

JPEL

Company Summary

Objective

JPEL’s core strategy is to purchase private equity fund interests in the secondary market.

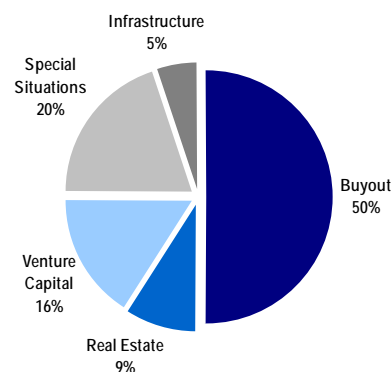
Launched

30 June 2005

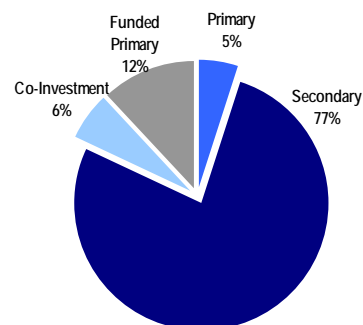
| | US\$ Equity Share | Zero Dividend Preference Share 2013 | Zero Dividend Preference Share 2015 | JPEL Warrants |
|-----------------------------------|-----------------------------------|---|---|-----------------------------------|
| Net Asset Value (“NAV”) per share | US\$ 1.32 | 56.05p | 52.01p | N/A |
| No. of shares in issue | 367.74 mm | 63.37 mm | 16.09 mm | 58.08 mm |
| Currency of Quotation | US\$ | £ Sterling | £ Sterling | US\$ |
| Ticker | JPEL | JPEZ | JPZZ | JPWW |
| Sedol | B07V0H2 | B07V0R2 | B00DDT8 | B60XDY5 |
| ISIN | GB00B07V0H27 | GB00B07V0R25 | GG00B00DDT81 | GG00B60XDY53 |
| Market Makers | ABN Amro Cazenove HSBC Bank | Cazenove Collins Stewart HSBC Bank Winterflood | Cazenove Collins Stewart HSBC Bank Winterflood | ABN Amro Cazenove HSBC Bank |

All figures as at 30 September 2009.

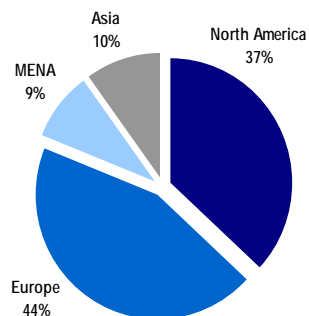
Fund Level – Investment Strategy^{1,2}



Fund Level – Investment Type¹



Company Level - Geography¹



1. The diversification charts above are based on Net Asset Value as at 30 September 2009 and use underlying company-level and fund-level values.
2. Special situations includes mezzanine, debt, turnaround and distressed investment strategies.

Company Description

J.P. Morgan Private Equity Limited (“JPEL” or the “Company”) is a global private equity fund listed on the London Stock Exchange. JPEL’s core strategy is to purchase private equity fund interests in the secondary market.

JPEL pursues the following strategies to seek to meet its investment objectives

- Acquires secondary portfolios of direct investments and significantly invested partnership investments to accelerate NAV development.
- Opportunistically invests in buyout, venture capital, and other 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.
- To actively manage the portfolio by repositioning its investment composition from time to time in order to capitalise on changes in private equity market conditions.

The Company’s capital structure consists of three classes of shares: US\$ Equity Shares (“Equity Shares”) and two classes of Zero Dividend Preference Shares due 2013 and 2015, respectively (together, the “ZDP Shares”).

JPEL issued warrants free of subscription cost to shareholders on record as of 17 August 2009. The warrants are publicly traded on the London Stock Exchange under the symbol “JPWW.”

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Manager's Comments

JPEL's NAV per equity share has grown 29.4% since inception (June 2005) versus declines of 11.3% and 1.9% in the S&P 500 and MSCI World (USD) indices, respectively. *

* Source: Manager. Bloomberg. As at 30 September 2009. Past performance is not indicative of future performance. Performance returns shown can increase or decrease due to currency fluctuations.

