

# JPEL

## Company Summary

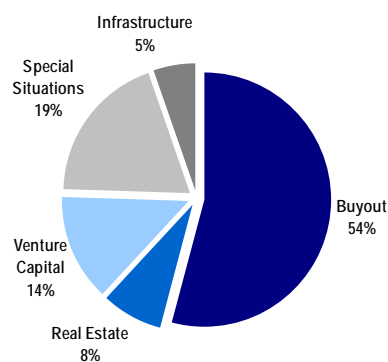
### Objective

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

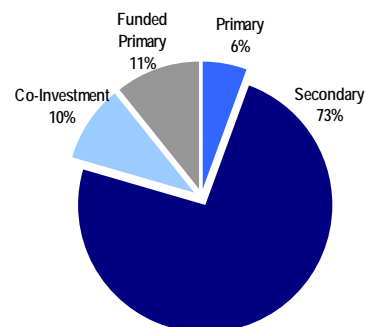
### Launched

30 June 2005

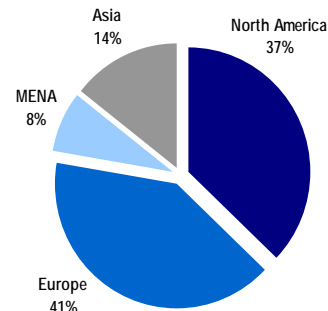
### Fund Level – Investment Strategy<sup>1,2</sup>



### Fund Level – Investment Type<sup>1</sup>



### Company Level - Geography<sup>1</sup>



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

	US\$ Equity Share	Zero Dividend Preference Share 2013	Zero Dividend Preference Share 2015	JPEL Warrants
Net Asset Value (“NAV”) per share	US\$ 1.34	58.06p	54.20p	N/A
No. of shares in issue	367.74 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

All figures as at 31 March 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

## Manager's Comments

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

### JPEL Performance

Following the Company’s transformational second half of 2009, JPEL focused on sourcing and executing investment opportunities in the secondary market. During the first quarter of 2010, JPEL closed on two accretive transactions and built a robust pipeline of potential deals. Specifically, during the past three months, the Manager has:

- **Increased NAV by 4.7% despite negative currency movements**
  - NAV per US\$ Equity Share increased from \$1.28 at 31 December 2009 to \$1.34 at 31 March 2010
  - Excluding the impact of currency, NAV per US\$ per Equity Share would have been \$1.37, representing a 7% increase from the prior quarter
  - NAV per share for JPEL’s 2013 and 2015 ZDP Shares increased from 57.06p to 58.06p and from 53.10p to 54.20p, respectively, during the first quarter.
- **Enhanced its balance sheet**
  - Reduced unfunded obligations by approximately 10% during the first quarter of 2010.
  - JPEL has over \$5.22 dollars of private equity assets and cash for every \$1.00 of unfunded commitments.
- **Executed two accretive secondary transactions**
  - Invested approximately \$12.6 million of capital for approximately \$35.2 mm of NAV, representing an average discount of 64.4% to NAV.
- **Increased overall exposure to Asia**
  - Over the past two quarters JPEL’s exposure to Asia has increased from 10% at 30 September 2009, to 14.4% at 31 March 2010.

### Recent Activity

JPEL completed two secondary investments in India and Hong Kong in the first quarter of 2010.

In January, JPEL purchased a secondary position in Beacon India Private Equity Fund, an India-focused growth capital private equity fund sponsored by Baer Capital Partners. The portfolio is diversified with company holdings in the energy, real estate, and consumer retail industries.

During February, JPEL completed a \$10 million secondary investment in China Media Enterprises Limited (“China Media”), an outdoor advertising company in Hong Kong and China. China Media has no debt and generates significant cash flow.

JPEL continues to look for opportunities in the secondary market and will seek additional opportunities to purchase assets in developing economies.

