

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 August 2014

	US\$ Equity Share	Zero Dividend Preference Share 2015	Zero Dividend Preference Share 2017
Net Asset Value (“NAV”) per share	\$1.13	79.07p	82.77p
No. of shares in issue	346.42 mm	67.08 mm	30.41 mm
Currency of Quotation	US\$	£ Sterling	£ Sterling
Ticker	JPEL	JPZZ	JPSZ
Sedol	B07V0H2	B00DDT8	B5N4JV7
ISIN	GB00B07V0H27	GG00B00DDT81	GG00B5N4JV75

Balance Sheet Information	(\$ in mm)
Investments at Market Value	\$473.2
Cash & Equivalents	\$69.7
Total Assets	\$542.9
Total Liabilities	(\$21.6)
Total Net Asset Value (NAV)	\$521.4
2015 ZDP NAV	(\$88.0)
2017 ZDP NAV	(\$41.8)
US\$ Equity NAV	\$391.6
Undrawn Credit Facility	\$130.3
Unfunded Commitments	\$55.7
Private Equity + Cash / Unfunded	9.8x

The NAV per JPEL US\$ Equity Share remained at \$1.13 for the month of August 2014. Approximately 85% of the August 2014 NAV is based on underlying private equity valuations dated 30 June 2014 or later. The value of JPEL’s investment portfolio increased slightly during the month but gains in the underlying assets were offset by the weakening Euro.

Portfolio Update:

The Managers received the following updates on two of JPEL’s top 10 company investments:

Alliant Group (approximately 3.1% of JPEL’s portfolio): Alliant, one of JPEL’s recent investments, is the leading provider of high-value government-sponsored tax incentive consulting services to US middle market companies. For the six month period ended June 30, 2014, Alliant is performing ahead of budget and made an additional cash distribution to equity holders in August 2014. The company has now made cumulative distributions to shareholders equal to an 8% cash on cash return over the 8 month investment period. At August 2014, the realized and unrealized value of Alliant is 1.13x cost.

Compre Group (approximately 2.7% of JPEL’s portfolio): Compre is a specialist insurance group focused on acquiring European insurance companies and portfolios that are in run-off mode at discounts. Compre’s sponsor recently entered into exclusivity with a financial buyer. The likely timing of the sale, should negotiations be successful, is for contracts to be exchanged in Q4 2014 with completion then being subject to regulatory approval (likely to be a further six months). Compre increased in value from a gross multiple of 3.1x cost at 31 December 2013 to a gross multiple of 3.6x cost at 30 June 2014 as a result of (i) the increase in underlying net assets from £29.1 million at December 2013 to £29.8 million at June 2014, and (ii) the comparable quoted companies now trading at 100% of net asset value versus a 10% discount as at December 2013.

Cashflows

During the month JPEL received distributions of \$4.4 million and capital calls of \$1.8 million.

Equity Share Price and ZDP Performance

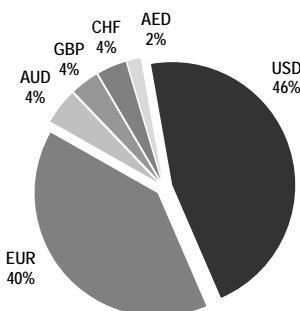
The share price of JPEL’s US\$ Equity shares decreased slightly during the month from \$0.78 to \$0.77. The NAV per share for the Company’s 2015 ZDP Shares increased 0.7% to 79.07p and the 2017 ZDP Shares increased 0.7% to 82.77p. The price of JPEL’s 2015 ZDP Shares increased 0.1% to 84.00p and the 2017 ZDP Shares increased 0.7% to 96.25p.

Source: J.P. Morgan Asset Management. Net Asset Value (NAV) performance is shown net of fees. Past performance is not indicative of future performance. Performance returns shown can increase or decrease due to currency fluctuations.

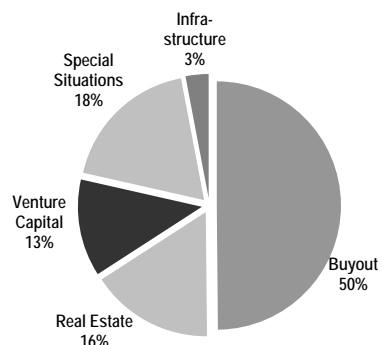
Portfolio Summary at 31 August 2014*

JPEL's portfolio is comprised of 90 fund interests, 14 co-investments and five fund of funds that include over 700 companies. As a secondary investor, JPEL's portfolio is heavily weighted towards funded investments, which comprise approximately 90%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 51% of the portfolio.

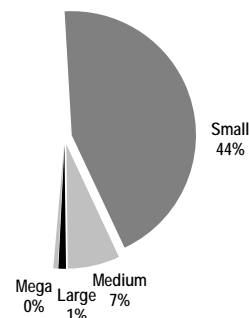
Portfolio Level – Currency²



Portfolio Level – Investment Strategy^{2,3}



Portfolio Level – Buyout Type²



Source: J.P. Morgan Asset Management

1. Includes secondary investments, co-investments and funded primary investments.
2. The diversification charts above are based on private equity fair market value as at 31 August 2014 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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