

Company Description

J.P. Morgan Private Equity Limited is a Guernsey registered and incorporated, London Stock Exchange-listed, closed-ended investment company (LSE: JPEL, JPEZ, JPZZ). 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 2013 and 2015, respectively. JPEL issued warrants free of subscription cost to shareholders on record as of 17 August 2009.

Summary at 31 May 2010

	US\$ Equity Share	Zero Dividend Preference Share 2013	Zero Dividend Preference Share 2015	JPEL Warrants	Balance Sheet Information	\$
Net Asset Value ("NAV") per share	\$1.30	58.71p	54.92p	N/A	Investments at Market Value	\$574.1 mm
No. of shares in issue	367.74 mm	63.37 mm	69.42 mm	58.08 mm	Cash & Equivalents	\$112.6 mm
Currency of Quotation	US\$	£ Sterling	£ Sterling	US\$	Total Assets	\$686.8 mm
Ticker	JPEL	JPEZ	JPZZ	JPWW	Net Asset Value	\$586.3 mm
Sedol	B07V0H2	B07V0R2	B00DDT8	B60XDY5	Unfunded Commitments	\$130.1 mm
ISIN	GB00B07V0H27	GB00B07V0R25	GG00B00DDT81	GG00B60XDY53	Private Equity + Cash & Equivalents / Unfunded Commitments	5.28x

JPEL Performance*

Although JPEL's private equity performance was relatively flat during May, currency negatively impacted overall returns. JPEL’s net asset value per US\$ Equity Share ended the month of May at \$1.30, down from \$1.33 at the end of April, representing a 2.3% decline.

Currency has been a continuing negative theme for JPEL's performance during the first 5 months of 2010 as the Euro has declined 14% against the US Dollar. Without negative currency movements in 2010, JPEL's NAV would be \$1.36 per US\$ Equity Share, or 4.4% higher. However, the currency movements have had a positive impact on the overall strength of JPEL's capital base. In January JPEL purchased puts against a portion of the company's net Euro exposure and this has added approximately \$8.5 million of cash to JPEL. In addition, JPEL has benefited from the decline in GBP as this has reduced the liabilities for the ZDP shares due in 2013 and 2015. Last month, JPEL hedged approximately half of the Company’s liabilities to lock-in more favorable exchange rates and may look to add to these hedges in the coming months. The Manager views this as positive for the Company in the long run, although the temporary loss of NAV is disappointing.

The US\$ Equity Share price remained nearly flat for the month of May, declining only 0.4%. This performance compares favorably against May’s broader market sell-off where the LPX Index of listed private equity companies declined 6.3% and the MSCI World Index fell 9.9%.

NAV per share for the Company's 2013 and 2015 ZDP Shares increased from 58.39p to 58.71p and from 54.57p to 54.92p, respectively, during May, representing gains of 0.5% and 0.6%, respectively, per share. The share price for the 2013 ZDP Shares was unchanged for May, while the 2015 ZDP Shares declined by 2.0%.

For the second consecutive month, distributions of nearly \$7.0 million outpaced capital calls of approximately \$262,000**. The vast majority of this month’s distribution activity was from a distribution of common shares from a public portfolio company, Ancestry.com (Nasdaq symbol: ACOM). At 31 May 2010, JPEL’s Ancestry.com position was valued at 3.5x original cost and 1.4x JPEL’s previous carrying value.

Recent Investments

JPEL has employed a cautious approach in this rapidly changing environment and did not make any new investments during the month of May. The Manager is working on several potential investments. JPEL’s current investment themes are:

- High growth companies in Asia and other emerging markets
- Senior credit in the U.S.
- Special situations in Europe.

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

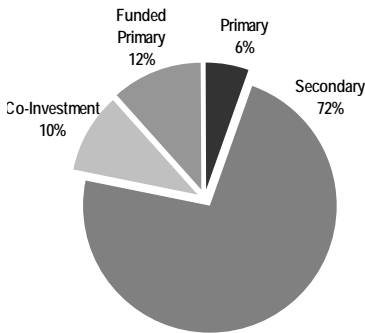
** Includes distribution of Ancestry.com shares valued at 31 May 2010; does not include initial purchase prices.

Portfolio Summary at 31 May 2010

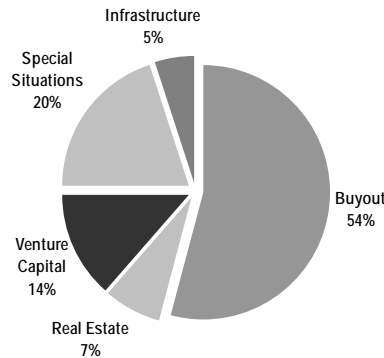
Professional Investors Only – Not For Public Distribution

JPEL's portfolio is comprised of 165 fund interests that include over 1,500 companies across approximately 35 industries. As a secondary investor, JPEL's portfolio is heavily weighted towards funded investments, which comprise approximately 84%¹ of the portfolio. In addition, the Manager places an emphasis on investing in small to medium sized buyout funds, which tend to utilize lower leverage and purchase multiples; these funds represent approximately 48% of the portfolio.

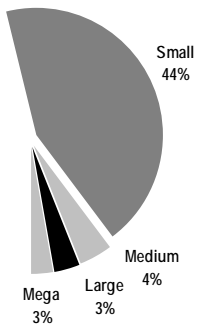
Fund Level – Investment Type²



Fund Level – Investment Strategy^{2,3}



Fund 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 May 2010 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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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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