JPEL Performance

The quarter ending 30 September 2009 marked the end of a transformational period for JPEL. Despite difficult market conditions during the first half of 2009, the Company:

- **Strengthened its balance sheet** with a \$93.5 million Equity Share raise, exceeding its fundraising target of \$50 million.
- **Issued free warrants** to all Equity Shareholders on record as at 17 August 2009. JPEL Warrants have traded up to \$0.18 per share as at 30 October 2009.
- **Delivered solid performance** for the quarter with Equity NAV of \$1.32 at 30 September vs. \$1.34 at 30 June, despite raising \$93.5 million of capital at a discount to NAV. JPEL's 30 September 2009 NAV represented a 5.6% increase from the intra-quarter low of \$1.25 per Equity Share on 28 August 2009.
- **Achieved a 27% rebound in its Equity Share price** from 30 June 2009 to 30 October 2009.
- **Narrowed its Equity Share discount to NAV to 3.4%**, as compared to the peer group average discount of 52.1%.*
- **Continued the premium of its 2013 ZDPs and 2015 ZDPs throughout the period.**

Proactive actions by the Company, combined with improving market conditions, have greatly improved the position of JPEL's existing investors. Moreover, those investors that elected to participate in the Company's Equity Share fundraise at US\$1.00 per share have witnessed gains of approximately 25% on their investment from the appreciation of the Equity Shares and warrants as at 30 October 2009.**

Going forward, the Company intends to take further steps to improve its capital base and performance. To that end, JPEL recently announced its intention to raise additional capital through the further issuance of 2015 ZDPs. It is the Company's desire to add capital to invest in a private equity secondary market that continues to offer substantial opportunities to purchase assets at significant discounts to reported value.

As at 30 September 2009, the Company's net asset value per Equity Share was \$1.32. This NAV is based primarily on financial statements received from underlying fund managers as at 30 June 2009 and reflects the dilutive effect of the issuance of approximately 93.5 million Equity Shares at US\$1.00 per share during the third quarter of 2009. NAV per share for the Company's 2013 and 2015 ZDP Shares increased from 55.06p to 56.05p and from 50.93p to 52.01p, respectively, during the third quarter, representing gains of 1.8% and 2.1%, respectively, per share. JPEL's 2013 ZDP share price and 2015 ZDP share price increased by 3.4% and 4.3%, respectively for the same period.

New Investment Activity

After a period of limited investment activity, the recent fundraise has positioned JPEL to become more active in the secondary market. At the end of June and in August 2009, JPEL closed on two investments at deep discounts to reported value. The first investment was a \$2.5 million secondary investment in European Life Sciences Holding Vehicle. This vehicle was created to purchase the complete portfolio of an older vintage private equity fund. The portfolio included 13 companies primarily focused on the pharmaceutical industry. The Manager expects that JPEL will receive most of its original purchase price within the first 6 months of this investment and will continue to hold a number of attractive assets. JPEL's second transaction was a €2.8 million secondary investment in Milestone Link Fund, L.P, a 2002 vintage year buyout fund with positions in two European companies. The portfolio is comprised of a healthcare equipment provider in France and a UK manufacturer and distributor of underlay and flooring accessories.

* Source: Cazenove Alternative Statistics, Bloomberg as at 29 October 2009. Peer group includes multi-manager listed private equity funds and is based on Peer Group included in 8 September 2009 LPE Focus by RBS and includes: APEN, SHPN, PEHN, PIN, CPEN, PEY, CCAP, ABSP, HPEQ, FPEO, NBPE, HVPE, SEP.

** Based on participation in the Equity offering prior to 17 August 2009 and includes the appreciation of the JPEL Equity Shares and warrants to \$0.18 per share at 30 October 2009.

