

JPEL

Company Summary

Objective

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

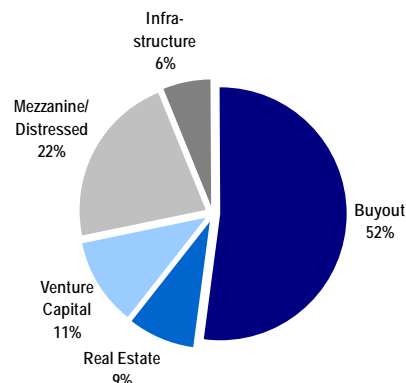
Launched

30 June 2005

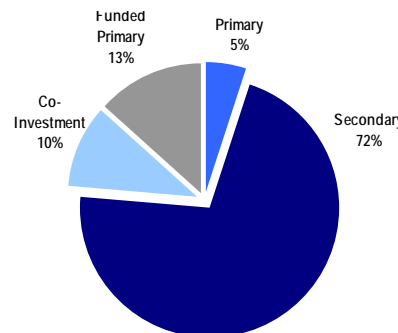
	Ordinary Share	Zero Dividend Preference Share 2013	Zero Dividend Preference Share 2015
Net Asset Value (“NAV”) per share	US\$ 1.44	54.10p	49.89p
No. of shares in issue	274.25 mm	63.37 mm	16.09 mm
Currency of Quotation	US\$	£ Sterling	£ Sterling
Ticker	JPEL	JPEZ	JPZZ
Sedol	B07V0H2	B07V0R2	B00DDT8
ISIN	GB00B07V0H27	GB00B07V0R25	GG00B00DDT81
Market Makers	Cazenove Collins Stewart HSBC Bank	ABN Amro Cazenove Collins Stewart HSBC Bank Winterflood	ABN Amro Cazenove Collins Stewart HSBC Bank Winterflood

All figures as at 31 March 2009.

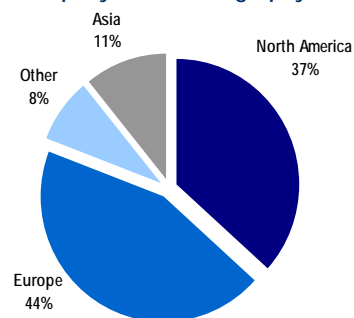
Fund Level – Investment Strategy^{1,2}



Fund Level – Investment Type¹



Company Level - Geography¹



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. It will also make selective co-investments and primary commitments.

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

- Acquires secondary portfolios of direct investments, significantly invested partnership investments, and partially drawn commitments, in order to accelerate NAV development.
- Obtains exposure to individual companies by co-investing alongside private equity sponsors in companies that offer the potential for substantial equity appreciation.
- 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.
- Diversifies its portfolio by manager, industry, geography, investment stage, and vintage year.

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 (together, the “ZDP Shares”).

1. The diversification charts above are based on Net Asset Value as at 31 March 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's NAV per equity share has grown 41% since inception (June 2005) versus declines of 28% and 63% in the S&P 500 and LPX⁽¹⁾ indices, respectively.*

* Source: Manager. Bloomberg. As at 31 March 2009.
Past performance is not indicative of future performance.
Performance returns shown can increase or decrease due to currency fluctuations.

JPEL Update

JPEL's value-based investment strategy has enabled the Company to generate strong relative performance despite difficult market conditions. In particular, JPEL has outperformed major market indices as well as its private equity peer group. With respect to its strategy, JPEL has:

- Maintained its focus on investing in secondary transactions that are poised to withstand a difficult economic environment;
- Acquired the majority of its portfolio in "post credit crunch" environment (41% of private equity NAV purchased since 2008);
- Invested in a mature private equity portfolio that is poised for distributions in a market recovery (average age of investments is 3.4 years);
- Avoided large buyout funds, emphasizing smaller transactions and special situation funds; and
- Targeted investments in defensive and counter-cyclical industries

JPEL's Manager believes that the majority of the Company's decline in NAV over the last six months is due to unrealized mark downs and not due to permanent impairments of value. The Manager believes that the portfolio should be well positioned when markets rebound.

