

JPEL Company Summary

December 2015 Quarter End Review

Objective

JPEL's core strategy is to directly invest in private companies purchased in the secondary market with an emphasis on buying assets from tail end funds.

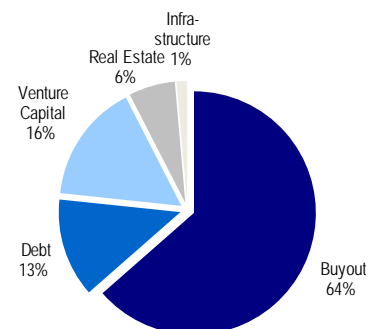
Launched

30 June 2005

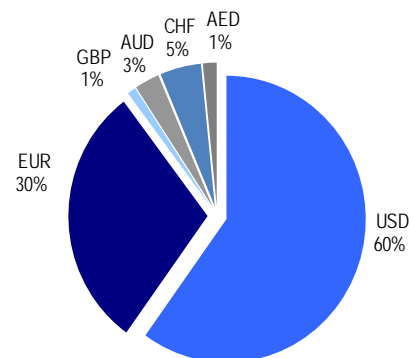
	US\$ Equity Share	Zero Dividend Preference Share 2017
Net Asset Value ("NAV") per share	US\$ 1.26	92.26p
No. of shares in issue	337.95 mm	30.41 mm
Currency of Quotation	US\$	£ Sterling
Ticker	JPEL	JPSZ
Sedol	B07V0H2	B5N4JV7
ISIN	GB00B07V0H27	GG00B5N4JV75

All data sourced from JPEL as at 31 December 2015 unless otherwise stated. All performance data shown is net of fees unless stated otherwise.

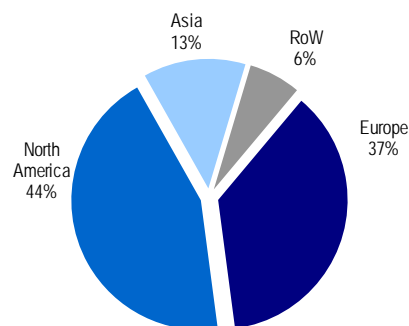
Fund Level - Investment Strategy^{1,2}



Fund Level - Currency Exposure¹



Company Level - Geography³



1. The diversification chart above use underlying fund-level values.
 2. Debt includes mezzanine, debt, turnaround and distressed investment strategies.
 3. The diversification chart above uses underlying company-level values.

Company Description

J.P. Morgan Private Equity Limited ("JPEL" or the "Company") is a global private equity fund targeting a unique market opportunity and listed on the London Stock Exchange. JPEL's core strategy is to directly invest in private companies purchased in the secondary market with an emphasis on buying assets from tail end funds. There are over 1000 funds raised prior to 2006 with \$180+ billion in unrealized value.¹

JPEL seeks the following investment situations:

- Single company exposures – typically in existing private equity backed deals rather than traditional co-investments
- Top-heavy portfolios with 1 – 3 key company exposures – typically through fund recapitalizations and restructurings
- Focus on US and Europe
- Avoidance of highly competitive limited partnership auctions

Opportunities have typically shared one or more of the following core attributes:

- Market leadership
- Visible growth prospects (i.e. growing economies, industries or specific situations)
- Entry values that represent a discount to intrinsic value
- Manageable leverage
- Seasoned investments with projected liquidity in 2 - 4 years
- Downside protection

The Company's capital structure consists of two classes of shares: US\$ Equity Shares ("Equity Shares") and Zero Dividend Preference Shares due at the end of 2017 ("ZDP Shares").

1. Source: Private Equity's Long Tail, Credit Suisse as at February 2015.

JPEL

Managers' Comments

JPEL is the only listed private equity fund focused on orphaned assets from tail end funds

Report Highlights

- NAV remained unchanged at \$1.26
- Distributions of \$5.6 million including \$1.2 million from the disposal of FibroGen shares

December NAV Performance

JPEL's NAV per USD Equity Share remained unchanged at \$1.26 in the month of December, gains in Accurate Result and Cavalier offset by a decrease in Paratek Pharmaceutical's share price during the month.

JPEL's December NAV is based on underlying sponsor reports dated September 30th or later for approximately 95% of the portfolio. Aside from the public companies, which JPEL marks on a monthly basis, few year-end 2015 reports have been received. Based on past precedent, JPEL anticipates that it will receive the vast majority of December 2015 sponsor reports in late March and early April 2016.

The NAV of JPEL's 2017 ZDP Shares increased 0.7% to 92.26p in December.

