

## 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\$ 1.32	64.54p	61.37p	65.25p	N/A
No. of shares in issue	399.58 mm	63.31 mm	68.59 mm	30.41 mm	58.08 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 30 September 2011. NAV Figures are based on unaudited net asset values as at 30 September 2011.

### 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.

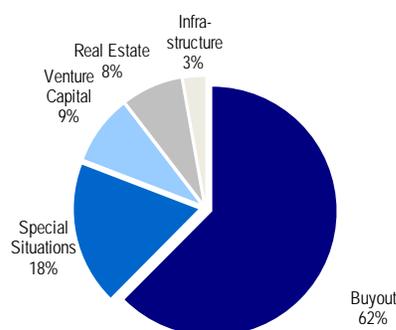
JPEL pursues the following strategies to seek to meet its investment objectives

- 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.

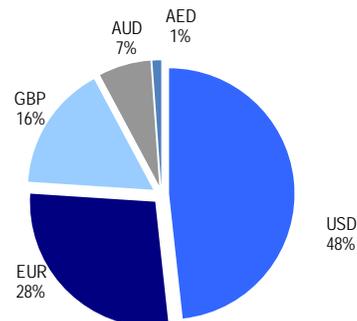
The Company's capital structure consists of three classes of shares: US\$ Equity Shares ("Equity Shares") and two classes of Zero Dividend Preference Shares due 2013 and 2015, respectively (together, the "ZDP Shares").

JPEL issued 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."

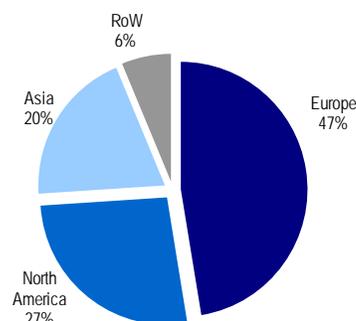
### Fund Level - Investment Strategy<sup>1,2</sup>



### Fund Level - Currency Exposure<sup>1</sup>



### Company Level - Geography<sup>3</sup>



1. The diversification charts above are based on unaudited Investments at Market Value as at 30 September 2011 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 30 September 2011 and uses underlying company-level values.

# JPEL

## Managers' Comments

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

### JPEL Performance

JPEL is pleased to announce that it intends to resume its tender facility. The Company intends to buy back up to 3% of the total shares outstanding at JPEL's stated NAV as of 31 December 2011. This decision to offer the tender was due to strong positive cash flows of JPEL's underlying portfolio. In first three quarters of 2011, JPEL has received net distributions of \$35.8 million. The tender represents a return of approximately 50% of net distributions received. In the event that JPEL has similar high distribution activity in the future, the Board of Directors will consider further tenders.

The JPEL NAV per Equity Share was flat for the month of September 2011, ending at \$1.32 which represents a 3.1% increase in NAV in the 2011 calendar year. The fundamentals of JPEL's underlying portfolio witnessed strong growth in the latest twelve month (“LTM”) data available. Looking at the sample set of JPEL's top 36 buyout companies which represent 32.7% of JPEL's private equity investment value, these companies demonstrated weighted average LTM Revenue growth of 11.9% and LTM EBITDA growth of 12.5%.<sup>1</sup> JPEL's portfolio remains steady as it is conservatively valued with minimal leverage. Within JPEL's top 36 buyout companies, the weighted average Enterprise Value / EBITDA multiple is a relatively low 8.2x and the weighted average Net Debt / EBITDA multiple is 1.7x.

NAV per share for the Company's 2013 and 2015 ZDP Shares increased from 63.41p to 64.54p and from 60.11p to 61.37p, 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 1.3% to 68.00p, while the 2015 ZDP Shares increased by 0.5% to 69.00p during the quarter.

