

### 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, 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 31 May 2013\*

	US\$ Equity Share	Zero Dividend Preference Share 2015	Zero Dividend Preference Share 2017	JPEL Warrants
Net Asset Value ("NAV") per share	\$1.11	71.10p	74.75p	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

\* JPEL's 2013 ZDP Shares were retired on 29 April 2013 at 73p per share.

\*\* The \$86.4 million of liabilities does not reflect the ~\$30 million of debt that was paid down on 24 June 2013. The current amount drawn under the Company's credit facility after the 24 June 2013 repayment is approximately \$56 million.

Balance Sheet Information	(\$ in mm)
Investments at Market Value	\$555.5
Cash & Equivalents	\$22.6
<b>Total Assets</b>	<b>\$578.1</b>
<b>Total Liabilities**</b>	<b>(\$86.4)</b>
<b>Total Net Asset Value (NAV)</b>	<b>\$491.7</b>
2015 ZDP NAV	(\$72.5)
2017 ZDP NAV	(\$34.5)
<b>US\$ Equity NAV</b>	<b>\$384.6</b>
Undrawn Credit Facility	\$65.5
Unfunded Commitments	\$78.9
Private Equity + Cash / Unfunded	7.33x

### Performance

During the month of May, JPEL's NAV per equity share remained flat at \$1.11. The Company received net distributions of \$4.0 million in May, positioning JPEL for a debt repayment which was completed in June.

### Portfolio Activity

In May 2013, JPEL received capital calls of \$0.1 million and distributions of \$4.1 million. JPEL received \$0.8 million from Monomoy Capital Partners from the sale of EveryWare. 10<sup>th</sup> Lane Finance Co., LLC distributed capital gain and interest income from their underlying portfolio companies resulting \$0.5 million to JPEL. JPEL also received \$0.4 million from Global Opportunistic Fund from the exits of Al Rayan and Kuwait Business Town. The Company received a further \$2.2 million from 13 underlying fund investments in May.

### Reduction of Leverage

On 24 June 2013, using distributions received from JPEL's mature private equity portfolio, the Company paid down approximately \$30 million, or 35%, of the drawn portion of its revolving credit facility as at 30 April 2013. The current amount drawn under the Company's credit facility after this repayment is approximately \$56 million. JPEL's \$150 million multi-currency credit facility matures in January 2017.

As a result of this repayment, JPEL's total leverage has decreased by approximately 33% from \$243 million at 31 December 2012, to approximately \$164 million at 27 June 2013. JPEL's leverage ratio\* has decreased to approximately 29.8%, down from 38.5% as at 31 December 2012.

Several months ago, on 7 November 2012, JPEL announced a series of strategic initiatives aimed at improving the Company's capital structure, providing liquidity for holders of US\$ Equity Shares and repositioning the Company's portfolio. Over the past seven months, JPEL has made significant progress with respect to each of these three key initiatives. As of today, JPEL has:

- Reduced total indebtedness by approximately \$79 million as compared to 31 December 2012;
- Reduced JPEL's annualized interest expense by 33%;
- Sold approximately \$35.8 million of assets, generating \$30.4 million of immediate cash proceeds (representing a 15% discount to NAV); and
- Returned \$20 million to US\$ Equity Shareholders by repurchasing 31,372,548 US\$ Equity Shares at a 42.6% discount to the prevailing NAV.

JPEL will continue to attempt to capitalise on the disconnect between its US\$ Equity Share price and the value of its underlying assets, while simultaneously using distributions or selected asset sales to reduce outstanding leverage and its overall cost of capital. JPEL anticipates making further announcements regarding any potential strategic initiatives in due course.

### Share Price Activity

During May, the Company's US\$ Equity Share price increased 8.0% in from \$0.70 to \$0.76 per share. The NAV per share for the Company's 2015 ZDP Shares increased 0.6% to 71.10p and the 2017 ZDP Shares increased 0.7% to 74.75p. The price of JPEL's 2015 ZDP Shares increased 2.9% to 79.25p and the 2017 ZDP Shares decreased 3.2% to 87.5p.

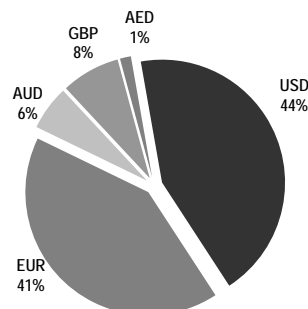
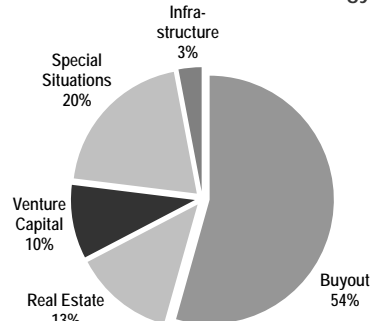
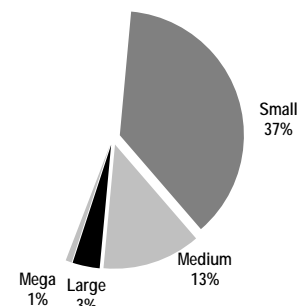
\* Total leverage ratio is defined as current value of the outstanding ZDP liabilities, plus leverage drawn under the Company's credit facility, divided by JPEL's Total Assets.

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

## Portfolio Summary at 31 May 2013

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JPEL's portfolio is comprised of 102 fund interests, 11 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 75%<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 50% of the portfolio.

Portfolio Level – Currency<sup>2</sup>Portfolio Level – Investment Strategy<sup>2,3</sup>Portfolio Level – Buyout Type<sup>2</sup>

1. Includes secondary investments and funded primary investments.

2. The diversification charts above are based on private equity fair market value as at 31 May 2013 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, 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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