Balance Sheet Information as at 30 September *

| | |
|-----------------------------|------------|
| Investments at Market Value | \$563.1 mm |
| Cash & Equivalents | \$101.5 mm |
| Total Assets | \$664.6 mm |
| Net Asset Value | \$556.3 mm |

Summary of Portfolio as at 30 September 2009¹

| | | | |
|--------------------|----|-----------------------|------------|
| Buyout Funds | 86 | U.S. Funds | 83 |
| Infrastructure | 5 | Non-U.S. Funds | 80 |
| Special Situations | 32 | Total Funds | 163 |
| Venture Capital | 39 | | |
| Real Estate | 7 | Co-Investments | 6 |

* Source: Manager.

1. Fund total includes private equity fund interests indirectly owned through the purchase of secondary interests.

Past performance is not indicative of future performance. Performance returns shown can increase or decrease due to currency fluctuations.

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Manager's Comments

JPEL's Equity Share price has rebounded approximately 70.6% from its 52 week-low on 3 April 2009.*

* Source: Bloomberg. As at 30 October 2009.
Past performance is not indicative of future performance.
Performance returns shown can increase or decrease due to currency fluctuations.

Portfolio Highlights

Over the past few months, there have been some signs of an improving M&A and IPO market. This partially benefited JPEL as its second largest company position, Education Management Company, went public after the end of the third quarter, on 1 October 2009. Despite these signs of improving market conditions, capital calls continue to outpace distributions with \$10.2 million of capital calls and \$5.4 million of distributions.

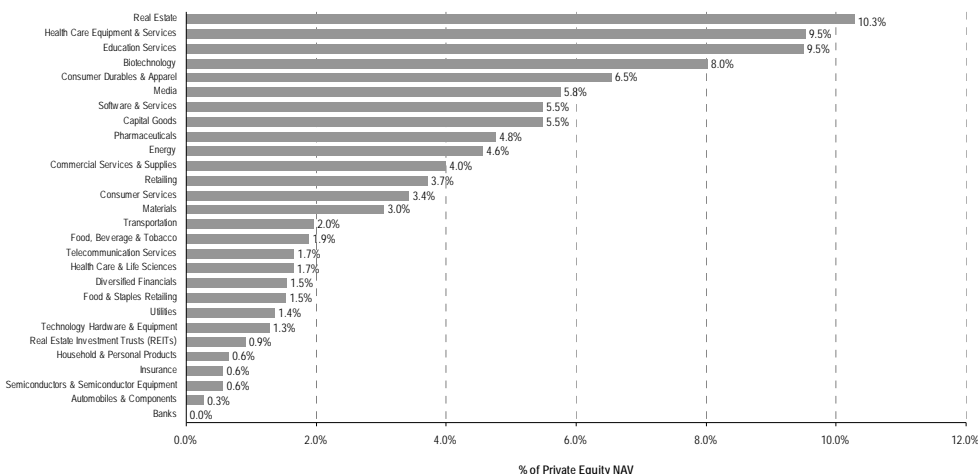
JPEL's portfolio is comprised of 163 fund interests that include over 1,500 companies across approximately 25 industries. The top 20 fund interests account for 61.3% of private equity NAV. The portfolio continues to be weighted heavily towards more defensive industries as over 20% of its portfolio is invested in healthcare-oriented companies and 9.5% in education assets. In addition, approximately 76% of its buyout portfolio is invested in small to medium sized buyouts, which tend to utilize lower leverage and purchase multiples. JPEL's portfolio is well diversified by vintage year; the average age of the Company's portfolio is 4.1 years.

Average age of Portfolio by Investment Strategy

- Average age of investments: **4.1 years**
- Buyout investments: **3.4 years**
 - Small buyout: **3.1 years**
 - Medium buyout: **3.1 years**
 - Large buyout: **4.6 years**
 - Mega buyouts: **4.0 years**
- Venture Capital investments: **7.3 years**
- Real Estate investments: **4.0 years**
- Special Situations: **3.1 years**
- Infrastructure investments: **3.1 years**

Source: Manager.
 Average age of investments based on the vintage year and specific 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 1 October 2009. Average is weighted based on Net Asset Value at 30 September 2009 and uses underlying company-level values.