Recently, unfunded commitments have been reduced and represent approximately 28.9% of private equity net asset value (representing 3.5x private equity net asset value to unfunded commitments). JPEL has sought to reduce its unfunded obligations and maintain current cash levels until distribution activity reverts to expected normalized levels. Consequently, JPEL has elected not to offer a bi-annual tender for the half year ending 30 June 2009 and has limited the Company's investment activity.

JPEL Performance

Although initial signs of recovery are emerging, private equity net asset values have been marked down on a global basis to reflect declines in the public stock markets and worsening economic conditions. This has impacted the larger and mega buyout funds to a greater extent due to the significant amounts of leverage used to acquire portfolio companies in recent years.

JPEL's 31 March 2009 reported NAV per Equity share was \$1.44, down from \$1.71 at 31 December 2008. JPEL's private equity portfolio declined approximately 10% from the prior quarter based on 4Q 2008 reports received from underlying sponsors. JPEL's NAV performance was also negatively impacted by currency losses and gearing.

JPEL's first quarter Equity Share performance, which largely reflects the underlying private equity portfolio performance during the fourth quarter of 2008, outperformed major market indices such as the Dow Jones Industrial Average and the S&P 500, which declined by 19.1% and 22.6%, respectively, during the fourth quarter of 2008. The LPX Index, which tracks publicly listed private equity funds, declined by 51.2% during the fourth quarter of 2008.

JPEL's NAV per share for the Company's 2013 and 2015 ZDP Shares increased from 53.17p to 54.1p and from 48.88p to 49.89p, respectively, during the first quarter, representing gains of 1.7% and 2.1%, respectively, per share.

Market Impact on Private Equity Valuations

The combination of new accounting rules, global devaluation in the public equity markets and high usage of leverage in private equity transactions has significantly impacted buyout markets and valuations. The introduction of FAS 157, requiring private equity firms to estimate "fair value" based on public market comparables (amongst other factors) has helped contribute to the increase in volatility of private company valuations. Much of this impact has been felt to a greater extent by large and mega buyout firms, some of which reported portfolio declines of 30% - 50% of net asset value during 2008.⁽²⁾

As the IPO and M&A markets have declined dramatically over the last few quarters, distribution flows to private equity limited partners have decreased sharply. According to Thomson Financial, distributions as a percentage of private equity net asset value have declined over 85% from a recent peak of 8.2% of net asset value at 2Q 2005 to 0.9% of net asset value at 1Q 2009.

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

(1) See Listed Private Equity Index at www.lpx.ch. The LPX® Composite is a global Listed Private Equity (LPE) index with a broad number of constituents. The index is well diversified across regions and LPE investment styles and represents the development of all LPE companies covered by LPX that fulfill certain liquidity constraints.

(2) "Henry Kravis: No Mega Deals For A While", Naazneen Karmali, 27 April 2009, Forbes; "Candover 'unclear' on future of private equity after 50% writedown", 2 March 2009, www.aic.com

JPEL

Manager's Comments

JPEL's Equity Share price has rebounded approximately 39% from its 52 week-low on 3 April 2009.*

* Source: Bloomberg. As at 30 April 2009.
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Investment Activity

JPEL continues to be very selective in this market environment. JPEL reviewed several investment opportunities during the first quarter of 2009, however the Company did not purchase any private equity interests in the secondary market or make commitments to new private equity funds. Rather, JPEL is seeking to potentially liquidate less funded positions.

Company Actions

On 4 February 2009, the Company purchased by way of tender 9,221,294 Equity Shares and 2,051,508 2013 ZDP Shares at a price of US\$1.71 and 53.17p, respectively. Immediately following the tender offer the Company's issued share capital consisted of 274,253,243 Equity Shares, 63,367,316 2013 ZDP shares and 14,625,650 2015 ZDP shares.

On 18 February 2009, the Company announced that the Board of Directors has requested the Manager and professional advisers to explore other options, which may include a restructuring, capital reorganisation and/or expansion of the Company's activities through the creation of related investment vehicles. In the event that a proposal is finalised, the Company will make a further announcement and seek shareholder approval, as may be required.