On 12 September 2011, JPEL completed the acquisition of a portfolio of 38 co-investments in an all-stock transaction valued at £56.5 million. The consideration for this acquisition was in the form of US\$ Equity Shares and newly issued 2017 ZDP shares. The 2017 ZDP Shares began trading on the London Stock exchange on 12 September 2011 under the ticker LSE: JPSZ. At 30 September 2011 the NAV per share for the Company's 2017 ZDP shares increased 0.4% to 65.25p from 65.00p at inception. The 2017 ZDP share price ended the quarter at 74.5p, which represents a considerable 14.2% premium to the 30 September NAV.<sup>2</sup>

It is the Managers' opinion that JPEL's current share price does not reflect the quality of JPEL's portfolio and the strength of JPEL's balance sheet. JPEL's equity shares ended 30 September 2011 at \$0.90, a 30.8% discount to the NAV.<sup>2</sup> To capitalize on this opportunity, JPEL's Managers received permission from the Company's Board of Directors to increase their capacity to buy back shares. Since 23 August 2011, JPEL has purchased 2,337,000 shares to date at an average price of \$0.9588 per equity share.

1. Source: Managers. Represents largest underlying buyout investments within JPEL's largest 50 underlying companies. Buyout related investments represent 36 of JPEL's largest 50 investments and 32.7% of total private equity investment value. Based on 30 June 2011 unaudited market value of investments as released on 16 August 2011, using latest available underlying company data at time of publication.
2. 30 September 2011 NAV released on 9 November 2011.

### Market Update

Market volatility and changing regulations in the US and Europe continues to create a strong deal pipeline for JPEL. In this environment, JPEL's Managers remain cautious investors poised to acquire quality assets at deep values. In particular, JPEL is targeting equity investments in companies that demonstrate solid cash flow growth; these opportunities tend to be in emerging markets. JPEL is also focused on debt investments in the US and Europe that have equity like returns and opportunities to purchase assets with the Company's shares (as it recently did with the co-investment portfolio acquired in September).

#### Balance Sheet Information as at 30 September 2011\*

Investments at Market Value	\$720.1 mm
Cash & Equivalents	\$24.2 mm
Total Assets	\$744.3 mm
Net Asset Value <sup>2</sup>	\$688.0 mm
Unfunded Commitments	\$114.7 mm
Capital Available for Investment <sup>3</sup>	\$66.8 mm
(Private Equity + Cash & Equivalents) / Unfunded Commitments	6.5x

#### Summary of Portfolio as at 30 September 2011<sup>1</sup>

Buyout Funds	44	Co-Investments	11
Special Situations Funds	27	Fund of Funds	6
Venture Capital Funds	24		
Real Estate Funds	8		
Infrastructure Funds	5		

\* Source: Managers.

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 30 September 2011.

3. Includes \$24.2 million of cash & equivalents plus \$42.6 million of capital available to draw down from JPEL's credit facility.

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

# JPEL Managers' Comments

## JPEL's selective European exposure:

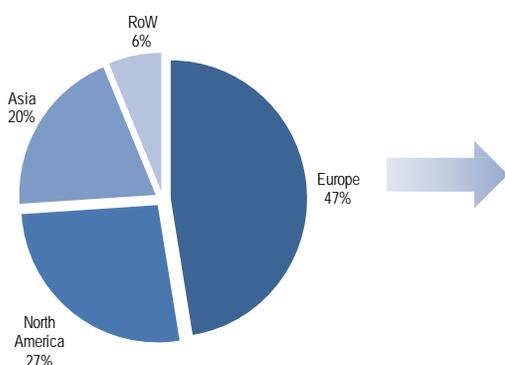
- 65% in defensive assets of healthcare, debt or real estate
- 70% in UK, Germany or France

### Portfolio Review – European Exposure

With the current uncertainty surrounding Europe JPEL's Managers would like to provide shareholders with greater visibility into the Company's European assets.

- At 30 September 2011, 47% of JPEL's portfolio was invested in Europe with over 70% of assets invested in the UK, Germany or France.
- 65% of JPEL's European portfolio is invested in defensive assets:
  - 21% in debt
  - 20% in healthcare
  - 15% in real estate
- Over 90% of European buyout funds invested in small and medium sized funds focused on lower-middle market investments where generally less leverage is used.
- Zero exposure to Greece.
- 4% exposure to Spain of which 2% results from RCR Industrial S.a.r.l. (“RCR”), JPEL's third largest company. RCR derives more than 60% of its revenues from France, Latin America and emerging markets.

