

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, 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. JPEL issued warrants free of subscription cost to shareholders on record as of 17 August 2009.

Summary at 31 May 2012

	US\$ Equity Share	Zero Dividend Preference Share 2013	Zero Dividend Preference Share 2015	Zero Dividend Preference Share 2017	JPEL Warrants	Balance Sheet Information	\$
Net Asset Value ("NAV") per share	\$1.14	67.66p	64.87p	68.80p	N/A	Investments at Market Value	\$626.9mm
No. of shares in issue	381.20 mm	63.16 mm	67.08 mm	30.41 mm	57.90 mm	Cash & Equivalents	\$19.4mm
Currency of Quotation	US\$	£ Sterling	£ Sterling	£ Sterling	US\$	Total Assets	\$646.3mm
Ticker	JPEL	JPEZ	JPZZ	JPSZ	JPWW	Net Asset Value	\$600.6mm
Sedol	B07V0H2	B07V0R2	B00DDT8	B5N4JV7	B60XDY5	Unfunded Commitments	\$108.3mm
ISIN	GB00B07V0H27	GB00B07V0R25	GG00B00DDT81	GG00B5N4JV75	GG00B60XDY53	Private Equity + Cash & Equivalents / Unfunded Commitments	5.97x

JPEL Performance

In May 2012, JPEL's NAV per Equity Share declined to \$1.14 from \$1.18. The decrease is largely a result of mark downs in JPEL's European portfolio, contraction in the trading price of Education Management Corporation, JPEL's largest public company, and the decline of the Euro against the US Dollar, which fell 7% during the month of May. The unrealized declines during the month reflect the macro economic uncertainty in Europe and continued volatility in the for-profit education sector but do not represent permanent impairments to JPEL's portfolio.

JPEL received \$19.5 million in distributions in May and capital calls of \$1.7 million. The largest distribution came from the sale of Baby Cadum, one of the Company's top five investments which JPEL purchased in the Parallel transaction in September 2011. The company was realized at a value 40% greater than the previously reported NAV.

JPEL's equity share price ended the month of May at \$0.75. The Managers view the current trading discount as an attractive buying opportunity and purchased 2.45 million JPEL Equity shares in May. JPEL has purchased 7.50 million shares since the beginning of 2012.

On 20 June 2012, JPEL completed an extension of its multi-currency credit facility with Lloyds TSB Bank plc. The facility will now expire in January 2017 and contains similar covenants to the Company's existing \$150 million multi-currency facility which was due to expire in May 2013. Key terms of the proposed facility include:

- LIBOR / EURIBOR +280bps for a loan to value ratio (LTV) of less than or equal to 10%, with no LIBOR / EURIBOR floor
- LIBOR / EURIBOR +330bps for a LTV ratio of greater than 10%, with no LIBOR / EURIBOR floor

The facility provides JPEL greater flexibility in the future, as it allows the Company to draw to replace the 2013 and 2015 ZDPs if required.

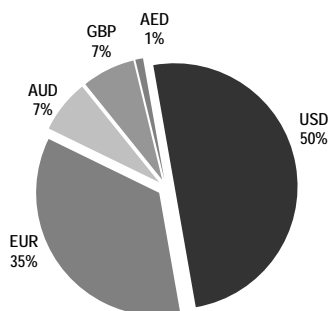
In May, the NAV per share for the Company's 2013 ZDP Shares increased 0.6% to 67.66, the 2015 ZDP Shares increased 0.7% to 64.87p and the 2017 ZDP Shares increased 0.7% to 68.80. The share price for the all of JPEL's ZDP Share classes remained largely unchanged in the month of May. The 2013 ZDP Shares ended May at 70.00p, the 2015 ZDP Shares ended at 72.88p and the 2017 ZDP Shares closed at 78.00p.

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

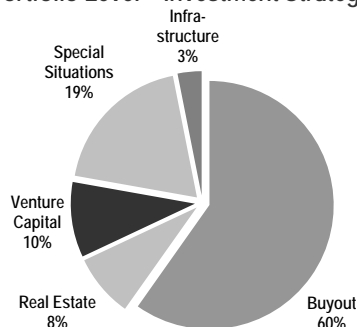
Portfolio Summary at 31 May 2012

JPEL's portfolio is comprised of 108 fund interests, 11 co-investments, 1 listed private equity holding 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%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 53% of the portfolio.

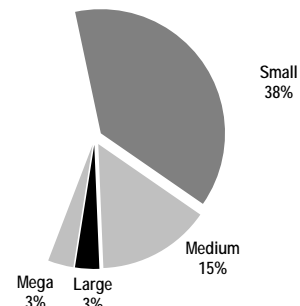
Portfolio Level – Currency²



Portfolio Level – Investment Strategy^{2,3}



Portfolio 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 May 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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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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