

# JPEL

## Company Summary

### Objective

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

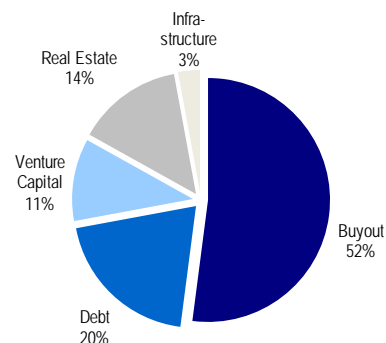
### Launched

30 June 2005

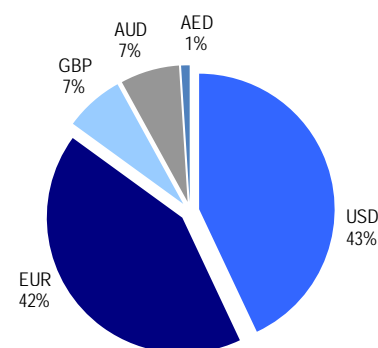
	US\$ Equity Share	Zero Dividend Preference Share 2015	Zero Dividend Preference Share 2017	JPEL Warrants
Net Asset Value (“NAV”) per share	US\$ 1.12	73.15p	76.81p	N/A
No. of shares in issue	346.38 mm	67.08 mm	30.41 mm	57.90 mm
Currency of Quotation	US\$	£ Sterling	£ Sterling	US\$
Ticker	JPEL	JPZZ	JPSZ	JPWW
Sedol	B07V0H2	B00DDT8	B5N4JV7	B60XDY5
ISIN	GB00B07V0H27	GG00B00DDT81	GG00B5N4JV75	GG00B60XDY53

All figures as at 30 September 2013.

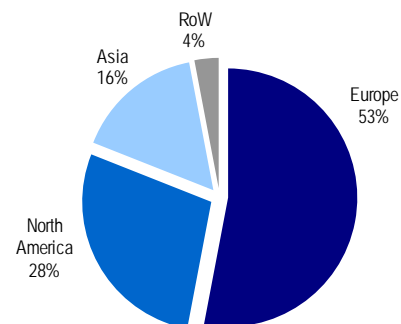
### Fund Level - Investment Strategy<sup>1,2</sup>



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



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



### 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 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.”

1. The diversification charts above are based on unaudited Investments at Market Value as at 30 September 2013 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 2013 and uses underlying company-level values.

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## Managers' Comments

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

### Performance and Portfolio Update

JPEL's net asset value (NAV) per US\$ Equity share increased to \$1.12 from \$1.11 during the month of September and increased \$0.03 during the quarter from the unaudited June 30, 2013 NAV of \$1.09 per equity share. The increase in NAV during the month is driven by the positive performance of JPEL's Australian portfolio, Aqua Resources Fund and JPEL's two largest publicly traded companies. Currency movements also positively impacted JPEL's NAV in September as the Euro, Sterling and Australian Dollar increased versus the US Dollar by 2.3%, 4.4% and 4.7% respectively.

JPEL's two largest publicly traded companies, Education Management Corporation (“EDMC”) and LifeLock, Inc., performed well during the month increasing 12% and 18%, respectively. EDMC's shares closed at \$9.12 per share on 30 September 2013 up \$1.00 from 30 August 2013. LifeLock closed on 30 September 2013 at \$14.83 per share up \$2.22 from 30 August 2013. In the month of September, LifeLock completed two secondary offerings which resulted in distributions of \$1.6 million to JPEL.

JPEL received net distributions of \$20.4 million in the third quarter of 2013. In July, the Company received \$5.4 million from Liberty Partners II from the sale of Component Hardware Group. Catalyst Buyout Fund 1 (part of the JPEL Australian portfolio) sold Ezibuy during the period resulting in a \$3.7 million distribution to JPEL in September. JPEL also received \$3.1 million in distributions from the IPO of Deutsche Annington Immobilien Group in August and approximately \$2.1 million from secondary offerings of LifeLock, Inc. during the quarter. The Company also received smaller distributions from approximately 27 other portfolio investments. During the month of September, JPEL received distributions of \$8.7 million and capital calls of \$0.3 million.

### ZDP Performance

During the quarter, NAV per share for the Company's 2015 ZDP Shares increased 2.2% to 73.15p and the 2017 ZDP Shares increased 2.1% to 76.81p. The share price for the 2015 ZDP Shares increased 0.9% to 80.13p for the quarter, while the 2017 ZDP Shares increased 1.1% to 88.5p.

#### Balance Sheet Information as at 30 Sept 2013 (\$ in mm)<sup>1</sup>

Investments at Market Value	\$537.7
Cash & Equivalents	\$18.0
<b>Total Assets</b>	<b>\$555.7</b>
<b>Total Liabilities</b>	<b>(\$49.2)</b>
<b>Net Asset Value (NAV)<sup>2</sup></b>	<b>\$506.5</b>
2015 ZDP NAV	(\$79.4)
2017 ZDP NAV	(\$37.8)
<b>US\$ Equity NAV</b>	<b>\$389.3</b>
Undrawn Credit Facility <sup>3</sup>	\$102.7
Unfunded Commitments	\$77.3
(Private Equity + Cash & Equivalents) / Unfunded Commitments	7.18x

#### Summary of Portfolio as at 30 Sept 2013<sup>2</sup>

Buyout Funds	42	Co-Investments	11
Special Situations Funds	26	Fund of Funds	5
Venture Capital Funds	22		
Real Estate Funds	6		
Infrastructure Funds	4		

1. Source: Managers. Based on unaudited 30 September 2013 information.
2. 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.
3. Amount available may differ depending on compliance of covenants.

