

JPEL

Company Summary

Objective

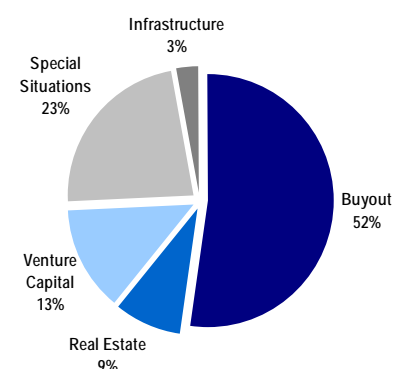
JPEL’s core strategy is to purchase private equity fund interests in the secondary market.

Launched

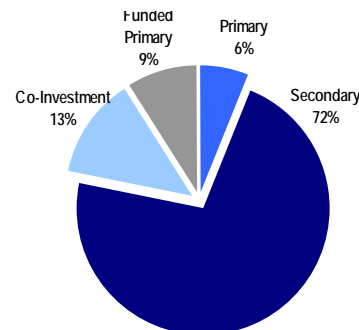
30 June 2005

	US\$ Equity Share	Zero Dividend Preference Share 2013	Zero Dividend Preference Share 2015	JPEL Warrants
Net Asset Value (“NAV”) per share	US\$ 1.30	61.23p	57.69p	N/A
No. of shares in issue	367.90 mm	63.37 mm	69.42 mm	58.08 mm
Currency of Quotation	US\$	£ Sterling	£ Sterling	US\$
Ticker	JPEL	JPEZ	JPZZ	JPWW
Sedol	B07V0H2	B07V0R2	B00DDT8	B60XDY5
ISIN	GB00B07V0H27	GB00B07V0R25	GG00B00DDT81	GG00B60XDY53
Market Makers	ABN Amro Cazenove HSBC Bank	Cazenove Collins Stewart HSBC Bank Winterflood	Cazenove Collins Stewart HSBC Bank Winterflood	ABN Amro Cazenove HSBC Bank

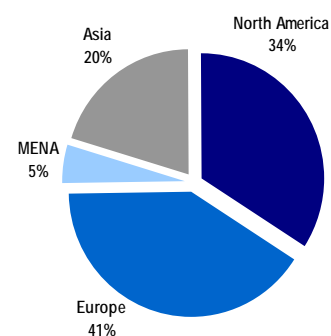
Fund Level – Investment Strategy^{1,2}



Fund Level – Investment Type¹



Company Level - Geography¹



1. The diversification charts above are based on Net Asset Value as at 31 December 2010 and use underlying company-level and fund-level values.
2. Special situations includes mezzanine, debt, turnaround and distressed investment strategies.

All figures as at 31 December 2010.

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 two classes of Zero Dividend Preference Shares due 2013 and 2015, respectively (together, the “ZDP Shares”).

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

JPEL Managers' Comments

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

Key Highlights from the Fourth Quarter

- Resumed Tender Facility:**
 - JPEL's tender was resumed during the quarter ending 31 December 2010. Based on the 31 December 2010 NAV per share, the Company will return approximately \$15.1 million to investors.
 - JPEL is the only listed private equity fund to operate a tender facility at NAV.
 - Including the 31 December tender offer, JPEL will have returned over \$127 million to investors since inception at an average price per US\$ Equity Share of \$1.65.¹
- Increased Distribution Activity:**
 - The fourth quarter witnessed substantial distributions of \$18.6 million, or 3.2% of private equity asset value as compared to \$5.9 million of capital calls.
 - For the 2010 calendar year, JPEL's portfolio generated over \$50 million of distributions.²
- Growth in Underlying Portfolio Companies :**
 - Weighted average LTM Revenue growth and EBITDA growth was 10.7% and 23.1%, respectively.²
 - JPEL's top 34 buyout holdings were held at a weighted average of 8.2x latest twelve months (LTM) EBITDA.²
 - Weighted average Net Debt / LTM EBITDA level was 1.9x.²

As at 31 December, JPEL's NAV per US\$ Equity share increased from \$1.29 to \$1.30, representing a 0.8% increase for the month and a 0.8% increase for the quarter. JPEL continues to trade at the lowest discount to NAV in its peer group. While the US\$ Equity share price declined 3.6% in the month of December, JPEL's share price ended the quarter at a discount of 19.2% to the stated NAV versus an average trading discount of 34.7% within the multi-manager peer group.³

NAV per share for the Company's 2013 and 2015 ZDP Shares increased from 60.15p to 61.23p and from 56.50p to 57.69p, respectively, during the quarter, representing gains of 1.8% and 2.1%, respectively, per share. The share price for the 2013 ZDP Shares increased by 1.2%, while the 2015 ZDP Shares increased by 3.9% during the quarter.