December Share Price Performance

JPEL's USD Equity Share price decreased 4.4% during the month of December, from \$0.98625 on 30 November 2015 to \$0.9425 on 31 December 2015. However, despite a difficult trading month in December, JPEL's USD Equity Share price ended with an increase of 15.6% for the calendar year.

During the month of December, the price of JPEL's 2017 ZDP Shares increased by 0.1% to 100.125p, providing a calendar year gain of 1.3%.

Distribution Activity

During the month, JPEL received distributions of \$5.6 million and capital calls of \$0.1 million. JPEL received \$1.3 million from the disposal of FibroGen shares in December. In addition, the Company received \$1.4 million from exits within the Australian portfolio and \$0.9 million Aksia Capital III due to the divestment of Plastiap, a cosmetics and pharmaceutical packaging company.

Update on Transfer to Fortress Investment Group

As disclosed in a JPEL RNS on 8 December 2015, J.P. Morgan Asset Management ("JPMAM") entered into definitive agreements to transfer the investment team managing JPEL to Fortress Investment Group ("FIG"). As part of these agreements, JPMAM will terminate the existing JPEL management contract and JPEL will enter into a new investment contract with FIG.

There will be no change in the underlying investment process or strategy, and Troy Duncan and Greg Getschow will continue as the sole investment committee members of JPEL.

Although subject to change, the transfer to Fortress Investment Group is scheduled to occur during Q1 of 2016. A RNS will be issued upon successful close of the transfer.

Balance Sheet Information as at 31 December 2015 (\$ in mm)

Investments at Market Value	\$489.8
Cash & Equivalents	\$23.3
Total Assets	\$513.1
Total Liabilities	(\$45.1)
Net Asset Value (NAV)²	\$468.0
2017 ZDP NAV	(\$41.3)
US\$ Equity NAV	\$426.7
Undrawn Credit Facility	\$106.5
Unfunded Commitments	\$43.2
(Private Equity + Cash & Equivalents) / Unfunded Commitments	11.9x
Net Debt	\$59.9
Net Debt (including VNA as a source of cash)	\$45.9
Net Debt as a % of Total Assets	11.7%
Net Debt (including VNA as a source of cash) as a % of Total Assets	8.9%

Summary of Portfolio as at 31 December 2015¹

Direct Investments	20
Buyout Funds	31
Special Situations Funds	26
Venture Capital Funds	17
Real Estate Funds	5
Infrastructure Funds	4
Fund of Funds	5

1. Fund of Funds includes the Company's investments in Private Opportunity Ventures, L.P., Private Equity Access Fund II Ltd, and portfolios held through the Macquarie Private Capital Trust.

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

JPEL

Managers' Comments

JPEL has made significant progress in simplifying its capital structure, reducing indebtedness and repositioning its portfolio to emphasize secondary direct investments

Update on Portfolio Composition and Performance

Over the past two years, JPEL's portfolio composition has changed significantly. During this time, JPEL received net distributions of approximately \$220 million, mostly from its highly mature and diversified fund positions within the portfolio. Simultaneously, JPEL also embarked on an investment program focused on direct investments within the private equity secondary market, deploying approximately \$145 million in new investments and follow-on investments in existing direct portfolio companies. As a result, the portfolio has become more concentrated, younger and dominated by post-credit crisis investments. In addition, the gearing ratios and cost efficiency of JPEL has significantly improved.

Key Highlights:

- **Top 20 companies:** 61% of the portfolio
- **Direct investments:** > 50% of the portfolio
- **Post financial crisis investments:** >70% of the portfolio
- **Weighted average age of the portfolio:** 4.8 years
 - *Weighted average age of direct investments:* 2.3 years
 - *Weighted average of companies in fund investments:* 7.3 years
- **Net debt as a % of Total Assets:** -12% (versus 29% at end of 2013)
- **Growth within the underlying portfolio:**
 - *Weighted average revenue growth:* 4.8%¹
 - *Weighted average EBITDA growth:* 17.7%¹

These changes have been reflected in JPEL's share price which increased 29% over the past two years. The Managers of JPEL believe the company is well positioned due to a combination of a portfolio comprised of mainly post financial crisis investments and a balance sheet with significantly less gearing and costs than in the past. JPEL not only brought gearing down substantially, but by paying back both the 2013 and 2015 ZDPs it greatly reduced the overall gearing costs. In addition, JPEL has continued to emphasize investments in companies with rational debt levels with the top buyout companies having a weighted average net debt of 1.9x EBITDA – and it holds these investments at a rational 7.2x trailing EV/EBITDA multiple.²