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

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## Managers' Comments

### Portfolio Highlights

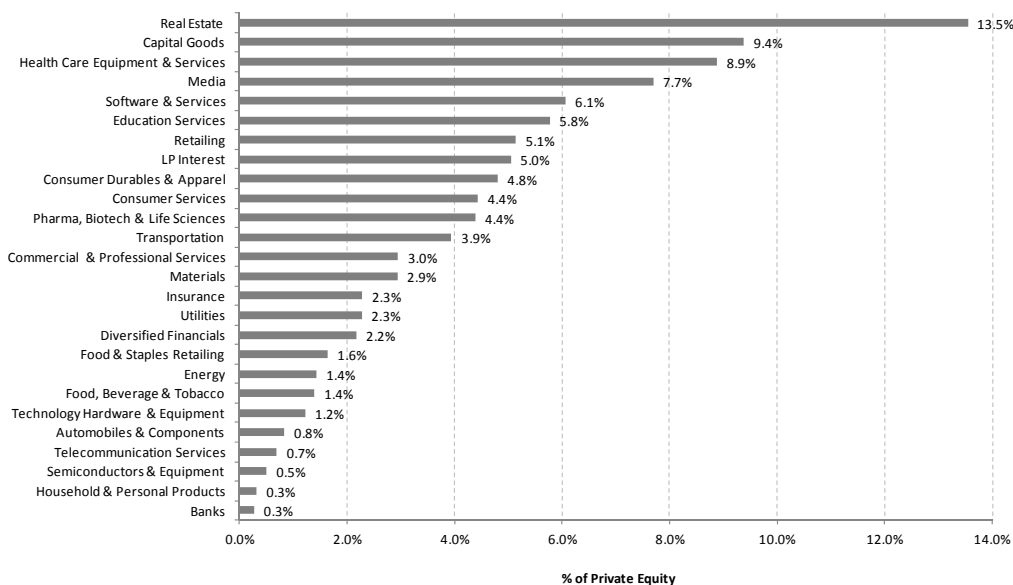
JPEL's portfolio is comprised of interests in 100 separate fund interests, 11 co-investments, and five fund of funds that include over 900 companies across approximately 26 industries. The top 20 fund interests account for 39.2% of private equity NAV. The portfolio is weighted towards real estate and healthcare-oriented companies with approximately 13.5% and 13.3% of investment value in these sectors, respectively. In addition, approximately 92% 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 6.8 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: 6.8 years
- Buyout investments: 5.0 years
  - Small buyout: 4.7 years
  - Medium buyout: 6.0 years
  - Large buyout: 3.5 years
  - Mega buyouts: 8.7 years
- Venture Capital investments: 7.3 years
- Real Estate investments: 7.1 years
- Special Situations: 6.7 years
- Infrastructure investments: 7.3 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 30 September 2013. Average is weighted based on Investments at Market Value at 30 September 2013 and uses underlying company-level values.

#### JPEL Industry Diversification



Note: The diversification chart above is based on Investments at Market Value as at 30 September 2013 and uses underlying company-level values.

#### Top 20 Fund Investments at 30 Sept 2013

1. Liberty Partners II, L.P.	2.9%
2. Life Sciences Holdings SPV I Fund, L.P.	2.8%
3. Duke Street (Parallel Private Equity)	2.7%
4. Alcentra Euro Mezzanine No1 Fund L.P.	2.5%
5. Almack Mezzanine I Fund L.P.	2.5%
6. Guggenheim Aviation Offshore Investment Fund II, L.P.	2.3%
7. Hulton Collins Capital Partners II LP	2.2%
8. Leeds Equity Partners V, L.P.	2.1%
9. Milestone Link Fund, L.P.	2.1%
10. Barclays Private Equity (Parallel Private Equity)	2.0%
11. Macquarie Wholesale Co-investment Fund	1.9%
12. GSC European Mezzanine Fund II L.P.	1.9%
13. Argan Capital Fund	1.8%
14. Macquarie European Infrastructure Fund	1.5%
15. Aqua Resources Fund Limited	1.4%
16. Macquarie Alternative Investment Trust III	1.4%
17. Black Diamond Capital Management	1.3%
18. Beacon India Private Equity Fund	1.2%
19. 10th Lane Finance Co., LLC	1.2%
20. Omega Fund III, L.P.	1.2%

#### Top 20 Company Investments at 30 Sept 2013

1. Deutsche Annington Immobilien Group	12.1%
2. China Media Enterprises Limited	5.5%
3. RCR Industrial S.a.r.l	4.1%
4. Concorde Career Colleges, Inc.	2.4%
5. FibroGen	2.0%
6. Compre Group	1.8%
7. Gulf Healthcare International LLC	1.8%
8. Original Factory Shop	1.7%
9. WinnCare	1.7%
10. Zena	1.3%
11. Education Management Corporation	1.2%
12. Back Bay (Guernsey) Limited	1.1%
13. Component Hardware Group, Inc.	1.1%
14. LifeLock, Inc.	1.1%
15. Everis Spain	0.9%
16. Gambro Healthcare	0.9%
17. CSC Customer Services Company	0.8%
18. Agent Provocateur	0.8%
19. Lifehealthcare	0.7%
20. ION Media	0.7%

Note: Based on Investments at Market Value as at 30 September 2013 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

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#### 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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### 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

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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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