

## Company Description

J.P. Morgan Private Equity Limited is a Guernsey registered and incorporated, London Stock Exchange-listed, closed-ended investment company (LSE: JPEL, JPEZ, JPZZ). 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 2013 and 2015, respectively. JPEL issued warrants free of subscription cost to shareholders on record as of 17 August 2009.

## Summary at 31 August 2010

	US\$ Equity Share	Zero Dividend Preference Share 2013	Zero Dividend Preference Share 2015	JPEL Warrants	Balance Sheet Information	\$
Net Asset Value (“NAV”) per share	\$1.26	59.80p	56.11p	N/A	Investments at Market Value	\$560.6 mm
No. of shares in issue	367.88 mm	63.37 mm	69.42 mm	58.08 mm	Cash & Equivalents	\$119.4 mm
Currency of Quotation	US\$	£ Sterling	£ Sterling	US\$	Total Assets	\$680.0 mm
Ticker	JPEL	JPEZ	JPZZ	JPWW	Net Asset Value	\$581.3 mm
Sedol	B07V0H2	B07V0R2	B00DDT8	B60XDY5	Unfunded Commitments	\$126.1 mm
ISIN	GB00B07V0H27	GB00B07V0R25	GG00B00DDT81	GG00B60XDY53	Private Equity + Cash & Equivalents / Unfunded Commitments	5.39x

## Recent Announcement

JPEL recently announced that the Company will be making a tender offer to purchase up to 3% of current Shares outstanding. Offering the tender is a direct result of the strength of the Company’s balance sheet as well as the recent increase in distribution activity from underlying investments. JPEL is the only listed private equity fund to offer a tender facility. Since its IPO in 2005, JPEL has returned over \$112 million to shareholders through this facility.

## JPEL Performance

Distributions continued to outpace capital calls for the month ending 31 August. JPEL received distributions of \$1.5 million, offsetting capital calls of \$1.3 million. During the month of August, the NAV of JPEL’s US\$ Equity Shares fell by 1.6% to \$1.26 per share. The decline in NAV is primarily due to depressed public market values affecting JPEL’s largest education holding. However, subsequent to the end of August, there was a significant rebound in the education company’s stock price.

At the time that the 31 August Monthly report was published, JPEL had received approximately 88.7% of underlying private equity sponsor reports dated 30 June 2010 or later.\* JPEL’s US\$ Equity Share price increased 1.1% for the month of August. At the release of JPEL’s 31 August NAV, the Company’s US\$ Equity Shares traded at an 11.1% discount to the stated NAV of \$1.26, compared to the average trading discount of 41.9% within the multi-manager peer group<sup>1</sup>.

NAV per share for the Company’s 2013 and 2015 ZDP Shares increased from 59.43p to 59.80p and from 55.71p to 56.11p, respectively, during August, representing gains of 0.6% and 0.7%, respectively, per share. The share price for the 2013 ZDP Shares was unchanged for August, while the 2015 ZDP Shares increased of 0.4% during the month.

<sup>1</sup> J.P. Morgan Cazenove Alternative Stats, 7 October 2010. Snapshot of performance on 7 October 2010 and does not represent the average discount to NAV since inception. JPEL NAV data based on 31 August 2010. The Peer group is not an exhaustive list and is based on the multi-manager peer group included in LPE Focus| RBS manager survey – and includes a selection of funds set forth in such research. The peer group includes: APEN, SHPN, PEHN, PIN, CPEN, PEY, CCAP, ABSP, HPEQ, FPEO, NBPE, HVPE, SEP.

## Recent Investments

While secondary transactions by their nature carry a high degree of closing uncertainty, JPEL is very well advanced on a significantly funded interest in an Indian private equity fund which has a high probability of closing in the next few weeks. JPEL is documenting the transaction to purchase the LP interest at an approximate discount to net asset value of 30%. The Indian Fund pursues equity and equity-related growth/expansion capital and control investments in companies with significant operations in India. JPEL believes that there is considerable embedded value due to the continued positive performance of the Indian Fund’s largest asset which, JPEL believes, is expected to file an IPO within the next 12 months.

\* Based on private equity fair market value as at 31 August 2010.

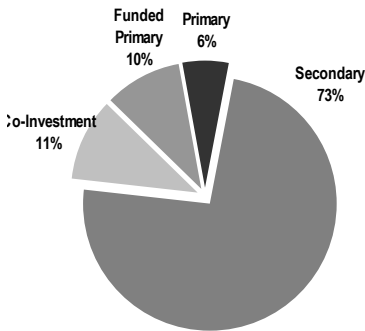
Past performance is not indicative of future performance. Performance returns shown can increase or decrease due to currency fluctuations.

## Portfolio Summary at 31 August 2010

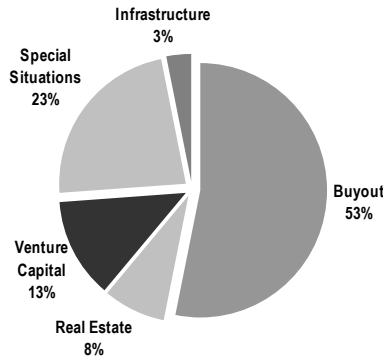
Professional Investors Only – Not For Public Distribution

JPEL’s portfolio is comprised of 166 fund interests that include over 1,500 companies across approximately 28 industries. As a secondary investor, JPEL’s portfolio is heavily weighted towards funded investments, which comprise approximately 84.0%<sup>1</sup> of the portfolio. In addition, the Manager places an emphasis on investing in small to medium sized buyout funds, which tend to utilize lower leverage and purchase multiples; these funds represent approximately 47% of the portfolio.

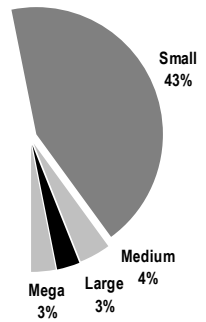
### Fund Level – Investment Type<sup>2</sup>



### Fund Level – Investment Strategy<sup>2,3</sup>



### Fund 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 August 2010 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.

#### MANAGER

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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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