The importance of the multi-year transition of the portfolio from that dominated by pre-financial crisis investments to more recent investments is significant. The difference in JPEL's portfolio performance for pre and post-financial crisis investments is striking. Pre-financial crisis investments (defined as investments made by JPEL before 30 September 2008) have produced a negative 1.3% IRR and a money multiple of 0.95x.³ This compares to **post-financial crisis investments that have produced a 20.2% IRR and a 1.60x multiple.**⁴ Encouragingly, the investments made by JPEL in 2014 and 2015, a sub-set of the post-financial crisis investments, already have delivered 18.8% IRR but only a money multiple of 1.21x.⁵

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

1. Analysis based on H1 2015 growth over H1 2014 for JPEL's largest buyout investments and as at 30 June 2015. Percentages based on relevant investment value as a % of total value for which information was available. Of JPEL's top 50 underlying company exposures, 25 companies are classified as "buyout" and included in this analysis. Information reported based on availability.
2. Analysis based on LTM information on JPEL's largest buyout investments and as at June 2015. Percentages based on relevant investment value as a % of total value for which information was available. Of JPEL's top 50 underlying company exposures, 25 companies are classified as "buyout" and included in this analysis. Information reported based on availability.
3. At 31 December 2015. Includes all deals completed by JPEL from inception through 30 September 2008. Performance is calculated based on the underlying assets without cash drag, fees or debt on fund level. Cash flows have been converted to US Dollars. Total capital invested in Pre-Crisis deals: \$723.5 million, total value of \$683.8 million (realized value \$525.3 million, unrealized value \$158.6 million), representing an IRR of -1.3%, and multiple of investment of 0.95x at 31 December 2015.
4. At 31 December 2015. Includes all deals completed by JPEL from 30 September 2008 through 31 December 2015, excluding the Parallel Transaction which was a strategic acquisition completed with all JPEL shares in 2011 (including the Parallel Transaction, JPEL has invested \$408.3 million and achieved 1.44x and 15.8% IRR on the investments during the period). Performance is calculated based on the underlying assets without cash drag, fees or debt on fund level. Cash flows have been converted to US Dollars. Total capital invested in Post-Crisis deals excluding Parallel: \$317.7 million, total value of \$506.9 million (realized value \$175.7 million, unrealized value \$331.2 million), representing an IRR of 20.2%, and multiple of investment of 1.60x at 31 December 2015.
5. At 31 December 2015. Includes all deals completed by JPEL from 1 January 2014 through 31 December 2015. Performance is calculated based on the underlying assets without cash drag, fees or debt on fund level. Cash flows have been converted to US Dollars. Total capital invested in 2014 and 2015 investments: \$145.7 million, total value of \$176.6 million (realized value \$0.1 million, unrealized value \$176.5 million), representing an IRR of 18.8%, and multiple of investment of 1.21x at 31 December 2015.

JPEL

Company Overview

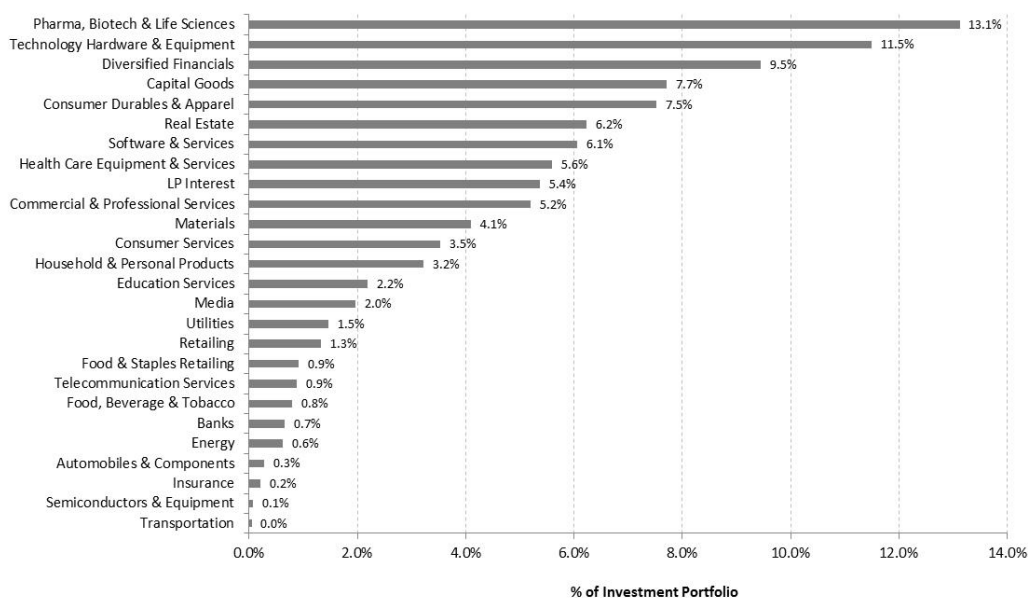
JPEL’s top 20 company exposures account for 61.4%

