

JPEL Company Summary

Objective

JPEL's core strategy is to purchase private equity fund interests in the secondary market.

Launched

30 June 2005

	US\$ Equity Share	Zero Dividend Preference Share 2013	Zero Dividend Preference Share 2015	JPEL Warrants
Net Asset Value ("NAV") per share	US\$ 1.28	57.06p	53.10p	N/A
No. of shares in issue	367.74 mm	63.37 mm	69.42 mm	58.08 mm
Currency of Quotation	US\$	£ Sterling	£ Sterling	US\$
Ticker	JPEL	JPEZ	JPZZ	JPWW
Sedol	B07V0H2	B07V0R2	B00DDT8	B60XDY5
ISIN	GB00B07V0H27	GB00B07V0R25	GG00B00DDT81	GG00B60XDY53
Market Makers	ABN Amro Cazenove HSBC Bank	Cazenove Collins Stewart HSBC Bank Winterflood	Cazenove Collins Stewart HSBC Bank Winterflood	ABN Amro Cazenove HSBC Bank

All figures as at 31 December 2009.

Company Description

J.P. Morgan Private Equity Limited ("JPEL" or the "Company") is a global private equity fund listed on the London Stock Exchange. JPEL's core strategy is to purchase private equity fund interests in the secondary market.

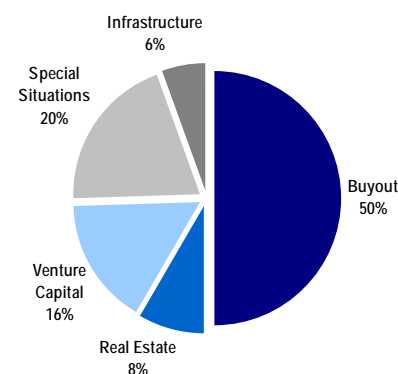
JPEL pursues the following strategies to seek to meet its investment objectives

- Acquires secondary portfolios of direct investments and significantly invested partnership investments to accelerate NAV development.
- Opportunistically invests in buyout, venture capital, and other special situations funds and investments throughout the world based on attractive transaction values, advantageous market conditions, and compelling risk-adjusted return potential.
- Obtains exposure to individual companies by co-investing alongside private equity sponsors in companies that offer the potential for substantial equity appreciation.
- Diversifies its portfolio by manager, industry, geography, investment stage, and vintage year.
- Actively manages the portfolio by repositioning its investment composition from time to time in order to capitalise on changes in private equity market conditions.

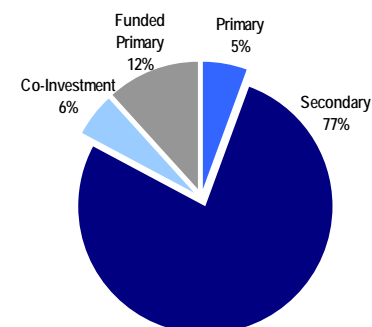
The Company's capital structure consists of three classes of shares: US\$ Equity Shares ("Equity Shares") and two classes of Zero Dividend Preference Shares due 2013 and 2015, respectively (together, the "ZDP Shares").

JPEL issued warrants free of subscription cost to shareholders on record as of 17 August 2009. The warrants are publicly traded on the London Stock Exchange under the symbol "JPWW."

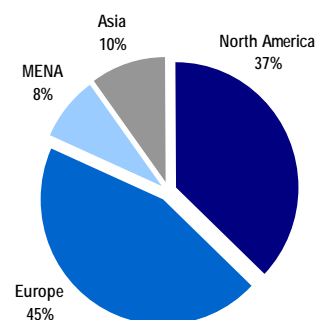
Fund Level – Investment Strategy^{1,2}



Fund Level – Investment Type¹



Company Level - Geography¹



1. The diversification charts above are based on Net Asset Value as at 31 December 2009 and use underlying company-level and fund-level values.
2. Special situations includes mezzanine, debt, turnaround and distressed investment strategies.

JPEL

Manager's Comments

JPEL Performance

The quarter ending 31 December 2009 marked the continuation of a transformational six-month period for JPEL. Building on the positive momentum generated during the third-quarter of 2009, the Company:

- **Strengthened its balance sheet, raising £30 million** in an over subscribed offering of Zero Dividend Preference Shares due in 2015 ("2015 ZDP Shares").
- **Reduced unfunded obligations** by approximately 10% during the fourth quarter of 2009. JPEL continues to have significant private equity asset coverage as compared to its unfunded obligations. For every \$1.00 of unfunded commitments, the Company has over \$4.24 of private equity assets. This compares favorably to that of the Company's listed private equity multi-manager peers.*
- **Achieved a 13% rebound in its Equity Share price** from 30 September 2009 to 31 December 2009.
- **Experienced continued share price premiums of its 2013 ZDPs and 2015 ZDPs** throughout the period.
- **Continued to emphasize its differentiated investment strategy** by increasing its public relations efforts in order to highlight its secondary investment strategy, the Manager's expertise in acquiring assets in the secondary market, as well as the quality of the underlying portfolio.