JPEL has emphasized investments in industries that have counter-cyclical or defensive characteristics



Note: The diversification chart above is based on Net Asset Value as at 30 September 2009 and uses underlying company-level values.

Top 20 Fund Investments at 30 Sept 2009

| | |
|--|-------|
| 1. Terra Firma Deutsche Annington | 7.87% |
| 2. Global Opportunistic Fund | 5.41% |
| 3. Liberty Partners II | 4.42% |
| 4. Avista Capital Partners (Offshore) | 4.39% |
| 5. European Life Sciences Holding Vehicle | 4.29% |
| 6. Leeds Equity Partners IV Co-Investment Fund A | 3.31% |
| 7. Omega Fund III | 3.28% |
| 8. AIG Highstar Capital III Prism Fund | 3.08% |
| 9. Milestone Link Fund | 2.97% |
| 10. Espiril Capital I Fund | 2.85% |
| 11. Alcentra Euro Mezzanine No1 Fund | 2.70% |
| 12. Hutton Collins Capital Partners II | 2.58% |
| 13. Almack Mezzanine I Fund | 2.39% |
| 14. Global Buyout Fund, L.P. | 2.19% |
| 15. Leeds Equity Partners IV, LP | 2.01% |
| 16. Macquarie Wholesale Co-investment Fund | 1.72% |
| 17. Strategic Value Global Opportunities Master Fund, LP | 1.67% |
| 18. Strategic Value Global Opportunities Feeder Fund I-A, LP | 1.44% |
| 19. AIG MezzVest II LP | 1.37% |
| 20. Olympus Capital Asia III (Offshore), L.P. | 1.31% |

Top 20 Company Investments at 30 Sept 2009

| | |
|---|-------|
| 1. Deutsche Annington Immobilien Group | 7.87% |
| 2. Education Management Corporation | 4.10% |
| 3. Concorde Career Colleges, Inc. | 3.03% |
| 4. FibroGen Europe | 3.02% |
| 5. Paratek | 2.83% |
| 6. Hunter Acquisition Limited | 2.20% |
| 7. Gulf Healthcare International/Medical Solutions FZ | 1.94% |
| 8. InterFloor | 1.79% |
| 9. WinnCare | 1.78% |
| 10. Knight Holdco | 1.68% |
| 11. Nycomed | 0.95% |
| 12. Step 2 Holdings | 0.95% |
| 13. FibroGen | 0.94% |
| 14. Lantheus | 0.78% |
| 15. HHH Ports America Holdings I | 0.77% |
| 16. EduK | 0.72% |
| 17. Ajlan & Brothers Company 1 | 0.72% |
| 18. Zena | 0.70% |
| 19. Everis Spain | 0.70% |
| 20. Olympus Alloy Holdings | 0.65% |

JPEL's top 20 fund investments and the top 20 company exposures account for 61.3% and 38.1% of the Company's private equity portfolio, respectively.

Note: Based on Net Asset Value as at 30 September 2009 and use underlying company-level values. Top 20 Fund Investments exclude limited partnerships set up specifically to for co-investment purposes.

JPEL

Company Overview

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Investment Manager

JPEL is a closed-ended investment company that is registered and incorporated under the laws of Guernsey. JPEL is managed by Bear Stearns Asset Management Inc. (“BSAM Inc.” or the “Manager”), a wholly-owned subsidiary of JPMorgan Chase & Co.

JPMorgan Chase & Co. (NYSE: JPM) is a leading financial services firm with assets under management of \$2.2 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.

Further information about JPMorgan Chase & Co. can be found at www.jpmorganchase.com.

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Key considerations for private equity investors include but are not limited to: private equity is an illiquid asset class; there are typically no redemption features within a traditional private equity fund; traditional private equity fund investments are “locked up” for the duration of the partnership; private equity investments typically involve a long term time horizon; private equity funds may have investment periods that extend 6 years and terms of 12+ years; private equity is a speculative investments and there are no global disclosure standards or capital protection.

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