

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 August 2011

	US\$ Equity Share	Zero Dividend Preference Share 2013	Zero Dividend Preference Share 2015	JPEL Warrants	Balance Sheet Information	\$
Net Asset Value (“NAV”) per share	\$1.32	64.17p	60.69p	N/A	Investments at Market Value	\$642.4 mm
No. of shares in issue	356.88 mm	63.31 mm	68.59 mm	57.90 mm	Cash & Equivalents	\$22.3mm
Currency of Quotation	US\$	£ Sterling	£ Sterling	US\$	Total Assets	\$664.7 mm
Ticker	JPEL	JPEZ	JPZZ	JPWW	Net Asset Value	\$605.1 mm
Sedol	B07V0H2	B07V0R2	B00DDT8	B60XDY5	Unfunded Commitments	\$108.9 mm
ISIN	GB00B07V0H27	GB00B07V0R25	GG00B00DDT81	GG00B60XDY53	Private Equity + Cash & Equivalents / Unfunded Commitments	6.1 x

JPEL Performance

JPEL’s portfolio is defensively structured and designed to withstand the challenging market environment witnessed in August and September. The underlying companies in the portfolio are conservatively valued and demonstrate a low level of debt with a weighted average EV/EBITDA multiple of 8.3x and Net Debt/EBITDA multiple of 1.8x.¹ In addition, approximately 25% of JPEL’s private equity assets are invested in the recession resistant industries of healthcare, education and energy.²

In the month of August, the private equity portfolio was relatively flat however the share price of JPEL’s largest public holding fell in the broader August sell off. As a result of this public market fluctuation and minor currency changes JPEL’s NAV per equity share decreased 0.8% to \$1.32 in the month of August. JPEL’s equity share price declined with the greater public market and ended the month of August at \$0.96 per equity share.

NAV per share for JPEL’s 2013 ZDP Shares increased from 63.79p to 64.17p during the month of August, representing a gain of 0.6%. NAV per share for JPEL’s 2015 ZDZP Shares increased 0.7%, from 60.53p to 60.96p, during the period. The share price for the 2013 ZDP Shares increased 0.4% to 68.00p for July, while the 2015 ZDP Shares decreased 0.2% to 69.00p during the month.

Investment Activity

With JPEL’s shares trading at a deep value the Managers and the Board of Directors agreed upon a limited share buyback. From 23 August through 13 September, the Company purchased 2,027,000 JPEL equity shares at an aggregate cost of \$1.98 million.

The current market volatility may create a very attractive secondary investment environment as more sellers seek liquidity and drive down pricing. JPEL has capital available for new investments and hopes to benefit from these conditions by purchasing assets that will be accretive to the portfolio at extremely attractive prices. That said, JPEL is a cautious investor and remains positioned to buy if the market and economy experience a much more significant setback than current conditions.

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

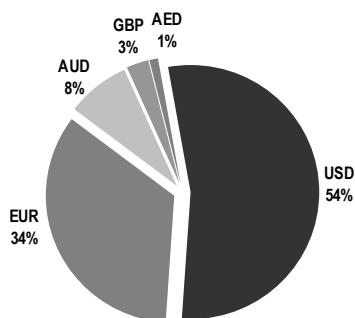
1. Source: Manager. Represents largest underlying buyout investments within JPEL’s largest 50 underlying companies. Buyout related investments represent 36 of JPEL’s largest 50 investments and 35% of total private equity investment value. Based on latest available underlying company data at time of publication.
2. Source: Manager. As at 30 June 2011.

Portfolio Summary at 31 August 2011

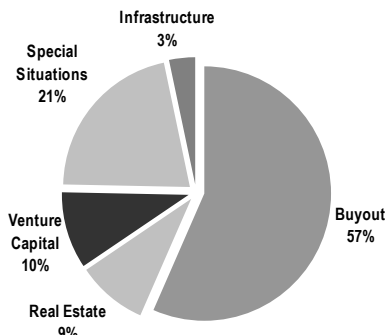
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JPEL's portfolio is comprised of 108 fund interests, 13 co-investments and six fund of funds that include over 1,500 companies. As a secondary investor, JPEL's portfolio is heavily weighted towards funded investments, which comprise approximately 78%¹ 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 50% of the portfolio.

Fund Level – Currency²



Fund Level – Investment Strategy^{2,3}



Fund Level – Buyout Type²



- Includes secondary investments and funded primary investments.
- The diversification charts above are based on private equity fair market value as at 31 August 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.

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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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