

### Company Description

Professional Investors Only – Not For Public Distribution

J.P. Morgan Private Equity Limited ("JPEL" or the "Company") is a Guernsey registered and incorporated, London Stock Exchange-listed, closed-ended investment company (LSE: JPEL, JPEZ, JPSZ). JPEL's primary strategy is to acquire secondary market portfolios of direct fund investments, significantly invested partnership interests and partially drawn commitments, in order to accelerate NAV development. JPEL employs an opportunistic, deep value private equity investment strategy and focuses on value-oriented investments with potential for early return of capital. The Company's capital structure consists of four classes of shares: Equity Shares and three classes of Zero Dividend Preference Shares due 2013, 2015 and 2017, respectively.

### Summary at 31 October 2012

	US\$ Equity Share	Zero Dividend Preference Share 2013	Zero Dividend Preference Share 2015	Zero Dividend Preference Share 2017	JPEL Warrants
Net Asset Value ("NAV") per share	\$1.12	70.47p	67.68p	71.30p	N/A
No. of shares in issue	377.75 mm	62.75 mm	67.08 mm	30.41 mm	57.90 mm
Currency of Quotation	US\$	£ Sterling	£ Sterling	£ Sterling	US\$
Ticker	JPEL	JPEZ	JPZZ	JPSZ	JPWW
Sedol	B07V0H2	B07V0R2	B00DDT8	B5N4JV7	B60XDY5
ISIN	GB00B07V0H27	GB00B07V0R25	GG00B00DDT81	GG00B5N4JV75	GG00B60XDY53

### Balance Sheet Information (\$ in mm)

Investments at Market Value	\$631.2
Cash & Equivalents	\$17.7
<b>Total Assets</b>	<b>\$648.9</b>
<b>Total Liabilities</b>	<b>(\$47.2)</b>
<b>Total Net Asset Value (NAV)</b>	<b>\$601.1</b>
2013 ZDP NAV	(\$71.3)
2015 ZDP NAV	(\$73.2)
<u>2017 ZDP NAV</u>	<u>(\$35.0)</u>
<b>US\$ Equity NAV</b>	<b>\$421.6</b>
Undrawn Credit Facility	\$104.6
Unfunded Commitments	\$91.2
Private Equity + Cash / Unfunded	7.11x

### JPEL Performance

JPEL's NAV per equity share increased to \$1.12 in the month of October from \$1.11. The increase is largely due to a gain in one of JPEL's European mezzanine debt funds. JPEL's equity share price declined to \$0.61 from \$0.63 during the month. In October JPEL received distributions of \$8.6 million versus capital calls of \$2.3 million. Nearly half of the distributions came from JPEL's Australian portfolio which consists mainly of 2005 and 2006 vintage year funds that are in the realization stage.

In November 2012, JPEL announced the following strategic initiatives:

- *Reposition JPEL portfolio*
  - Coupled with available capital from net distributions from JPEL's existing portfolio, explore sale of pre-credit crisis assets in secondary market to invest in growth opportunities
  - Create a more transparent and concentrated portfolio
  - Existing deal flow and return expectations are very attractive
- *Continue to improve capital structure*
  - Retire 2013 Zero Dividend Preference Shares in April 2013
  - Aim to reduce JPEL debt by 2015 while improving interest costs
- *Provide liquidity for holders of US\$ Equity Shares*
  - It is JPEL's current policy to return 50% of portfolio distributions, net of capital calls, operating expenses and any near term payment obligations, to shareholders<sup>1</sup>
  - To that end, JPEL will seek to purchase up to \$20 million of US\$ Equity Shares, or approximately 9% of shares outstanding through a coordinated share repurchase programme on 14 November 2012 at up to a 35% discount to prevailing NAV dated 30 September 2012. Any such purchases will be accretive to the NAV of the remaining US\$ Equity Shares
  - Continue to look to purchase US\$ Equity Shares through a variety of programmes

Subsequent to the strategic announcement, on 14 November 2012, JPEL completed a \$20 million coordinated share repurchase programme, acquiring 31,372,548 US\$ Equity Shares at a price of \$0.6375 per Share, or approximately. Inclusive of this repurchase, since August 2011, JPEL has returned approximately 14.3% of the weighted average shares outstanding during fiscal year 2012 through a mix of share repurchases and a formal tender offer.

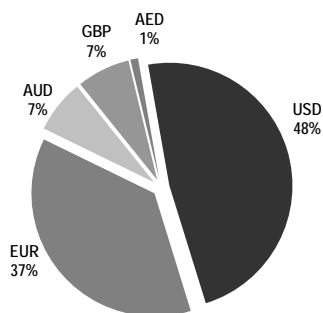
In October, the NAV per share for the Company's 2013 ZDP Shares increased 0.6% to 70.47, the 2015 ZDP Shares increased 0.7% to 67.68p and the 2017 ZDP Shares increased 0.7% to 71.30. The price of JPEL's 2013 ZDP Shares remained flat in October at 71.63p, the price of the 2015 ZDP Shares gained 1.2% to 75.75p and the price of the 2017 ZDP Shares increased 2.9% to 84.75p.

1. Subject to applicable legal, corporate and regulatory restrictions. Shareholders should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Company, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Company. Past performance is not indicative of future performance. Performance returns shown can increase or decrease due to currency fluctuations.

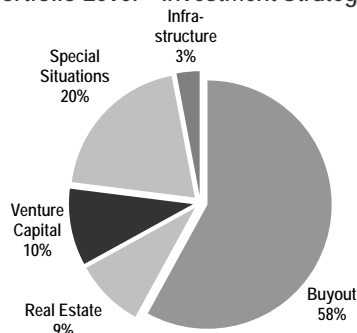
### Portfolio Summary at 31 October 2012

JPEL's portfolio is comprised of 108 fund interests, 11 co-investments, 1 listed private equity holding and five fund of funds that include over 1,500 companies. As a secondary investor, JPEL's portfolio is heavily weighted towards funded investments, which comprise approximately 76%<sup>1</sup> of the portfolio. In addition, the Managers place an emphasis on investing in small to medium sized buyout funds, which tend to utilize lower leverage and purchase multiples; these funds represent approximately 52% of the portfolio.

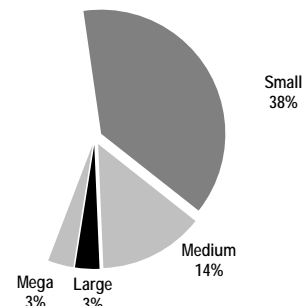
Portfolio Level – Currency<sup>2</sup>



Portfolio Level – Investment Strategy<sup>2,3</sup>



Portfolio Level – Buyout Type<sup>2</sup>



- Includes secondary investments and funded primary investments.
- The diversification charts above are based on private equity fair market value as at 31 October 2012 and use underlying fund-level values. Fund classifications for buyout strategy is 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.
- Special situations includes mezzanine, debt, turnaround and distressed investment strategies.

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#### Key considerations, risks and investment information for Private Equity Investors

Investments in private equity are speculative and involve significant risks. The environment for private equity investments is volatile, and an investor should only invest if the investor can withstand a total loss of investment. In considering the performance information contained herein, prospective investors should bear in mind that past performance is not indicative of future results. Private equity investments are not usually liquid and may be difficult to value.

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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