

# J.P. Morgan Private Equity Limited ("JPEL") 30 November 2012 - Month End Review

## 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 30 November 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	70.88p	68.16p	71.78p	N/A
No. of shares in issue	346.38 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	\$609.7
Cash & Equivalents	\$19.1
<b>Total Assets</b>	<b>\$628.8</b>
<b>Total Liabilities</b>	<b>(\$59.9)</b>
<b>Total Net Asset Value (NAV)</b>	<b>\$568.4</b>
2013 ZDP NAV	(\$71.2)
2015 ZDP NAV	(\$73.2)
<u>2017 ZDP NAV</u>	<u>(\$35.0)</u>
<b>US\$ Equity NAV</b>	<b>\$389.0</b>
Undrawn Credit Facility	\$91.6
Unfunded Commitments	\$95.0
Private Equity + Cash / Unfunded	6.62x

## JPEL Performance

JPEL's NAV per equity share remained stable at \$1.12 in the month of November 2012.

During the month, JPEL announced a series of strategic initiatives aimed at repositioning the Company's portfolio, improving the Company's capital structure and providing liquidity for holdings of US\$ Equity Shares. Since JPEL's announcement, the Company completed a \$20 million share repurchase and is currently in active discussions to sell several non-core, pre-credit crisis assets in the secondary market. JPEL anticipates making an announcement regarding any potential sales in due course.

JPEL's NAV per US\$ Equity Share was unchanged for the month of November due to the mark-down of two companies managed by Duke Street (2e2 and Biomnis) which resulted in a decline of approximately \$0.03 to the NAV per US\$ Equity Share as well as the decline in one public market comparable for China Media Enterprises which resulted in an additional decline of approximately \$0.02 per US\$ Equity Share. The remainder of the JPEL portfolio was slightly positive for the month. The majority of reports (approximately 67%) used in calculating JPEL's private equity value for the month of November are based reports dated 30 September 2012.

In November, JPEL received distributions of \$4.3 million versus capital calls of \$1.2 million. The largest distribution resulted from the sale of one of Clarion Capital's underlying portfolio companies. Clarion is a 2003 vintage year fund that focuses on US based small-cap companies.

During the month of November, JPEL's US\$ Equity Share price declined 1.7% from \$0.61 to \$0.60 per US\$ Equity Share.

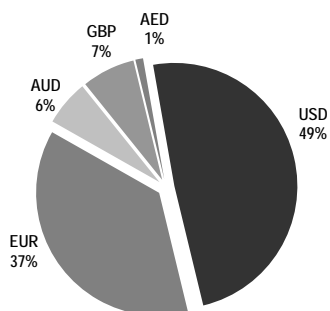
During November, the NAV per share for the Company's 2013 ZDP Shares increased 0.6% to 70.88p, the 2015 ZDP Shares increased 0.7% to 68.16p and the 2017 ZDP Shares increased 0.7% to 71.78p. The price of JPEL's 2013 ZDP Shares gained 0.5% in November to close the month at 72.00p, the price of the 2015 ZDP Shares gained 0.5% to 76.13p and the price of the 2017 ZDP Shares increased 0.3% to 85.00p.

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

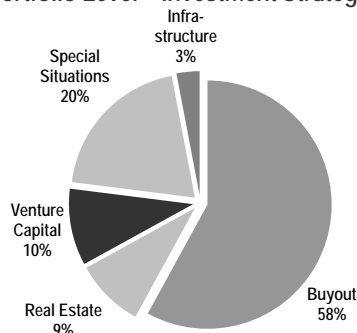
## Portfolio Summary at 30 November 2012

JPEL's portfolio is comprised of 109 fund interests, 11 co-investments 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.

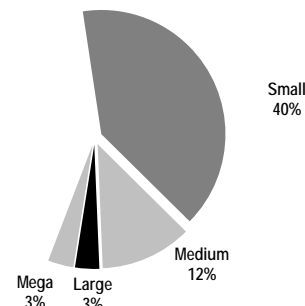
Portfolio Level – Currency<sup>2</sup>



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 30 November 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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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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