JPEL Geographic Breakout<sup>1</sup>



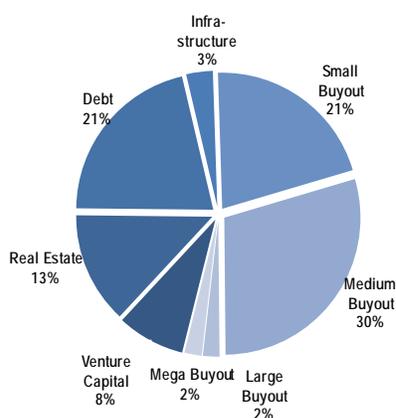
JPEL European Portfolio by Country<sup>1</sup>

United Kingdom	15.89%
Germany	11.99%
France	5.69%
Spain	3.91%
Italy	2.69%
Sweden	1.91%
Denmark	1.67%
Switzerland	0.93%
Netherlands	0.89%
Ireland	0.80%
Finland	0.60%
Belgium	0.16%
Norway	0.16%
Luxembourg	0.14%
Austria	0.01%
<b>Total Europe</b>	<b>47.43%</b>

3.7% invested in two of JPEL's top ten holdings. Both companies are healthy and are expected to exit in the near term.

2.2% in European flooring company. Approximately 60% of revenues from outside of Spain.

JPEL European Portfolio – Investment Strategy<sup>2</sup>



JPEL European Industry Breakout<sup>3</sup>

Real Estate	15.2%
Health Care Equipment & Services	11.8%
Software & Services	9.6%
Capital Goods	9.1%
Pharmaceuticals, Biotechnology & Life Sciences	8.1%
Consumer Services	6.9%
Household & Personal Products	5.4%
Consumer Durables & Apparel	5.3%
Retailing	3.6%
Materials	3.6%
Insurance	2.7%
Commercial & Professional Services	2.7%
Utilities	2.2%
Automobiles & Components	2.1%
Media	2.1%
Energy	2.0%
Food & Staples Retailing	2.0%
Transportation	1.9%
Telecommunication Services	1.8%
Food, Beverage & Tobacco	0.8%
Technology Hardware & Equipment	0.8%
Partnership Investment	0.1%
Diversified Financials	0.1%

1. Source: Managers. The diversification charts above are based on unaudited Investments at Market Value as at 30 September 2011 and uses underlying company-level values.

2. Source: Managers. The diversification charts above are based on unaudited Investments at Market Value as at 30 September 2011 and use underlying fund-level values.

3. Source: Managers. The diversification chart above is based on unaudited Investments at Market Value as at 30 September 2011 and uses underlying company-level values. Percentages are based on JPEL's European assets.

