

FOR INSTITUTIONAL/WHOLESALE/PROFESSIONAL CLIENTS AND QUALIFIED INVESTORS ONLY – NOT FOR RETAIL USE OR DISTRIBUTION

### 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, 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 30 November 2014

	USD Equity Share	Zero Dividend Preference Share 2015	Zero Dividend Preference Share 2017
Net Asset Value ("NAV") per share	USD1.18	80.76p	84.47p
No. of shares in issue	337.95 mm	67.08 mm	30.41 mm
Currency of Quotation	USD	GBP	GBP
Ticker	JPEL	JPZZ	JPSZ
Sedol	B07V0H2	B00DDT8	B5N4JV7
ISIN	GB00B07V0H27	GG00B00DDT81	GG00B5N4JV75

Balance Sheet Information	(USD in mm)
Investments at Market Value	497.3
Cash & Equivalents	27.2
<b>Total Assets</b>	<b>524.5</b>
<b>Total Liabilities</b>	<b>(1.5)</b>
<b>Total Net Asset Value (NAV)</b>	<b>523.1</b>
2015 ZDP NAV	(84.8)
2017 ZDP NAV	(40.2)
<b>US\$ Equity NAV</b>	<b>398.1</b>
Undrawn Credit Facility	150.0
Unfunded Commitments	56.8
Private Equity + Cash / Unfunded	9.24x

### November 2014 Performance

In the month of November 2014, JPEL's NAV per USD Equity Share increased from 1.14 to 1.18, or 3.5%. The primary driver of NAV growth came from three of JPEL's public portfolio companies: FibroGen Inc. ("FibroGen"), Paratek Pharmaceuticals ("Paratek") and Deutsche Annington Immobilien Group ("DAIG"). Approximately 15% of JPEL's private equity portfolio is held in publicly traded companies at 28 November 2014.

The NAV per share for the Company's 2015 ZDP Shares increased 0.7% to 80.76p and the 2017 ZDP Shares increased 0.7% to 84.47p.

The November NAV is based on underlying sponsor reports of which 83% are dated September 30, 2014 or later.

In November, the price of JPEL's USD equity shares remained flat at \$0.80, and the price of JPEL's 2015 ZDP Shares increased 0.9% to 85.88p and the price of the 2017 ZDP Shares was increased 1.9% to 98.25p.


### Portfolio Drivers

**Life Sciences.** In 2009, JPEL invested alongside Omega Funds, a healthcare-focused secondary investor, to acquire a portfolio of biotech / pharmaceuticals companies which JPEL holds in Life Sciences Holding SPV I Fund, L.P. ("Life Sciences"). The portfolio included investments in FibroGen and Paratek. Both of these companies completed transformative transactions in the fourth quarter of 2014, resulting in gains for JPEL of approximately \$7.6 million in the month of November. JPEL's investment in Life Sciences is valued net of the performance fee due to the sponsor at 3.75x cost with an Internal Rate of Return (IRR) of 69.3%.

- FibroGen, a research-based biopharmaceutical company, priced an initial public offering of its common stock on 13 November 2014. JPEL is currently valuing the asset at a 10% discount to the average November trading price. Based on this methodology, FibroGen is valued at USD 22.73 per share for the month of November.
- Paratek completed its previously announced merger with Transcept Pharmaceuticals, Inc. in October, and JPEL is currently valuing the asset at a 10% discount to the average November trading price. Based on this methodology, Paratek is valued at \$19.31 per share for the month of November.
- JPEL based the value of its interest in both FibroGen and Paratek at a 10% discount to the average trading price as the Company's shares are currently on lock-up and are held indirectly through limited partnership vehicles managed by Omega Funds. The Managers may revisit this valuation methodology when the lock-up periods expire. The lock-up for Paratek is due to expire on 28 January 2015 and the lock-up for FibroGen is due to expire on 13 May 2015.

**DAIG.** During November, the value of DAIG's share price increased in EUR, from 23.07 to 25.90, a 12.2% increase.

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.



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### Cash Flow *(in USD)*

During November JPEL received aggregate distributions of \$2.9 million, \$1.3 million of which came from Blue River Capital due to the divestment of interests in Rane Holdings Limited, Aurangabad Electricals Ltd and KPR Mill Limited. The Company did not receive any capital calls during the month. During the first eleven months of 2014, JPEL has received an aggregate of \$81.1 million in distributions against aggregate capitals calls of \$6.3 million. The Company is well positioned to pay down 2015 ZDP Share class in October 2015 through cash, liquid investment positions and the Lloyds Facility.

During November, the Company completed the following two investments:

- \$20 million secondary direct investment in the largest provider of municipal solid waste transportation services in the niche outsourced, long-haul market in the United States; and
- \$24.3 million investment in the spin out of three well-known French consumer brands that will be manager by Milestone Investisseurs, the manager that successfully built and sold JPEL's Baby Cadum investment in 2013 in a similar industry. JPEL contributed \$19.2 million in equity financing to the investment and \$5.0 million in mezzanine debt financing.

Subsequent to the period, JPEL completed a \$6.7 million investment in the buyout of a market leading company that builds scaffolding and formwork products for large international construction and engineering groups. The company was purchased out of administration and investors provided growth equity to fund the order pipeline.

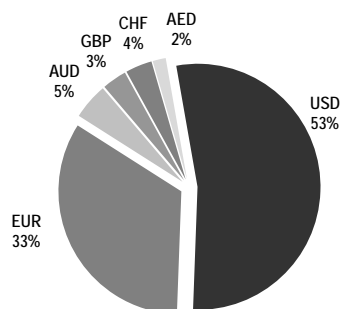
As of 31 December 2014, JPEL has invested \$100.5 million in seven new deals. The Managers are on-track to invest the full 150 million target by the end of 2015.

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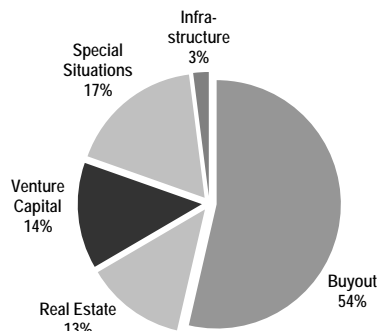
## Portfolio Summary at 30 November 2014

JPEL's portfolio is comprised of 90 fund interests, 15 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%<sup>1</sup> 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 54% of the portfolio.

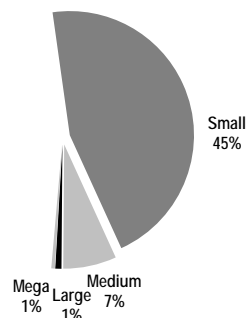
Portfolio Level – Currency<sup>2</sup>



Portfolio Level – Investment Strategy<sup>2,3</sup>



Portfolio Level – Buyout Type<sup>2</sup>



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 30 November 2014 and use underlying fund-level values. Fund classifications for buyout strategy is based on total fund commitments in USD: 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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