On 17 March 2009, the Company issued 1,462,564 2015 Zero Dividend Preference Shares at a price of 51.25p per share.

On 16 April 2009, the Board of Directors announced that the Company will not be making a tender offer for its Shares for the half year ended 30 June 2009. In lieu of offering shareholders the opportunity to tender their Shares, the Company intends to put forward proposals involving the issue of Warrants, subject to shareholder approval.

Balance Sheet Information as at 31 March 2009

Investments at Market Value	\$536.0 mm
Net Asset Value	\$456.1 mm

Source: Manager.

Summary of Portfolio as at 31 March 2009¹

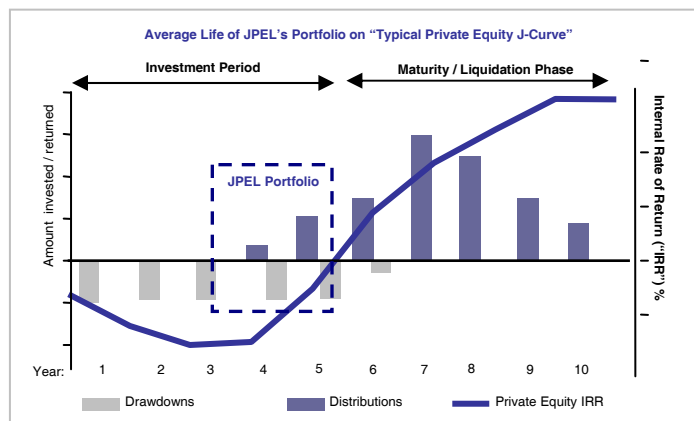
Number of Funds	170
Buyout Funds	85
Infrastructure	4
Special Situations	35
Venture Capital	38
Real Estate	8
U.S. Funds	80
Non-U.S. Funds	90
Co-investments	6

Source: Manager.

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

Company Level – Maturity Profile by Investment Strategy³



Source: Manager.

³ 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 1 May 2009. The above chart represents the anticipated “J-Curve” associated with an investment in a private equity fund. In the initial years, capital is drawn down and invested. In years three through ten, capital typically is returned through distributions to limited partners through initial public offerings and/or trade sales. The overall cumulative cash flow and internal rate of return also is illustrated above. This chart is for illustrative purposes only and does not reflect the performance of an actual private equity fund. An investor in a private equity fund should not expect to receive the returns indicated above. There is no assurance that JPEL or any private equity fund will be profitable, that there will be proceeds from its investments or that it will return capital to its investors. Past performance is not indicative of future performance. Performance returns shown can increase or decrease due to currency fluctuations.

•JPEL's Portfolio is well-positioned on the private equity “J-Curve”

•In a normalized market, JPEL would be well positioned to receive distributions in the next 12 – 24 months

- Average age of investments: **3.4 years**
- Buyout investments: **3.2 years**
 - Small buyout: **2.7 years**
 - Medium buyout: **3.1 years**
 - Large buyout: **4.2 years**
 - Mega buyouts: **5.1 years**
- Venture Capital investments: **4.7 years**
- Real Estate investments: **4.4 years**
- Mezzanine / Distressed investments: **3.0 years**
- Infrastructure investments: **2.8 years**

JPEL

Company Overview

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Chairman

Trevor Ash (*Guernsey Resident*)

Members

Troy Duncan (*US Resident*) *
John Loudon (*UK Resident*)
Christopher Paul Spencer (*Guernsey Resident*)

All of whom may be contacted through

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** On 13 May 2009, the Company announced that Gregory Getschow will be appointed as a director of the Company, replacing Troy Duncan as the Manager’s representative on the Board. Troy Duncan served on the Company’s Board since 12 October 2007, his resignation provides the opportunity for Gregory Getschow, a co-head of the team responsible for managing the assets of the Company along with Troy Duncan, to sit on the Company’s Board. Troy Duncan’s role with the Manager and as a co-head of the team responsible for managing JPEL’s assets will be unchanged in all other capacities. Mr Getschow, a resident of the United States, has been a member of the Manager since JPEL’s inception.*

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.”), 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. 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, 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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