J.P. Morgan Private Equity Limited ("JPEL")

30 April 2014 - Month End Review

Professional Investors Only – Not For Public Distribution

Company Description

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, JPZZ, 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 three classes of shares: Equity Shares and two classes of Zero Dividend Preference Shares due 2015 and 2017, respectively.

Summary at 30 April 2014

	US$ Equity Share	Zero Dividend Preference Share 2015	Zero Dividend Preference Share 2017	JPEL Warrants
Net Asset Value ("NAV") per share	$1.11	76.84p	80.53p	N/A
No. of shares in issue	346.38 mm	67.08 mm	30.41 mm	57.90 mm
Currency of Quotation	US$	£ Sterling	£ Sterling	US$
Ticker	JPEL	JPZZ	JPSZ	JPWW
Sedol	B07V0H2	B00DDT8	B5N4JV7	B60XDY5
ISIN	GB00B07V0H27	GG00B00DDT81	GG00B5N4JV75	GG00B60XDY53

Balance Sheet Information	($ in mm)
Investments at Market Value	$546.9
Cash & Equivalents	$16.1
Total Assets	$563.0
Total Liabilities	($50.1)
Total Net Asset Value (NAV)	$512.9
2015 ZDP NAV	($87.0)
2017 ZDP NAV	($41.3)
US$ Equity NAV	$384.6
Undrawn Credit Facility	$101.5
Unfunded Commitments	$80.0
Private Equity + Cash / Unfunded	7.0x

Portfolio Update

JPEL's NAV per US$ Equity Share remained at $1.11 during the month of April. Approximately 97% of JPEL's April NAV is from underlying sponsor reports dated 31 December 2013 or later.

JPEL's portfolio continues generate significant distributions in 2014, which have permitted the Company to pay down €20 million of debt from its credit facility with Lloyds in May. Despite investing approximately $50 million in four new deals in the past few months, and pro forma for several large distributions in May, JPEL has reached a level where net debt has been substantially reduced to approximately $5 million. Including the 2015 and 2017 ZDP shares, JPEL's pro forma total leverage ratio is approximately 28%.[1]

During April, JPEL received distributions of approximately $1.5 million and capital calls of $0.5 million. In the first four months of 2014, the Company has received approximately $33 million of distributions followed by a large distribution from Deutsche Annington Immobilien Group ("DAIG") in May for an additional €11.8 million. Also during the month of May, JPEL moved nearly $11.0 million in cash generated from underlying portfolio distributions held in its BMML subsidiary up to the JPEL Company level. Including the distributions from DAIG and BMML, JPEL has received approximately $50 million of distributions in 2014.

On 16 May 2014, JPEL received a cash dividend of €1.2 million from its investment in DAIG. Several days later, on 20 May 2014, the managers of DAIG, which is JPEL's largest company holding, conducted a distribution in kind to shareholders at a price of €20.69 per share (less carried interest attributed to the manager Terra Firma). As a result, JPEL received approximately 2.4 million shares of DAIG. In conjunction with this distribution of shares, JPEL participated alongside other investors in a block trade. JPEL sold 25% of its position in DAIG at €19.50, resulting in cash proceeds of approximately €11.8 million. Based on DAIG's trading price at 30 May 2014 of €21.59, this transaction will have a slightly positive impact on JPEL's holding value. After the block trade, JPEL holds approximately 1.8 million shares of DAIG.

Prior to the DAIG distribution in kind, JPEL's investment was valued based on the most recent report received from Terra Firma, which valued DAIG at approximately €19 per share.

JPEL initially gained exposure to DAIG in 2006 through a €1.4 million investment in TFDA. In 2008, JPEL purchased a larger investment in the same co-investment vehicle at a substantial discount to the prevailing NAV at that time. Based on the sale price of €19.50 per share value, JPEL's investment in TFDA generated approximately 2.76x JPEL's cost and a 25.6% IRR.

JPEL's Managers continue to emphasize new investments. During the month of April, JPEL's Managers entered in to a non-binding letter of intent for a potential new secondary direct investment and are currently engaged in active due diligence on the potential investment opportunity.

ZDP Performance

In April, the NAV per share for the Company's 2015 ZDP Shares increased 0.7% to 76.84p and the 2017 ZDP Shares increased 0.7% to 80.53p. The price of JPEL's 2015 ZDP Shares increased 0.2% to 82.88p and the 2017 ZDP Shares increased 1.5% to 93.75p during the month.

Source: J.P. Morgan Asset Management. Past performance is not indicative of future performance. Performance returns shown can increase or decrease due to currency fluctuations.

1. Total leverage ratio is defined as total debt drawn under JPEL's credit facility plus accreted value of the 2015 and 2017 ZDP Shares divided by total assets. As at 30 April 2014. Pro forma for the following events that occurred in May 2014: repayment of €20 million of debt from JPEL's credit facility, dividend of €1.2 million from DAIG, €11.8 million from DAIG and $11.0 million in cash generated from underlying portfolio distributions held in its BMML subsidiary. Net debt refers to the amount drawn under the Lloyds credit facility less cash.

Portfolio Summary at 30 April 2014

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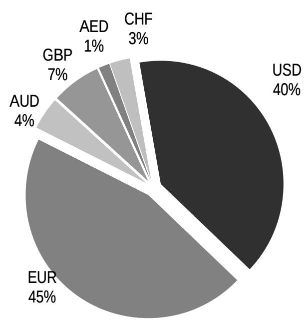
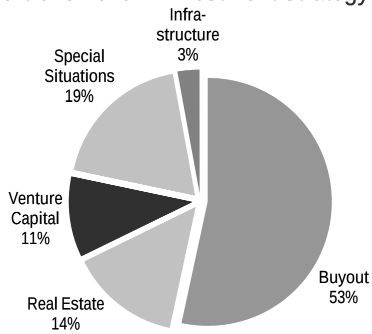
JPEL’s portfolio is comprised of 100 fund interests, 11 co-investments and five fund of funds that include over 800 companies. As a secondary investor, JPEL's portfolio is heavily weighted towards funded investments, which comprise approximately 91%[1] of the portfolio. In addition, the Managers place 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.

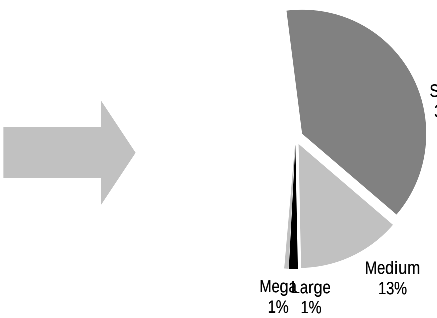
Portfolio Level – Currency[2]



Portfolio Level – Investment Strategy[2,3]



Portfolio Level – Buyout Type[2]



1. Includes secondary investments, co-investments and funded primary investments.
2. The diversification charts above are based on private equity fair market value as at 30 April 2014 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.
3. Special situations includes mezzanine, debt, turnaround and distressed investment strategies.

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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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