 pence per ZDP share. ZDP shares rank prior to the US$ Equity Shares in respect of the repayment of their entitlement of up to 87.3 pence per ZDP share. However, they rank behind any borrowings made by the Company that remain outstanding. They carry no entitlement to income and the whole of their return takes the form of capital.

The holders of the 2017 ZDP shares are entitled to a redemption amount of 65 pence per ZDP share as increased daily at such a daily compound rate as would give a final entitlement of 107.10 pence on 31 October 2017. The effective interest rate is 8.48% p.a. based on the placing price of 65 pence per ZDP share. ZDP shares rank prior to the US$ equity shares in respect of the repayment of their entitlement of up to 107.1 pence per ZDP share and pari passu to the 2015 ZDP shares and 2015 ZDP shares. However, they rank behind any borrowings made by the Company that remain outstanding. They carry no entitlement to income and the whole of their return takes the form of capital.

ZDP shareholders will not be entitled to receive any part of the revenue profits, including any accumulated revenue reserves of the Company on a winding-up.

The movement of the ZDP shares in the year was as follows:

	Number of shares	2013 $'000
Balance at start of period	97,488,124	107,859
Interest accretion	-	4,884
Unrealised FX movement	-	9,721
Balance as at 31 December 2013	97,488,124	122,464

10. ZERO DIVIDEND PREFERENCE SHARES continued

	Number of shares	2012 $'000
Balance at start of period	160,647,145	169,381
Tender offer	(410,000)	(470)
Interest accretion	-	8,380
Unrealised FX movement	-	5,991
Balance as at 31 December 2012	160,237,145	183,282

ZDP 2015 Shares	Date	Number of shares
Balance at start of period		67,077,371
Balance as at 31 December 2013		67,077,371
Issue date	19 December 2008	
Valuation date	31 December 2013	
Days from issue	1,838	
Daily compound rate	0.0232434%	
Initial price	48.75 pence	
Price at valuation	74.73 pence	

ZDP 2017 Shares	Date	Number of shares
Balance at start of period		30,410,753
Balance as at 31 December 2013		30,410,753
Issue date	12 September 2011	
Valuation date	31 December 2013	
Days from issue	841	
Daily compound rate	0.0222971%	
Initial price	65 pence	
Price at valuation	78.4 pence	

The interest charge accrued for the period on the ZDP shares was $4,884,169 (2012: $8,379,685).

On 5 September 2012 at the Company's AGM a special resolution was passed in relation to the ZDP shares

- The final capital entitlement ("FCE") dates of each of the Company's two classes of ZDP shares were amended as follows:
  - The FCE date for JPEL's 2015 ZDP shares is now 31 October 2015.
  - The FCE date for JPEL's 2017 ZDP shares is now 31 October 2017.
- The minimum cover under the ZDP Test was increased from 1.3 times to 2.0 times, as defined in the Company's Articles.

At 31 December 2013 the fair value of the 2015 ZDP shares was $82,989,158 (2012: $74,835,110) and the fair value of the 2017 ZDP shares was $39,475,268 (2013: $35,719,793).

11. ISSUED SHARE CAPITAL AND RESERVES

Authorised share capital

The authorised share capital of the Company is £100 divided into 100 founder shares of £1 each, and an unlimited number of redeemable participating preference shares of no par value each, which may be issued and designated as US$ equity shares, sterling equity shares, euro equity shares, ZDP shares or any other shares (denominated in any currency) as may be determined by the Board from time to time in accordance with Article 3(4)(d) of the Company's Articles of Association.

Issued share capital

The movement of the US$ equity shares in the year was as follows:

	Date	Number of shares	Price
Balance as at 01 July 2013		346,376,158	
No movement in period		-	
Balance as at 31 December 2013		346,376,158	

The US$ equity shares carry the right to receive all revenue profits of the Company (including accumulated revenue reserves) which are available for distribution and from time to time determined to be distributed by way of interim and/or final dividends and at such times as the directors may determine. On winding-up, equity shareholders will be entitled to the net assets of the Company after any payables have been paid and the accrued entitlement of the ZDP shares has been met.