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

1. Includes estimated amount for 31 December 2010 tender.

2. Represents largest underlying buyout investments within JPEL's largest 50 underlying companies. Buyout related investments represent 34 of JPEL's largest 50 investments or approximately 29.8% of private equity investment values at 31 December 2010. Information based on latest available underlying fund and company data at time of publication.

3. J.P. Morgan Cazenove Alternative Slats, 27 January 2011. Based on JPEL's NAV of \$1.30 per US\$ Equity Share at 31 December 2010. Snapshot of performance on 27 January 2011 and does not represent the average discount to NAV since inception. JPEL NAV data based on 31 December 2010. The Peer group is not an exhaustive list and is based on the multi-manager peer group included in LPE Focus| RBS manager survey – and includes a selection of funds set forth in such research. The peer group includes: APEN, SHPN, PEHN, PIN, CPEN, PEY, CCAP, ABSP, HPEO, FPEO, NBPE, HVPE, SEP.

Investment Activity

In the fourth quarter of 2010, JPEL completed two transactions totaling \$12.3 million in NAV as at 31 December.

In November, JPEL closed an investment in a distressed real estate opportunity in the United States, representing \$6.3 million in purchase price. JPEL was able to purchase the underlying assets at approximately one third of the replacement cost and less than 50% of the construction funding advanced on the project.

During October, JPEL purchased a secondary interest, at a discount to reported value, in Blue River Capital I, LLC (“Blue River”). The largest asset in the Blue River portfolio is one of the largest road construction and toll operators in India. This company registered over 30% revenue and EBITDA growth for the first six months of its fiscal year 2011.

Throughout December JPEL continued to advance a potential transaction in a special situations investment in Europe and closed this investment in January 2011.

Balance Sheet Information as at 31 December 2010*

Investments at Market Value	\$601.9 mm
Cash & Equivalents	\$100.2 mm
Total Assets	\$702.1 mm
Net Asset Value	\$601.2 mm
Unfunded Commitments	\$125.7 mm
(Private Equity + Cash & Equivalents / Unfunded Commitments)	5.6x

Summary of Portfolio as at 31 December 2010¹

Buyout Funds	80
Infrastructure	5
Special Situations	34
Venture Capital	40
Real Estate	8
Co-Investments	11
Total Investments	178

* Source: Managers.

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

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JPEL

Managers' Comments

Portfolio Highlights

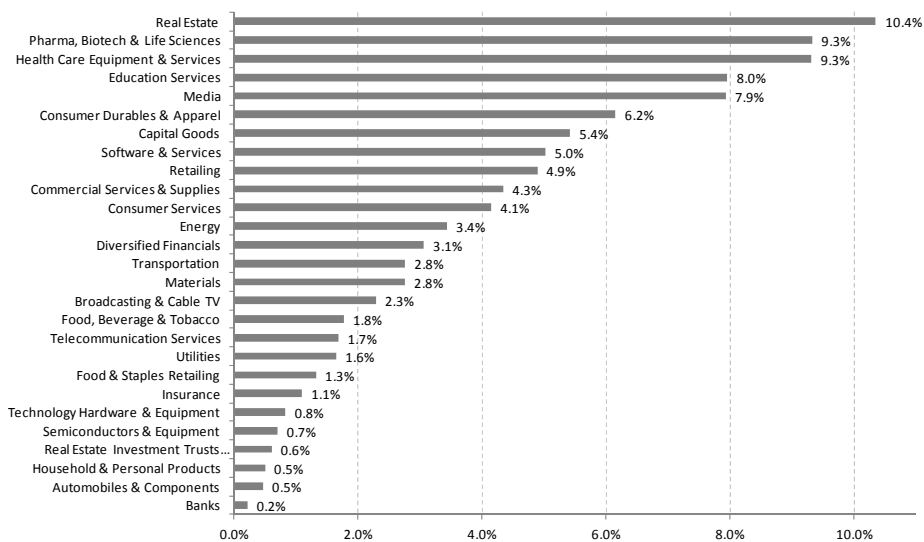
JPEL's portfolio is comprised of 167 fund interests and 11 co-investments that include over 1,500 companies across approximately 27 industries. The top 20 fund interests account for 44.8% of private equity NAV. The portfolio continues to be weighted heavily towards more defensive industries as approximately 18.6% of its portfolio is invested in healthcare-oriented companies. In addition, approximately 88% 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 4.8 years. JPEL has continued to emphasize investments in companies with rational debt levels.