Proactive actions by the Company, combined with improving market conditions, have continued to benefit JPEL's investors. Moreover, those investors that elected to participate in the Company's Equity Share fundraise at US\$1.00 per share have witnessed growth of approximately 24% on their investment from the appreciation of the Equity Shares and warrants as at 30 October 2009.**

As at 31 December 2009, the Company's net asset value per Equity Share was \$1.28. This NAV is based primarily on financial statements received from underlying fund managers as at 30 September 2009. NAV per share for the Company's 2013 and 2015 ZDP Shares increased from 56.05p to 57.06p and from 52.01p to 53.10p, respectively, during the fourth quarter, representing gains of 1.8% and 2.1%, respectively, per share. During the fourth quarter of 2009, the global markets continued to rebound and JPEL's US\$ Equity Share price enjoyed a 13% increase.

Recent Announcements

Given the increase in foreign exchange rate volatility beginning in January 2010, the Company elected to purchase an 18-month EUR/USD put option to hedge approximately 50% of its private equity portfolio exposure to movements in the EUR/USD pairing.

On 12 February, the Company announced it will be increasing the frequency of the reporting and valuation of its private equity portfolio. Since the Company's IPO at June 2005, JPEL has updated the values of its private equity portfolio on a quarterly basis. Beginning with the month that ended 31 January 2010, the Company began valuing its private equity portfolio on a monthly basis. The Manager believes that reporting private equity valuations twelve times per year will enable the Manager to more efficiently communicate its activity in the secondary market as well as the overall performance of the portfolio.

* Source: Most recent publicly available company reports for each of the Peer Group. JPEL data as at 31 December 2009. Peer group includes multi-manager listed private equity funds and is based on the companies included in the Peer Group published in the 8 September 2009 LPE Focus by RBS and includes: APEN, SHPN, PEHN, PIN, CPEN, PEY, CCAP, ABSP, HPEQ, FPEO, NBPE, HVPE, SEP.

** Based on participation in the Equity offering prior to 17 August 2009 and includes the appreciation of the JPEL Equity Shares and warrants to \$0.17 per share at 31 December 2009.

Balance Sheet Information as at 31 December 2009*

Investments at Market Value	\$558.7 mm
Cash & Equivalents	\$129.6 mm
Total Assets	\$688.4 mm
Net Asset Value	\$588.4 mm

* Source: Manager.

1. Fund total includes private equity fund interests indirectly owned through the purchase of secondary interests.

Summary of Portfolio as at 31 December 2009¹

Buyout Funds	85	U.S. Funds	83
Infrastructure	5	Non-U.S. Funds	81
Special Situations	33	Total Funds	164
Venture Capital	40		
Real Estate	7	Co-Investments	6

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

JPEL

Manager's Comments

Portfolio Highlights

The Company benefited from an improving M&A and IPO market during the fourth quarter of 2009, as two JPEL portfolio companies MyFamily (NASDAQ: ACOM) and Kathmandu (NZSE: KMD, ASX: KMD) completed initial public offerings. For the quarter ending 31 December 2009 the Company received distributions of \$13.1 million which nearly offset the \$14.1 million of capital calls received by the Company, which has not occurred since the second quarter of 2008.

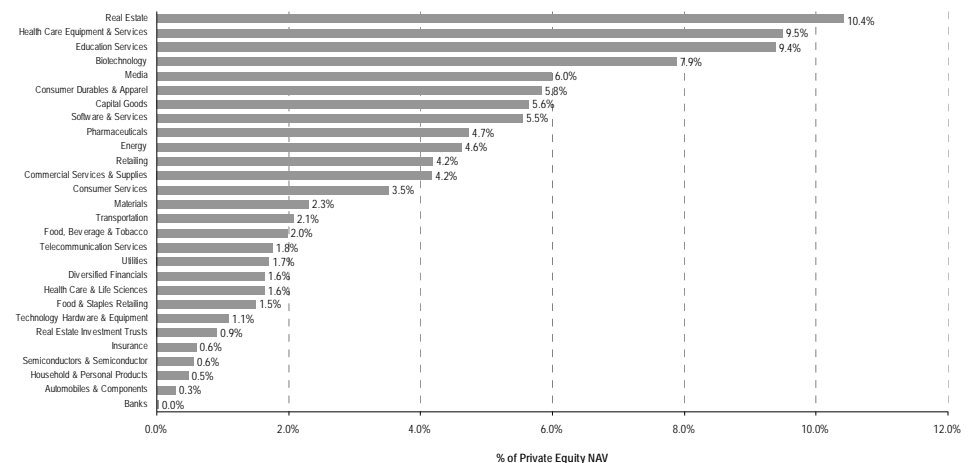
JPEL's portfolio is comprised of 164 fund interests that include over 1,500 companies across approximately 28 industries. The top 20 fund interests account for 61.2% of private equity NAV. The portfolio continues to be weighted heavily towards more defensive industries as over 20% of its portfolio is invested in healthcare-oriented companies and 9.4% in education assets. In addition, approximately 75% of its buyout portfolio is invested in small to medium sized buyouts, which tend to utilize lower leverage and purchase multiples. JPEL's portfolio is well diversified by vintage year; the average age of the Company's portfolio is 4.4 years.