The average age of direct investments is 2.3 years

Portfolio Highlights

JPEL’s portfolio is comprised of interests in 82 separate fund interests, 21 co-investments, and five fund of funds that include over 600 companies across 26 industries. The top 20 company interests account for 61.4% of private equity NAV. The portfolio is weighted towards healthcare-oriented and technology hardware and equipment companies with approximately 18.7% and 11.5% of investment value in these sectors, respectively. In addition, approximately 99% 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 weight average age of the Company’s portfolio is 4.8 years.

JPEL Industry Diversification



Note: The diversification chart above uses underlying company-level values.

Top 20 Company Investments at 31 Dec 2015

1. Placid Holdings	6.0%
2. Datamars S.A.	4.8%
3. Swania	4.6%
4. RCR Industrial S.a.r.l	4.3%
5. Celerion	4.0%
6. FibroGen, Inc.	3.8%
7. Accela, Inc.	3.8%
8. Alliant Group	3.8%
9. Mr. Bult's, Inc.	3.8%
10. Paratek Pharmaceutical Inc	3.2%
11. Corsicana Bedding Inc.	3.1%
12. Vonovia SE	2.9%
13. Prosper Marketplace, Inc.	2.7%
14. Innovia Group	2.2%
15. Yangzhou Ya Tai Property Limited	1.6%
16. Diaverum	1.6%
17. Gulf Healthcare International LLC	1.6%
18. Luxury Optical Holdings	1.3%
19. Back Bay (Guernsey) Limited	1.2%
20. Pilosio S.p.A.	1.2%

Top 20 Company Investments based on underlying company-level values.

Average age of JPEL Portfolio by Investment Strategy

- Weighted average age: 4.8 years
- Average age of investments: 6.9 years
- Direct investments: 2.3 years
- Fund investments: 7.3 years
- Buyout investments: 3.6 years
- Venture investments: 6.2 years
- Other investments: 7.2 years

Direct investment age is based on the date of JPEL’s investment. Fund investment age is based on the date of the Sponsors’ original investment. Weighting is based on underlying portfolio company level values. Age calculated as at 31 December 2015. Average is weighted based on unaudited Investments at Market Value at 31 December 2015 and uses underlying company-level values. Other investments include Real Estate, Special Situations and Infrastructure investments.

JPEL

Company Overview

Board of Directors

Chairman

Trevor Ash (*Guernsey Resident*)

Members

Anthony Dalwood (*UK Resident*)

Gregory Getschow (*US Resident*)

John Loudon (*UK Resident*)

Christopher Paul Spencer (*Guernsey Resident*)

All of whom may be contacted through

Carinthia House
9-12 The Grange
St Peter Port
Guernsey GY1 4BF

Investment Managers

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 and JPMorgan Asset Management (UK) Limited (collectively, the "Managers"), both wholly-owned subsidiaries of JPMorgan Chase & Co.

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

JPEL Contacts

Troy Duncan: troy.duncan@jpmorgan.com Gregory Getschow: gregory.getschow@jpmorgan.com

Rosemary DeRise

US: +1 212 648 2980

rosemary.derise@jpmorgan.com

Samantha Ladd:

US: +1 212 648 2982

samantha.ladd@jpmorgan.com

Managers

Bear Stearns Asset Management Inc.
320 Park Avenue
New York, NY 10022
United States

JF International Management Inc.

Chater House
8 Connaught Road, Hong Kong

Secretary, Administrator and Registered Office

Augentius (Guernsey) Limited

Carinthia House
9-12 The Grange
St Peter Port
Guernsey GY1 4BF

Auditor

PricewaterhouseCoopers CI LLP

Royal Bank Place
1 Gategny Esplanade
St Peter Port
Guernsey GY1 4ND

Solicitor

Herbert Smith LLP

Exchange House
Primrose Street
London EC2A 2HS UK

Akin Gump LLP

41 Lothbury
London EC2R 7HF
United Kingdom

Registrar

Capita IRG (CI) Limited

1 Le Truchot, 2nd Floor
St. Peter Port
Guernsey GY1 4AE

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