#### Balance Sheet Information as at 31 March 2010\*

Investments at Market Value	\$593.4 mm
Cash & Equivalents	\$112.8 mm
Total Assets	\$706.2 mm
Net Asset Value	\$605.3 mm
Unfunded Commitments	\$135.2 mm
(Private Equity + Cash & Equivalents / Unfunded Commitments)	5.22x

#### Summary of Portfolio as at 31 March 2010<sup>1</sup>

Buyout Funds	85	U.S. Funds	80
Infrastructure	5	Non-U.S. Funds	84
Special Situations	33	<b>Total Funds</b>	<b>164</b>
Venture Capital	40		
Real Estate	7	Co-Investments	6

\* Source: Manager.

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

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

# JPEL

## Manager's Comments

### Portfolio Highlights

The Company continued to benefit from improving economic conditions during the first quarter of 2010. For the quarter ending 31 March 2010, the Company received distributions of \$8.4 million which nearly offset the \$10.4 million of capital calls received.

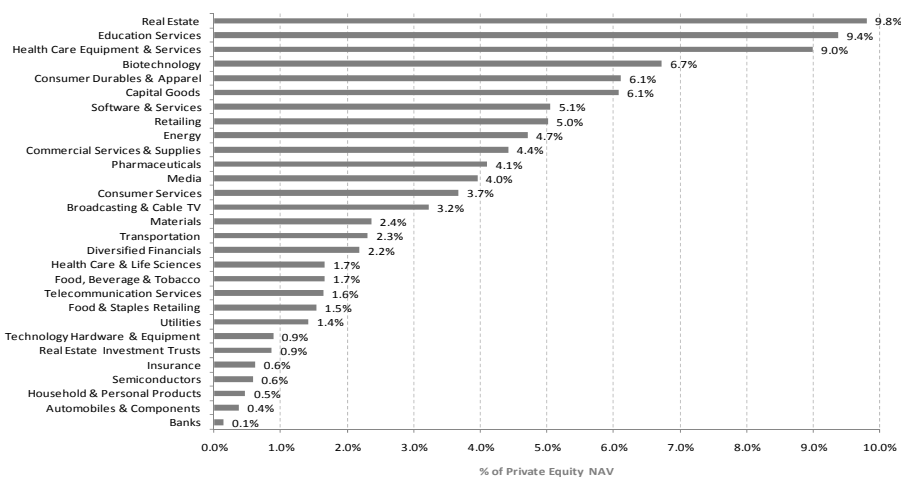
JPEL's portfolio is comprised of 164 fund interests that include over 1,500 companies across approximately 29 industries. The top 20 fund interests account for 59.1% of private equity NAV. The portfolio continues to be weighted heavily towards more defensive industries as over 21% of its portfolio is invested in healthcare-oriented companies and 9.4% in education assets. In addition, approximately 70% 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 4.5 years.

#### Average age of Portfolio by Investment Strategy

- Average age of investments: 4.5 years
- Buyout investments: 3.8 years
  - Small buyout: 3.6 years
  - Medium buyout: 3.8 years
  - Large buyout: 4.7 years
  - Mega buyouts: 4.5 years
- Venture Capital investments: 8.0 years
- Real Estate investments: 4.5 years
- Special Situations: 3.7 years
- Infrastructure investments: 3.7 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 March 2010. Average is weighted based on Net Asset Value at 31 March 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 March 2010 and uses underlying company-level values.

#### Top 20 Fund Investments at 31 March 2010

1. Terra Firma Deutsche Annington L.P.	7.1%
2. Global Opportunistic Fund	5.2%
3. China Media Enterprises Limited	4.7%
4. Liberty Partners II, L.P.	4.7%
5. Avista Capital Partners (Offshore), L.P.	4.3%
6. Life Sciences Holdings SPV I Fund, L.P.	3.6%
7. AIG Highstar Capital III Prism Fund, L.P.	3.0%
8. Milestone Link Fund, L.P.	2.6%
9. Esprit Capital I Fund	2.5%
10. Alcentra Euro Mezzanine No1 Fund L.P.	2.5%
11. Almack Mezzanine I Fund L.P.	2.3%
12. Omega Fund III, L.P.	2.2%
13. Macquarie Wholesale Co-Investment Fund	2.2%
14. Leeds Equity Partners IV Co-Investment Fund A, L.P.	2.2%
15. HGX Private Equity Fund L.P.	1.9%
16. Leeds Equity Partners IV, L.P.	1.8%
17. Hutton Collins Capital Partners II L.P.	1.8%
18. Strategic Value Global Opportunities Feeder Fund I-A, L.P.	1.6%
19. Strategic Value Global Opportunities Master Fund, L.P.	1.6%
20. Global Buyout Fund, L.P.	1.5%

