

JPEL

Company Summary

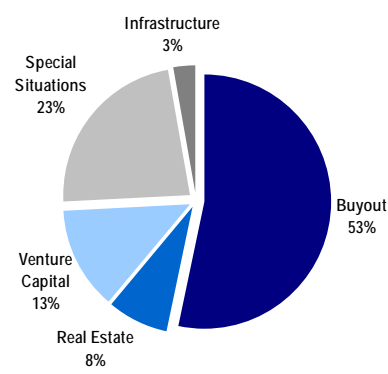
Objective

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

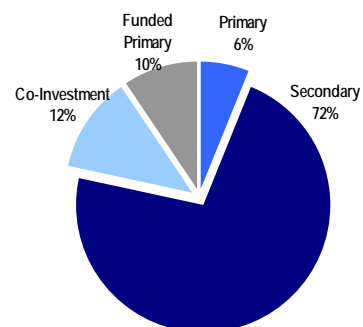
Launched

30 June 2005

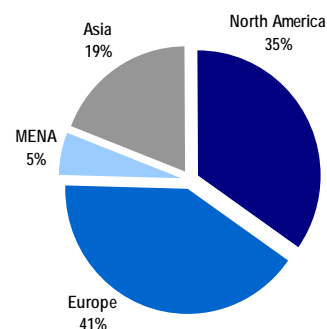
Fund Level – Investment Strategy^{1,2}



Fund Level – Investment Type¹



Company Level - Geography¹



1. The diversification charts above are based on Net Asset Value as at 30 September 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\$ 1.29	60.15p	56.50p	N/A
No. of shares in issue	367.88 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 30 September 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.”

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Manager's Comments

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

Third Quarter Update

During the quarter, JPEL was pleased to announce the resumption of its tender facility. The Company will buy back up to 3% of the total shares outstanding at JPEL's stated NAV as of 31 December 2010.

This decision to offer the tender was due to strong positive cash flows of JPEL's underlying portfolio. In the second quarter, JPEL produced approximately \$15 million of distributions in excess of capital calls. In the event that JPEL has similar high distribution activity in the future, the Board of Directors will consider further tenders. In the third quarter distribution activity was positive, but more modest than the previous quarter. JPEL received \$7.8 million of distributions versus \$7 million in capital calls.

As at 30 September, JPEL's NAV per US\$ Equity share increased to \$1.29, representing a 2.4% increase for the month and a 0.8% increase for the quarter. JPEL had received approximately 95% of underlying private equity sponsor reports dated 30 June 2010 or later at the time the NAV was released¹.

JPEL continues to trade at the lowest discount to NAV in its peer group. While the US\$ Equity share price declined 0.4% in the third quarter, JPEL's share price ended the month at a discount of 14.7% to the stated NAV versus an average trading discount of 41.7% within the multi-manager peer group².

NAV per share for the Company's 2013 and 2015 ZDP Shares increased from 59.09p to 60.15p and from 55.33p to 56.50p, 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 3.6%, while the 2015 ZDP Shares increased by 6.6% during the quarter.

1. Based on private equity fair market value as at 30 September 2010. *Past performance is not indicative of future performance. Performance returns shown can increase or decrease due to currency fluctuations.*

2. J.P. Morgan Cazenove Alternative Stats, 22 October 2010. Based on JPEL's NAV of \$1.29 per US\$ Equity Share at 30 September 2010. Snapshot of performance on 15 October 2010 and does not represent the average discount to NAV since inception. JPEL NAV data based on 30 September 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, HPEQ, FPEO, NBPE, HVPE, SEP.

Investment Activity

In the third quarter 2010, JPEL completed two transactions totaling \$7.0 million in NAV as at 30 September. JPEL completed a secondary direct investment in second lien debt supported by a provider of integrated air cargo transportation and aviation support services. JPEL also completed a secondary direct investment in a business that acquires run-off insurance portfolios. As part of this transaction, the underlying investment will acquire three run-off portfolios at significant discounts to net asset value.

During the second quarter of 2010, JPEL completed a secondary direct investment in second lien debt supported by an ATM deployment company. Subsequent to JPEL's acquisition, the Company accepted an offer to purchase a piece of its debt position in the ATM deployment company at a higher valuation than was paid by JPEL. The Company expects to close this sale in October.

More recently, JPEL signed a contract to purchase an LP stake in an Indian Fund which pursues equity and equity-related growth/expansion capital and control investments in companies with significant operations in India. This transaction is expected to close in October.

