

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	Zero Dividend Preference Share 2017	JPEL Warrants
Net Asset Value (“NAV”) per share	US\$ 1.11	70.04p	67.20p	70.81p	N/A
No. of shares in issue	377.75 mm	62.75 mm	67.08 mm	30.41 mm	57.90 mm
Currency of Quotation	US\$	£ Sterling	£ Sterling	£ Sterling	US\$
Ticker	JPEL	JPEZ	JPZZ	JPSZ	JPWW
Sedol	B07V0H2	B07V0R2	B00DDT8	B5N4JV7	B60XDY5
ISIN	GB00B07V0H27	GB00B07V0R25	GG00B00DDT81	GG00B5N4JV75	GG00B60XDY53
Market Makers	ABN Amro Cazenove HSBC Bank	Cazenove Collins Stewart HSBC Bank Winterflood	Cazenove Collins Stewart HSBC Bank Winterflood	Cazenove Collins Stewart HSBC Bank Winterflood	ABN Amro Cazenove HSBC Bank

All figures as at 28 September 2012. NAV Figures are based on unaudited net asset values as at 28 September 2012.

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.

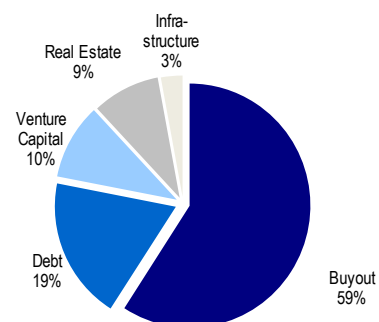
JPEL pursues the following strategies to seek to meet its investment objectives

- 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.

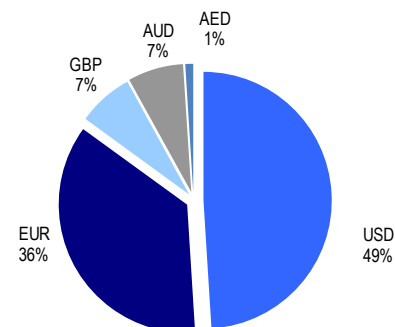
The Company’s capital structure consists of three classes of shares: US\$ Equity Shares (“Equity Shares”) and three classes of Zero Dividend Preference Shares due 2013, 2015 and 2017, respectively (together, the “ZDP Shares”).

JPEL issued bonus warrants to shareholders on record as of 17 August 2009. The warrants are publicly traded on the London Stock Exchange under the symbol “JPWW.”

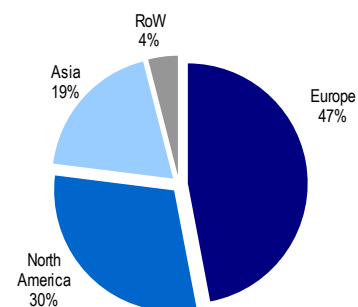
Fund Level - Investment Strategy^{1,2}



Fund Level - Currency Exposure¹



Company Level - Geography³



1. The diversification charts above are based on unaudited Investments at Market Value as at 28 September 2012 and use underlying fund-level values.
2. Special situations includes mezzanine, debt, turnaround and distressed investment strategies.
3. The diversification chart above is based on unaudited Investments at Market Value as at 28 September 2012 and uses underlying company-level values.

JPEL Managers’ Comments

JPEL is the only listed private equity fund focused on the secondary private equity market.

Performance and Portfolio Update

JPEL’s NAV per equity share declined to \$1.11 from \$1.12 in the month of September and finished the quarter down from the audited June NAV of \$1.13.¹ JPEL’s investment portfolio valuation was largely flat during the month. The NAV decline can be attributed to foreign currency movements and expenses. At September 28 2012, JPEL’s equity shares traded at \$0.63.

JPEL received distributions of \$3.4 million in September versus \$5.4 million of capital calls. Of the \$5.4 million drawn down during the month, approximately \$1.6 million was called as bridge financing for one of JPEL’s underlying portfolio companies and was returned to JPEL in October. In total during the quarter, the Company received distributions of \$13.5 million, offsetting capital calls of \$7.4 million.

