

Company Description

Professional Investors Only – Not For Public Distribution

J.P. Morgan Private Equity Limited ("JPEL" or the "Company") is a Guernsey registered and incorporated, London Stock Exchange-listed, closed-ended investment company (LSE: JPEL, JPZZ, JPSZ). JPEL's primary strategy is to acquire secondary market portfolios of direct fund investments, significantly invested partnership interests and partially drawn commitments, in order to accelerate NAV development. JPEL employs an opportunistic, deep value private equity investment strategy and focuses on value-oriented investments with potential for early return of capital. The Company's capital structure consists of three classes of shares: Equity Shares and two classes of Zero Dividend Preference Shares due 2015 and 2017, respectively.

Summary at 31 July 2014

	US\$ Equity Share	Zero Dividend Preference Share 2015	Zero Dividend Preference Share 2017	JPEL Warrants
Net Asset Value ("NAV") per share	\$1.13	78.50p	82.20p	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

Balance Sheet Information	(\$ in mm)
Investments at Market Value	\$475.4
Cash & Equivalents	\$67.3
Total Assets	\$542.7
Total Liabilities	(\$21.5)
Total Net Asset Value (NAV)	\$521.2
2015 ZDP NAV	(\$88.9)
<u>2017 ZDP NAV</u>	<u>(\$42.2)</u>
US\$ Equity NAV	\$390.1
Undrawn Credit Facility	\$129.9
Unfunded Commitments	\$57.0
Private Equity + Cash / Unfunded	9.5x

In July 2014, JPEL's NAV per US\$ Equity Share decreased to \$1.13 from \$1.14 the prior month. The change in value is primarily the result of currency movements during the month, where the Euro decreased 2.2% versus the US Dollar. Approximately 41% of JPEL's investment portfolio is Euro denominated. The Company pursues a hedging policy to try to minimize the impact of currency fluctuations.

Portfolio Update:

Approximately 42% of JPEL's July NAV is from underlying sponsor reports dated 30 June 2014 or later. During the month, JPEL received the following updates on its top ten portfolio companies:

- *Deutsche Annington Immobilien Group ("DAIG")*: Through 30 June 2014, the German residential housing company preformed well with EBITDA for the first half of 2014 up 6.9% versus 2013 and FFO 1 up 26.0% in H1 2014 against the prior year. In the month of July, DAIG's share price increased 6.3% to €22.88. DAIG is JPEL's largest investment comprising 11.7% of the portfolio.
- *Alliant Group ("Alliant")*: JPEL acquired a direct interest in Alliant Group in December 2013. Alliant provides high-value consulting services relating to government-sponsored tax incentives. Through the first six months of 2014, Alliant has grown revenue and EBITDA by 24% and 15%, respectively, compared with the first half of 2013. Based on this performance, JPEL's investment was marked up 7.7% from March to June. Alliant is JPEL's fifth largest investment at 31 July 2014.
- *Concorde Career Colleges, Inc. ("Concorde")*: The for profit secondary education company continues to operate well with revenue and Adjusted EBITDA increases of 0.5% and 129.4%, respectively, for the three months ending 30 June 2014 over the same period in 2013. However, the student population declined 2.8% from June 2013 to June 2014 and the sponsor has decreased the value of the company by 24% to reflect a reduction in Concorde's 2014 forecasted earnings. Concorde is JPEL's 10th largest investment and 1.7% of the portfolio.

Cashflows:

JPEL received distributions of \$6.7 million against capital calls of \$0.1 million during the month. The Company received \$2.8 million from Leeds Equity Partners IV, L.P. following the sale of Ex Libris, as well as \$1.9 million from the Macquarie European Infrastructure Fund. In addition, JPEL received cash proceeds from the sale of the Parallel Portfolio which totaled \$36.2 million. The Company completed the month with net cash of \$45.8 million.

Source: J.P. Morgan Asset Management. Past performance is not indicative of future performance. Performance returns shown can increase or decrease due to currency fluctuations.

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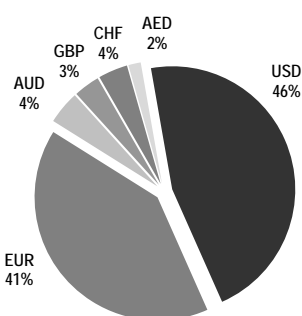
Equity Share Price and ZDP Performance:

The share price of JPEL's US\$ Equity shares increased slightly during the month from \$0.77 to \$0.78. The NAV per share for the Company's 2015 ZDP Shares increased 0.7% to 78.50p and the 2017 ZDP Shares increased 0.7% to 82.20p. The price of JPEL's 2015 ZDP Shares and the 2017 ZDP Shares were unchanged during the month at 82.89p and 95.63p, respectively.

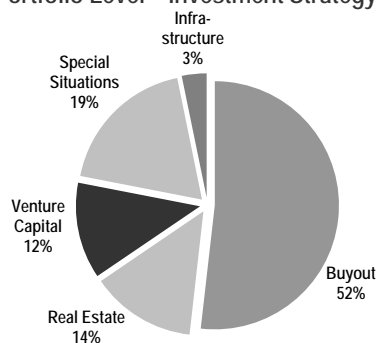
Portfolio Summary at 31 July 2014*

JPEL's portfolio is comprised of 90 fund interests, 14 co-investments and five fund of funds that include over 700 companies. As a secondary investor, JPEL's portfolio is heavily weighted towards funded investments, which comprise approximately 60%¹ of the portfolio. In addition, the Managers place an emphasis on investing in small to medium sized buyout funds, which tend to utilize lower leverage and purchase multiples; these funds represent approximately 50% of the portfolio.

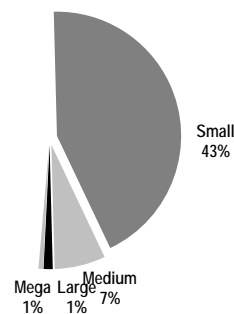
Portfolio Level – Currency²



Portfolio Level – Investment Strategy^{2,3}



Portfolio Level – Buyout Type²



Source: J.P. Morgan Asset Management

- Includes secondary investments and funded primary investments.
 - The diversification charts above are based on private equity fair market value as at 31 July 2014 and use underlying fund-level values. Fund classifications for buyout strategy is based on total fund commitments: Small: \$0 - \$500 million; Medium: \$500 - \$2,000 million; Large: \$2,000 million - \$5,000 million; Mega: over \$5,000 million. Co-investments allocated by size of underlying sponsor fund.
 - Special situations includes mezzanine, debt, turnaround and distressed investment strategies.
- * Charts exclude the Parallel Portfolio which was sold in July 2014.

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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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