#### Top 20 Company Investments at 31 March 2010

1. Deutsche Annington Immobilien Group	7.1%
2. Concorde Career Colleges, Inc.	3.7%
3. Education Management Corporation	3.3%
4. FibroGen Europe	2.6%
5. Paratek	2.5%
6. Hunter Acquisition Limited	1.9%
7. Gulf Healthcare International / Medical Solutions	1.8%
8. InterFloor	1.8%
9. China Media Enterprises Limited	1.7%
10. Knight Holdco	1.6%
11. WinnCare	1.3%
12. Amart All Sports	1.1%
13. Nycomed	0.9%
14. Step 2 Holdings	0.9%
15. Lantheus	0.9%
16. FibroGen	0.8%
17. HHH Ports America Holdings	0.7%
18. Zena	0.7%
19. Ajan & Brothers Company	0.7%
20. Lifeaudiology	0.7%

JPEL's top 20 fund investments and the top 20 company exposures account for 59.1% and 36.8% of the Company's private equity portfolio, respectively.

Note: Based on Net Asset Value as at 31 March 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

### JPEL Contacts

Troy Duncan  
UK +44 207 742 3032  
troy.duncan@jpmorgan.com

Rosemary DeRise  
US +1 212 648 2980  
rosemary.derise@jpmorgan.com

[www.jpelonline.com](http://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

St Martins House  
Le Bordage  
St Peter Port  
Guernsey GY1 1BP

### 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." or the "Manager"), 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 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](http://www.jpmorganchase.com).

#### MANAGER

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

#### SECRETARY, ADMINISTRATOR AND REGISTERED OFFICE

HSBC Management (Guernsey) Limited  
St Martins House  
Le Bordage  
St Peter Port  
Guernsey GY1 1BP

#### AUDITOR

KPMG Channel Islands Limited  
2 Grange Place  
PO Box 235  
St. Peter Port  
Guernsey GY1 4LD

#### 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

### 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.*

*This document may only be issued to or passed on to persons to whom it may be lawfully communicated pursuant to the Financial Services and Markets Act 2000 (Financial Promotion) Order 2007, or otherwise only to professional clients and eligible counterparties and should not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or unauthorised. In addition, this document may not be given to a U.S. citizen or resident who is not a "Qualified Purchaser" or "Accredited Investor" within the meaning of the U.S. securities laws.*

*This document is issued on behalf of JPEL and has been approved by JPMorgan Asset Management (UK) Limited., which is authorised and regulated by the Financial Services Authority ("FSA") in the United Kingdom. The information in this document is provided solely for information, does not constitute investment advice or personal investment recommendations, and is neither an offer to buy or sell, nor a solicitation to buy or sell, any investments or units or shares in JPEL. To the extent that this document is issued in the United Kingdom, it is being issued to persons who are professional clients or eligible counterparties for the purposes of the FSA's rules. Past performance is not necessarily a guide to future performance.*

*Some information contained in this document may have been received from third party or publicly available sources that we believe to be reliable. We have not verified any such information and assume no responsibility for the accuracy or completeness thereof. The information stated and opinions expressed constitute best judgment at the time of publication, and are subject to change without prior notification. The price of units or shares (and the income from them) can go down as well as up and may be affected by changes in rates of exchange. An investor may not receive back the amount invested. Current tax levels and reliefs are liable to change and their value will depend on individual circumstances. The market prices of units and shares in JPEL do not necessarily reflect their underlying net asset value.*

*© 2010 Bear Stearns Asset Management Inc. All rights reserved. No information in this document may be reproduced or distributed in whole or in part without the express written prior consent of Bear Stearns Asset Management.*

*J.P. Morgan Asset Management (UK) Limited. Registered in England No. 01161446. Registered address: 125 London Wall, London EC2Y 5AJ*