

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, 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 July 2011

|                                   | US\$<br>Equity<br>Share | Zero Dividend<br>Preference<br>Share 2013 | Zero Dividend<br>Preference<br>Share 2015 | JPEL<br>Warrants | Balance Sheet Information                                  | \$         |
|-----------------------------------|-------------------------|---|---|------------------|--|------------|
| Net Asset Value (“NAV”) per share | \$1.33                  | 63.79p                                    | 60.53p                                    | N/A              | Investments at Market Value                                | \$655.6 mm |
| No. of shares in issue            | 356.88 mm               | 63.31 mm                                  | 68.59 mm                                  | 57.90 mm         | Cash & Equivalents   | \$22.8mm   |
| Currency of Quotation             | US\$                    | £ Sterling                                | £ Sterling                                | US\$             | Total Assets   | \$685.0 mm |
| Ticker                            | JPEL                    | JPEZ                                      | JPZZ                                      | JPWW             | Net Asset Value  | \$607.6 mm |
| Sedol                             | B07V0H2                 | B07V0R2                                   | B00DDT8                                   | B60XDY5          | Unfunded Commitments                                       | \$112.6 mm |
| ISIN                              | GB00B07V0H27            | GB00B07V0R25                              | GG00B00DDT81                              | GG00B60XDY53     | Private Equity + Cash & Equivalents / Unfunded Commitments | 6.1 x      |

## JPEL Performance

As at 31 July 2011, the value of JPEL’s private equity portfolio was unchanged from the prior month. JPEL’s NAV per Equity Share ended the month of July at \$1.33 which represents a slight decrease of 0.7% from June due to expenses. Less than half of JPEL’s July NAV is based on investment values dated 30 June 2011 or later. The Managers expect to receive the majority of the second quarter reports from sponsors in August and September.

The pace of capital calls and distributions slowed in the month of July with distributions of \$0.5 million and capital calls of \$1.4 million. Year to date, JPEL’s distribution flow has outpaced capital calls by 143%.

JPEL’s equity shares were relatively flat for the month of July, declining less than 0.5% to end at \$1.08 per share. JPEL’s equity shares subsequently declined in the broader August sell off but have since rebounded and at the date of publication are trading at \$0.94 per share.

NAV per share for JPEL’s 2013 ZDP Shares increased from 63.41p to 63.79p during the month of July, representing a gain of 0.6%. NAV per share for JPEL’s 2015 ZDZP Shares increased 0.7%, from 60.11p to 60.53p, during the period. The share price for the 2013 ZDP Shares increased 0.9% to 67.75p for July, while the 2015 ZDP Shares increased 0.7% to 69.13p during the month.

## Investment Activity

In July, JPEL completed a secondary direct investment in a leading healthcare company based in Dubai by buying out an existing minority investor and subsequently made an additional growth equity investment in the company. The healthcare company has little debt and good growth prospects. JPEL was able to purchase the company at an attractive valuation from a motivated investor seeking liquidity.

In August 2011, JPEL announced a \$91.9 million acquisition of a portfolio of mid-market buyout co-investments using its shares as an acquisition currency. The portfolio is highly diversified with 38 co-investments located in the UK, France, Germany, Switzerland and Italy. With a mature average age of 3.6 years, the portfolio is poised for exits if market conditions allow. JPEL acquired the portfolio at an approximate 4.7% discount to the 30 June NAV which will be included in JPEL’s September NAV. The transaction was completed on 12 September 2011.

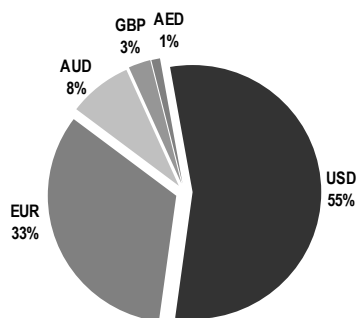
Past performance is not indicative of future performance. Performance returns shown can increase or decrease due to currency fluctuations.

## Portfolio Summary at 31 July 2011

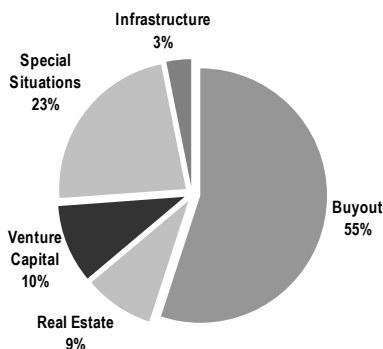
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JPEL's portfolio is comprised of 108 fund interests, 13 co-investments and six fund of funds that include over 1,500 companies. As a secondary investor, JPEL's portfolio is heavily weighted towards funded investments, which comprise approximately 77%<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 49% of the portfolio.

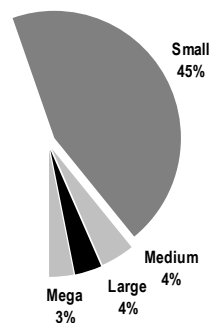
Fund Level – Currency<sup>2</sup>



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 July 2011 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.

## MANAGERS

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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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