12. SUBSIDIARIES

The Company has established a number of investment holding vehicles that are held purely for the purposes of holding the underlying investment in private equity funds. These special purpose entities are presented in detail below:

Name	Country of Incorporation	% Holding	Principal activity
BSPEL Mezzanine Funding Limited ("BMFL")	Guernsey	100.0	Holding company
BSPEL/Migdal Mezzanine Limited ("BMML")	Guernsey	80.0	Holding company
BSPEL Australia Limited ("BSPEL Aus")	Guernsey	100.0	Holding company
BSPEL (Lux) S.a.r.l. ("BSPEL Lux")	Luxembourg	100.0	Holding company
JPEL TF Limited ("JPEL TF")	Guernsey	100.0	Holding company
Iberian Acquisition Holdings LLC ("Iberian Acq")	Delaware	100.0	Holding company
JPEL Convey Limited ("Convey")	Guernsey	100.0	Holding company
Back Bay (Guernsey) Limited ("Back Bay")	Guernsey	78.8	Holding company
JPEL Holdings Limited (JPEL Holdings")	Guernsey	100.0	Holding company

BSPEL Mezzanine Funding Limited owns 80% of the issued capital of BSPEL/Migdal Mezzanine Limited, a Guernsey registered company which invests in seven funds through a limited partnership.

BSPEL Australia Limited owns 100% of the issued trust units in Macquarie Private Capital Trust, an Australia registered trust which invests in 24 private equity partnerships and investment funds.

JPEL TF Limited is a limited partner in Terra Firma Deutsche Annington, L.P., a Guernsey limited partnership.

Iberian Acquisition Holdings LLC is a limited partner in Alia Capital Fund ICV, a Dutch limited partnership.

JPEL Convey Limited owns 35% of China Media Enterprises Limited, a limited liability BVI company that wholly owns four subsidiaries in Hong Kong and China.

13. RELATED PARTY TRANSACTIONS

JPMorgan Asset Management (UK) Limited, Bear Stearns Asset Management Inc. and JF International Management Inc. (the "Managers") are all related parties of the Company

Mr. Getschow is a senior executive of Bear Stearns Asset Management Inc, one of the Managers to the Company and a subsidiary of JPMorgan Chase & Co.

Other than Mr. Spencer who owns 30,067 US$ equity shares, no other Director holds directly or indirectly shares in the Company.

Mr. Ash is entitled to receive Directors fees of £40,000 per annum, Mr. Loudon and Mr. Spencer are each entitled to receive Directors fees of £30,000 per annum. Mr Getschow has waived his right to Directors Fees.

14. POST BALANCE SHEET EVENTS

The Directors are not aware of any post balance sheet events which require further disclosure in the financial statements.

Information about the Company

DIRECTORS:	Trevor Charles Ash (Chairman) Gregory Getschow John Loudon Christopher Paul Spencer
MANAGERS (as to the Private Equity Portfolio):	BEAR STEARNS ASSET MANAGEMENT INC. c/o J.P. Morgan Asset Management 270 Park Avenue New York 10017 United States of America
	JPMORGAN ASSET MANAGEMENT (UK) LIMITED 125 London Wall London EC2Y 5AJ
	JF INTERNATIONAL MANAGEMENT INC Chater House 8 Connaught Road Hong Kong
ADMINISTRATOR AND COMPANY SECRETARY:	AUGENTIUS (GUERNSEY) LIMITED Carinthia House 9-12 The Grange St Peter Port Guernsey GY1 4BF
INDEPENDENT AUDITOR:	PricewaterhouseCoopers CI LLP Royal Bank Place 1 Glategny Esplanade St Peter Port Guernsey GY1 4ND
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