At the portfolio company level, JPEL’s top 35 buyout companies, which represented approximately 35% of the investment portfolio at 30 June 2012, had a weighted average EV / EBITDA of 8.0x and a weighted average Net Debt / EBITDA of 1.6x. In the six months since 31 December 2011, latest twelve month (“LTM”) Revenue and EBITDA of the top buyout companies have grown a weighted average of 3.7% and 6.0%, respectively.²

The Company’s AGM was held on 5 September 2012. The following special resolutions were duly passed:

- Amend the limits on borrowing to 30 per. cent of the Total Assets of the Company.
- Amend the final capital entitlement (“FCE”) dates of each of the Company’s three classes of ZDP Shares.
 - The FCE date for JPEL’s 2013 ZDP Shares is now 28 April 2013.
 - The FCE date for JPEL’s 2015 ZDP Shares is now 31 October 2015.
 - The FCE date for JPEL’s 2017 ZDP Shares is now 31 October 2017.
- Increase the minimum cover under the ZDP Test from 1.3 times to 2.0 times, as defined in the Company’s Articles.
- Approve the refinancing proposal for the Company’s 2013 ZDP Shares. JPEL proposes that the Company’s 2013 ZDP Shares be refinanced primarily through a combination of available cash and undrawn borrowings under the existing credit facility

JPEL’s Managers believe that the vote provides an important step in improving the structure of JPEL. The Board and the Managers believe that the Company has the flexibility to replace existing higher cost financing, and to return capital to shareholders either through share buybacks or through the operation of a tender facility. A full copy of the circular and annual report and accounts are available on JPEL’s website www.jpelonline.com.

1. JPEL’s audited June 2012 NAV was released on 25 October 2012 along with the Company’s Annual Report and Consolidated Financial Statements for the Year Ended 30 June 2012 .
2. Weighted average LTM Revenue and EBITDA is based on information that was available for 30 of JPEL’s 35 top buyout companies.

ZDP Performance

During the quarter, the NAV per share for the Company’s 2013 ZDP Shares increased 2.9% to 70.04, the 2015 ZDP Shares increased 2.9% to 67.20p and the 2017 ZDP Shares increased 2.3% to 70.81. The share price for the 2013 ZDP Shares increased 2.7% to 71.63p for the quarter, while the 2015 ZDP Shares increased 3.5% to 74.88p and the 2017 ZDP Shares increased 7.7% to 82.34p during the quarter.

Balance Sheet Information as at 28 September 2012*

Investments at Market Value	\$628.9 mm
Cash & Equivalents	\$17.0 mm
Total Assets	\$645.9 mm
Net Asset Value ²	\$598.1 mm
Unfunded Commitments	\$89.8 mm
(Private Equity + Cash & Equivalents) / Unfunded Commitments	7.2x

Summary of Portfolio as at 28 September 2012¹

Buyout Funds	45	Co-Investments	11
Special Situations Funds	27	Fund of Funds	6
Venture Capital Funds	26	Listed Private Equity	1
Real Estate Funds	7		
Infrastructure Funds	4		

* Source: Managers. Based on unaudited 28 September 2012 information.

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

2. Unaudited as at 28 September 2012.

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

JPEL

Managers’ Comments

Portfolio Highlights

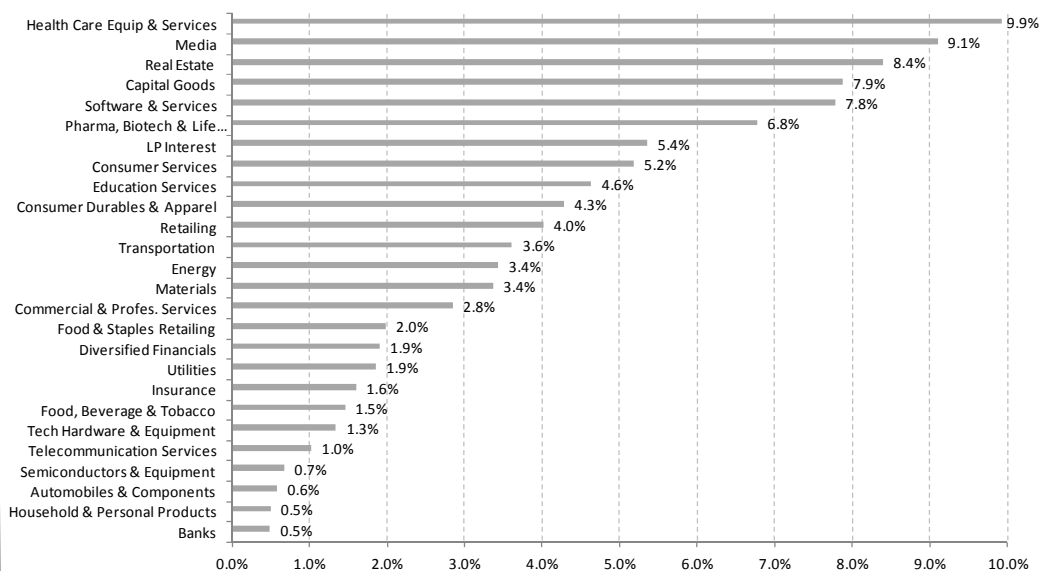
JPEL’s portfolio is comprised of interests in 109 separate fund interests, 11 co-investments, six fund of funds, and one listed private equity fund that include over 1,500 companies across approximately 24 industries. The top 20 fund interests account for 41.9% of private equity NAV. The portfolio continues to be weighted towards healthcare-oriented companies with approximately 15.9% of investment value in this sector. In addition, approximately 89% 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 6.0 years. JPEL has continued to emphasize investments in companies with rational debt levels.