# JPEL

## Managers' Comments

### JPEL Only: Portfolio Highlights

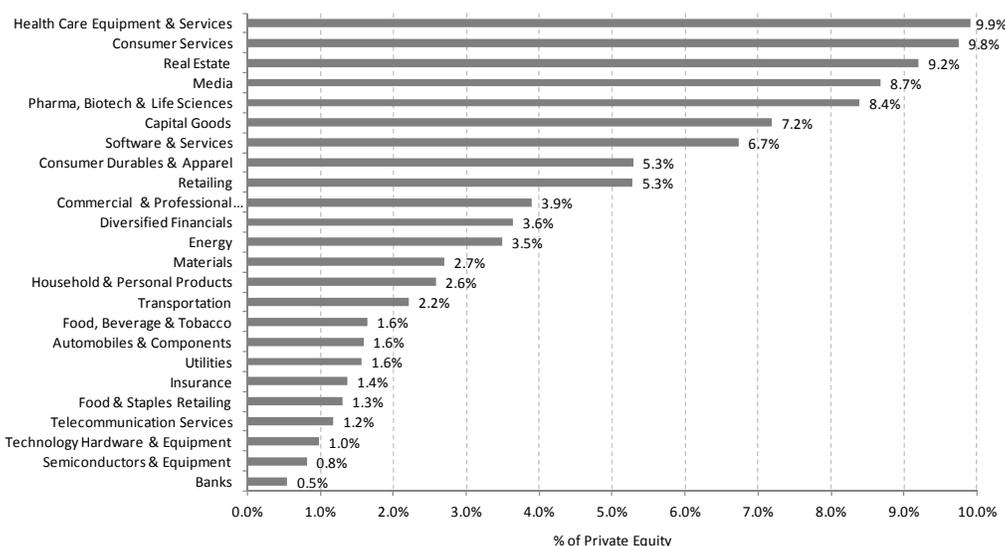
JPEL's portfolio is comprised of interests in 105 separate fund interests, 11 co-investments and six fund of funds that include over 1,500 companies across approximately 27 industries. The top 20 fund interests account for 42.3% of private equity NAV. The portfolio continues to be weighted heavily towards more defensive industries as approximately 17.3% of its portfolio is invested in healthcare-oriented companies. In addition, approximately 90% 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 5.2 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: 5.2 years
- Buyout investments: 3.9 years
  - Small buyout: 3.8 years
  - Medium buyout: 3.9 years
  - Large buyout: 3.9 years
  - Mega buyouts: 5.8 years
- Venture Capital investments: 7.9 years
- Real Estate investments: 5.0 years
- Special Situations: 4.2 years
- Infrastructure investments: 5.2 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 30 September 2011. Average is weighted based on unaudited Investments at Market Value at 30 September 2011 and uses underlying company-level values.

#### JPEL Industry Diversification



Note: The diversification chart above is based on unaudited Investments at Market Value as at 30 September 2011 and uses underlying company-level values.

#### Top 20 Fund Investments at 30 Sept 2011

1. Parallel Private Equity - Duke Street Vehicle	5.4%
2. Avista Capital Partners (Offshore), L.P.	3.5%
3. Liberty Partners II, L.P.	3.0%
4. Life Sciences Holdings SPV I Fund, L.P.	2.9%
5. Parallel Private Equity - Barclays Vehicle	2.4%
6. Milestone Link Fund, L.P.	2.3%
7. Milestone Parallel Private Equity LP	2.2%
8. Alcentra Euro Mezzanine No1 Fund L.P.	2.1%
9. Hutton Collins Capital Partners II LP	1.9%
10. Parallel Private Equity - 3i Vehicle	1.9%
11. Almack Mezzanine I Fund L.P.	1.9%
12. GSC European Mezzanine Fund II L.P.	1.6%
13. Macquarie Alternative Investment Trust II	1.5%
14. Beacon India Private Equity Fund	1.5%
15. Strategic Value Global Opportunities Master Fund, L.P.	1.4%
16. Omega Fund III, L.P.	1.4%
17. Guggenheim Aviation Offshore Investment Fund II, L.P.	1.4%
18. Argan Capital Fund	1.3%
19. Blue River Capital I, LLC	1.3%
20. Catalyst Buyout Fund 1	1.3%

#### Top 20 Company Investments at 30 Sept 2011

1. Deutsche Annington Immobilien Group	6.3%
2. China Media Enterprises Limited	6.2%
3. RCR Industrial S.a.r.l	2.2%
4. Baby Cadum	2.1%
5. Concorde Career Colleges, Inc.	1.9%
6. Education Management Corporation	1.7%
7. WinnCare	1.7%
8. FibroGen	1.6%
9. 2e2	1.4%
10. Oasis	1.4%
11. Paratek	1.2%
12. Gulf Healthcare International LLC	1.1%
13. Rebel Group	1.1%
14. InterFloor	1.0%
15. Original Factory Shop	1.0%
16. Bionnis	0.9%
17. Nycomed	0.9%
18. Compré Group	0.8%
19. Back Bay Limited	0.8%
20. REGE	0.8%

Note: Based on unaudited Investments at Market Value as at 30 September 2011 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

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### 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

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St Peter Port  
Guernsey GY1 3NF

### 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](http://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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