

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 2013*

	US\$ Equity Share	Zero Dividend Preference Share 2015	Zero Dividend Preference Share 2017	JPEL Warrants
Net Asset Value ("NAV") per share	\$1.11	72.64p	76.30p	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.

Balance Sheet Information	(\$ in mm)
Investments at Market Value	\$528.9
Cash & Equivalents	\$14.6
Total Assets	\$543.5
Total Liabilities**	(\$47.8)
Total Net Asset Value (NAV)	\$495.7
2015 ZDP NAV	(\$75.6)
<u>2017 ZDP NAV</u>	<u>(\$36.0)</u>
US\$ Equity NAV	\$384.2
Undrawn Credit Facility	\$103.7
Unfunded Commitments	\$77.7
Private Equity + Cash / Unfunded	7.0x

Performance

In August 2013, JPEL's NAV per equity share increased from \$1.10 to \$1.11. The increase in NAV is the result of mark ups in several of JPEL's public and private companies. Gains in the equity shares were slightly offset by foreign currency movements which increased the cost of the Company's Sterling denominated Zero Dividend Preference shares (the Sterling increased 2% against the US Dollar).

Portfolio Activity

JPEL received distributions of \$5.1 million and capital calls of approximately \$35,000 in August 2013. The largest distribution was from the initial public offering of Deutsche Annington Immobilien Group ("DAIG") from which JPEL received \$3.1 million. DAIG priced its IPO in July at €16.50 per share and closed on September 30, 2013 at €19.00 per share (JPEL's cost basis is less than €8.00 per share). In August, the Company also received smaller distributions from 12 funds.

Including distributions from August, JPEL has received distributions, net of capital calls, of \$51.0 million in 2013. This cash flow has helped JPEL to retire the 2013 ZDP Shares in full and repay an additional \$15.0 million of its credit facility. As a result, the Company's leverage ratio has been reduced to 29.3% at 31 August 2013 from 38.7% at 31 December 2012.*

JPEL's two largest publicly traded companies, Education Management Corporation ("EDMC") and LifeLock, Inc., performed well during the month increasing 15% and 11%, respectively. EDMC's shares closed at \$8.12 on 30 August 2013 up \$5.17 per share since the stock's low on 30 August 2012. LifeLock went public in October 2012 at \$9.00 per share and closed on 30 August 2013 at \$12.61 per share. JPEL bought into LifeLock in a pre-IPO financing round at a valuation of approximately \$5.50 per share.

In addition, Paratek, a pharmaceutical research and development company, increased in value after securing a new round of financing. JPEL's Australian portfolio was also a contributor to this month's performance due to a valuation increase its underlying investment in Quadrant Private Equity No. 1.

Share Price Activity

During August, the Company's US\$ Equity Share price remained at \$0.73 per share. The NAV per share for the Company's 2015 ZDP Shares increased 0.7% to 72.64p and the 2017 ZDP Shares increased 0.7% to 76.30p. The price of JPEL's 2015 ZDP Shares increased 0.3% to 79.63p and the 2017 ZDP Shares increased 0.6% to 88.00p.

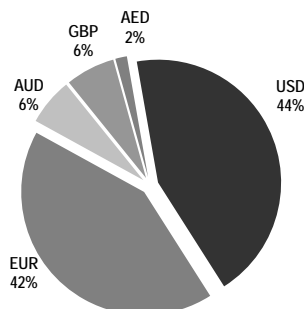
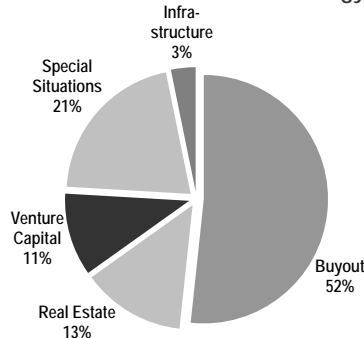
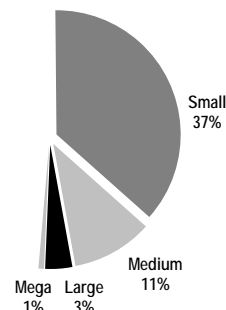
*Leverage ratio is defined as current value of the outstanding ZDP liabilities, plus leverage drawn under the Company's credit facility, divided by JPEL's Total Assets.

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

Portfolio Summary at 31 August 2013

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JPEL's portfolio is comprised of 100 fund interests, 11 co-investments and five 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 73%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 47% of the portfolio.

Portfolio Level – Currency²Portfolio 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 August 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.
- Special situations includes mezzanine, debt, turnaround and distressed investment strategies.

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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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