Average age of Portfolio by Investment Strategy

- **Average age of investments: 4.4 years**
- Buyout investments: **3.7 years**
 - Small buyout: **3.5 years**
 - Medium buyout: **3.4 years**
 - Large buyout: **4.5 years**
 - Mega buyouts: **4.3 years**
- Venture Capital investments: **7.5 years**
- Real Estate investments: **4.3 years**
- Special Situations: **3.4 years**
- Infrastructure investments: **3.4 years**

Source: Manager.
Average age of investments based on the vintage year and specific date in which each individual portfolio company investment was made, subject to availability. Weighting is based on underlying portfolio company level values. Age calculated at 31 December 2009. Average is weighted based on Net Asset Value at 31 December 2009 and uses underlying company-level values.

JPEL has emphasized investments in industries that have counter-cyclical or defensive characteristics



Note: The diversification chart above is based on Net Asset Value as at 31 December 2009 and uses underlying company-level values.

Top 20 Fund Investments at 31 Dec 2009

1. Terra Firma Deutsche Annington L.P.	7.9%
2. Global Opportunistic Fund	5.4%
3. Liberty Partners II, L.P.	4.5%
4. Avista Capital Partners (Offshore), L.P.	4.3%
5. Omega Fund IV, L.P.	4.1%
6. AIG Highstar Capital III Prism Fund, L.P.	3.3%
7. Omega Fund III, L.P.	3.2%
8. Esprit Capital I Fund	2.9%
9. Milestone Link Fund, L.P.	2.9%
10. Alcentra Euro Mezzanine No1 Fund LP	2.5%
11. Hunter Acquisition Limited	2.5%
12. Almack Mezzanine I Fund LP	2.3%
13. Leeds Equity Partners IV Co-Investment Fund A, L.P.	2.3%
14. Macquarie Wholesale Co-investment Fund	2.1%
15. Global Buyout Fund, L.P.	2.1%
16. Hutton Collins Capital Partners II LP	2.0%
17. Leeds Equity Partners IV, LP	1.9%
18. Strategic Value Global Opportunities Master Fund, LP	1.7%
19. Strategic Value Global Opportunities Feeder Fund I-A, LP	1.7%
20. Guggenheim Aviation Offshore Investment Fund II, L.P.	1.5%

Top 20 Company Investments at 31 Dec 2009

1. Deutsche Annington Immobilien Group	7.7%
2. Concorde Career Colleges, Inc.	3.5%
3. Education Management Corporation	3.4%
4. FibroGen Europe	3.0%
5. Paratek	2.9%
6. Hunter Acquisition Limited	2.5%
7. Gulf Healthcare International/Medical Solutions FZ LLC	2.0%
8. InterFloor	1.8%
9. WinnCare	1.8%
10. Knight Holdco LLC	1.7%
11. Nycomed	1.0%
12. Step 2 Holdings LLC	1.0%
13. FibroGen	0.9%
14. HHH Ports America Holdings I,LP.	0.8%
15. Lantheus	0.8%
16. Everis Spain	0.7%
17. Ajan & Brothers Company 1	0.7%
18. Amart All Sports	0.7%
19. EduK	0.7%
20. Zena	0.7%

JPEL's top 20 fund investments and the top 20 company exposures account for 61.2% and 38.1% of the Company's private equity portfolio, respectively.

Note: Based on Net Asset Value as at 31 December 2009 and use underlying company-level values. Top 20 Fund Investments exclude limited partnerships set up specifically to for co-investment purposes.

JPEL

Company Overview

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John Loudon (*UK Resident*)

Christopher Paul Spencer (*Guernsey Resident*)

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Investment Manager

JPEL is a closed-ended investment company that is registered and incorporated under the laws of Guernsey. JPEL is managed by Bear Stearns Asset Management Inc. ("BSAM Inc." or the "Manager"), a wholly-owned subsidiary of JPMorgan Chase & Co.

JPMorgan Chase & Co. (NYSE: JPM) is a leading financial services firm with assets under management of \$2.2 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management, and private equity.

Further information about JPMorgan Chase & Co. can be found at www.jpmorganchase.com.

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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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