JPEL Only: Average age of Portfolio by Investment Strategy

- **Average age of investments: 6.0 years**
- Buyout investments: **4.5 years**
 - Small buyout: **4.1 years**
 - Medium buyout: **5.0 years**
 - Large buyout: **4.2 years**
 - Mega buyouts: **6.1 years**
- Venture Capital investments: **7.1 years**
- Real Estate investments: **6.0 years**
- Special Situations: **5.8 years**
- Infrastructure investments: **6.3 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 as at 28 September 2012. Average is weighted based on unaudited Investments at Market Value at 28 September 2012 and uses underlying company-level values.

JPEL Industry Diversification



Note: The diversification chart above is based on unaudited Investments at Market Value as at 28 September 2012 and uses underlying company-level values.

Top 20 Fund Investments at 28 Sept 2012

1. Duke Street (Parallel Private Equity)	4.9%
2. Alcentra Euro Mezzanine No1 Fund	3.0%
3. Life Sciences Holdings SPV I Fund	2.9%
4. Liberty Partners II	2.9%
5. Avista Capital Partners (Offshore)	2.8%
6. Barclays Private Equity PVLP	2.8%
7. Almack Mezzanine I Fund	2.1%
8. Guggenheim Aviation Offshore Investment Fund II	1.9%
9. Catalyst Buyout Fund 1	1.8%
10. Leeds Equity Partners V	1.8%
11. Hutton Collins Capital Partners II	1.8%
12. Milestone Link Fund	1.7%
13. Argan Capital Fund	1.6%
14. Macquarie European Infrastructure Fund	1.6%
15. Macquarie Wholesale Co-investment Fund	1.5%
16. Blue River Capital I	1.5%
17. 3i (Parallel Private Equity)	1.4%
18. Omega Fund III	1.4%
19. GSC European Mezzanine Fund II	1.3%
20. Macquarie Alternative Investment Trust III	1.3%

Top 20 Company Investments at 28 Sept 2012

1. China Media Enterprises Limited	7.1%
2. Deutsche Annington Immobilien Group	7.0%
3. RCR Industrial S.a.r.l	2.8%
4. FibroGen	2.2%
5. Concorde Career Colleges, Inc.	1.9%
6. WinnCare	1.6%
7. Paratek	1.5%
8. Oasis	1.3%
9. 2e2	1.3%
10. Gulf Healthcare International LLC	1.3%
11. Zena	1.1%
12. Original Factory Shop	1.0%
13. Compre Group	1.0%
14. LifeLock, Inc.	1.0%
15. Back Bay (Guernsey) Limited	0.9%
16. Civica	0.9%
17. Bionmis	0.8%
18. InterFloor	0.8%
19. KMC Constructions Limited	0.8%
20. Gambro Healthcare	0.8%

Note: Based on unaudited Investments at Market Value as at 28 September 2012 and use underlying company-level values. Top 20 Fund Investments exclude limited partnerships set up specifically to for co-investment purposes.

JPEL

Company Overview

JPEL Contacts

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

Rosemary DeRise Samantha Ladd
 US +1 212 648 2980 US +1 212 648 2982
 rosemary.derise@jpmorgan.com samantha.ladd@jpmorgan.com
 www.jpelonline.com

Board of Directors

Chairman

Trevor Ash (*Guernsey Resident*)

Members

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.

JPMorgan Chase & Co. (NYSE: JPM) is a leading financial services firm with assets under management of \$2.1 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.

MANAGERS

Bear Stearns Asset Management Inc.
 270 Park Avenue
 New York, NY 10017
 United States

JPMorgan Asset Management (UK) Limited
 20 Finsbury Street
 London EC2Y 9AQ
 United Kingdom

JF International Management Inc.
 Chater House
 8 Connaught Road, Hong Kong

SECRETARY, ADMINISTRATOR AND REGISTERED OFFICE

Augustus (Guernsey) Limited
 Carinthia House
 9-12 The Grange
 St Peter Port
 Guernsey GY1 4BF

AUDITOR

KPMG Channel Islands Limited
 20 New Street
 St Peter Port
 Guernsey GY1 4AN

SOLICITOR

Herbert Smith LLP
 Exchange House
 Primrose Street
 London EC2A 2HS UK

REGISTRAR

Capita IRG (CI) Limited
 1 Le Truchot, 2nd Floor
 St. Peter Port
 Guernsey GY1 4AE

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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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