Average age of Portfolio by Investment Strategy

- Average age of investments: **4.8 years**
- Buyout investments: **4.1 years**
 - Small buyout: **3.9 years**
 - Medium buyout: **5.4 years**
 - Large buyout: **5.8 years**
 - Mega buyouts: **5.7 years**
- Venture Capital investments: **8.6 years**
- Real Estate investments: **5.0 years**
- Special Situations: **4.4 years**
- Infrastructure investments: **4.9 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 at 31 December 2010. Average is weighted based on Net Asset Value at 31 December 2010 and uses underlying company-level values.

JPEL has emphasized investments in industries that have counter-cyclical or defensive characteristics



Note: The diversification chart above is based on Net Asset Value as at 31 December 2010 and uses underlying company-level values.

Top 20 Fund Investments at 31 Dec 2010

1. Liberty Partners II, L.P.	4.5%
2. Avista Capital Partners (Offshore), L.P.	3.6%
3. Life Sciences Holdings SPV I Fund, LP	3.4%
4. Alcentra Euro Mezzanine No1 Fund LP	2.7%
5. Milestone Link Fund, L.P.	2.7%
6. Esprit Capital I Fund	2.5%
7. Hutton Collins Capital Partners II LP	2.4%
8. Omega Fund III, L.P.	2.2%
9. Macquarie Wholesale Co-investment Fund	2.1%
10. Global Opportunistic Fund	2.0%
11. Almack Mezzanine I Fund LP	1.9%
12. GSC European Mezzanine Fund II LP	1.9%
13. Leeds Equity Partners IV Co-Investment Fund A, L.P.	1.8%
14. Blue River Capital I, LLC	1.7%
15. Strategic Value Global Opportunities Master Fund, LP	1.6%
16. Guggenheim Aviation Offshore Investment Fund II, L.P.	1.6%
17. Catalyst Buyout Fund 1	1.6%
18. Strategic Value Global Opportunities Feeder Fund I-A, LP	1.6%
19. Leeds Equity Partners IV, LP	1.6%
20. Global Buyout Fund, L.P.	1.5%

Top 20 Company Investments at 31 Dec 2010

1. Deutsche Annington Immobilien Group	6.9%
2. China Media Enterprises Limited	5.7%
3. Concorde Career Colleges, Inc.	3.3%
4. Education Management Corporation	2.5%
5. FibroGen Europe	2.4%
6. Paratek	1.9%
7. WinnCare	1.7%
8. InterFloor	1.6%
9. Amart All Sports	1.1%
10. Hunter Acquisition Limited	1.1%
11. Back Bay Limited	1.0%
12. Nycomed	0.8%
13. Lantheus	0.8%
14. Evergreen International Aviation, Inc.	0.8%
15. Ex Libris, Ltd.	0.8%
16. Pacific Apparel Solutions	0.7%
17. Gambro Healthcare	0.7%
18. Quartier 207	0.6%
19. Healthcare at Home	0.6%
20. A2Z Maintenance & Engineering Services Pvt. Ltd	0.6%

JPEL's top 20 fund investments and the top 20 company exposures account for 44.8% and 35.4 % of the Company's private equity portfolio, respectively.

Note: Based on Net Asset Value as at 31 December 2010 and use underlying company-level values. Top 20 Fund Investments exclude limited partnerships set up specifically to for co-investment purposes.

JPEL

Company Overview

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Gregory Getschow (*US Resident*)

John Loudon (*UK Resident*)

Christopher Paul Spencer (*Guernsey Resident*)

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

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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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