Balance Sheet Information as at 30 September 2010*

Investments at Market Value	\$580.6 mm
Cash & Equivalents	\$112.6 mm
Total Assets	\$693.2 mm
Net Asset Value	\$595.2 mm
Unfunded Commitments	\$128.8 mm
(Private Equity + Cash & Equivalents / Unfunded Commitments)	5.38x

Summary of Portfolio as at 30 September 2010¹

Buyout Funds	80
Infrastructure	5
Special Situations	34
Venture Capital	41
Real Estate	7
Co-Investments	10
Total Investments	177

* Source: Manager.

1. 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.

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Manager's Comments

Portfolio Highlights

JPEL's portfolio is comprised of 167 fund interests and 10 co-investments that include over 1,500 companies across approximately 29 industries. The top 20 fund interests account for 46.2% of private equity NAV. The portfolio continues to be weighted heavily towards more defensive industries as approximately 16.5% of its portfolio is invested in healthcare-oriented companies and 8.4% in education assets. 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 4.6 years.

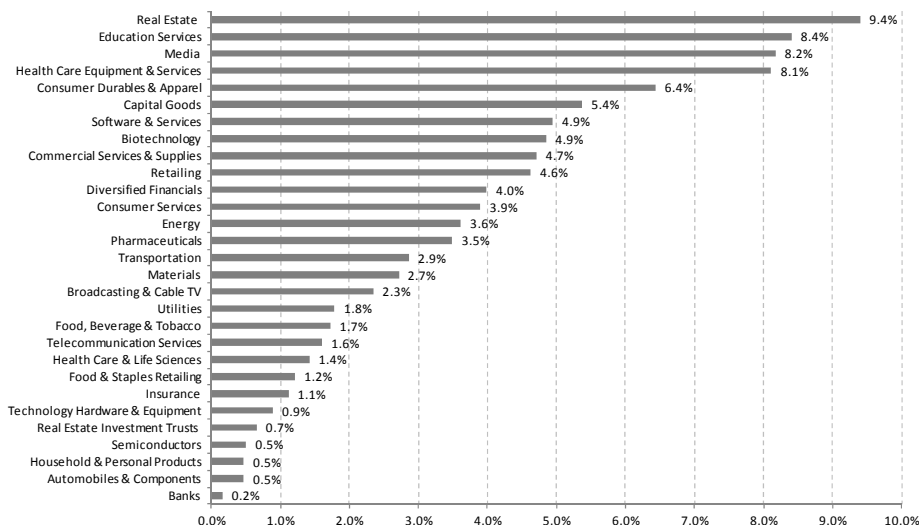
Average age of Portfolio by Investment Strategy

- Average age of investments: 4.6 years
- Buyout investments: 3.9 years
 - Small buyout: 3.7 years
 - Medium buyout: 4.5 years
 - Large buyout: 5.6 years
 - Mega buyouts: 5.6 years
- Venture Capital investments: 8.1 years
- Real Estate investments: 5.0 years
- Special Situations: 4.1 years
- Infrastructure investments: 4.7 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 30 September 2010. Average is weighted based on Net Asset Value at 30 September 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 30 September 2010 and uses underlying company-level values.

Top 20 Fund Investments at 30 Sept 2010

1. Liberty Partners II, L.P.	5.3%
2. Avista Capital Partners (Offshore), L.P.	3.8%
3. Life Sciences Holdings SPV I Fund, LP	3.4%
4. Macquarie Wholesale Co-investment Fund	2.8%
5. Alcentra Euro Mezzanine No1 Fund LP	2.7%
6. Global Opportunistic Fund	2.7%
7. Milestone Link Fund, L.P.	2.6%
8. Esprit Capital I Fund	2.5%
9. Almack Mezzanine I Fund LP	2.5%
10. Omega Fund III, L.P.	2.3%
11. Hutton Collins Capital Partners II LP	2.1%
12. Guggenheim Aviation Offshore Investment Fund II, L.P.	1.7%
13. Strategic Value Global Opportunities Master Fund, LP	1.6%
14. Strategic Value Global Opportunities Feeder Fund I-A, LP	1.6%
15. Leeds Equity Partners IV, LP	1.5%
16. Global Buyout Fund, L.P.	1.5%
17. Leeds Equity Partners IV Co-Investment Fund A, L.P.	1.5%
18. Argan Capital Fund	1.5%
19. Beacon India Private Equity Fund	1.4%
20. Catalyst Buyout Fund 1	1.3%

Top 20 Company Investments at 30 Sept 2010

1. Deutsche Annington Immobilien Group	7.3%
2. China Media Enterprises Limited	5.9%
3. Concorde Career Colleges, Inc.	4.2%
4. FibroGen Europe	2.6%
5. Education Management Corporation	2.2%
6. Paratek	2.1%
7. InterFloor	1.8%
8. WinnCare	1.4%
9. Hunter Acquisition Limited	1.2%
10. Amart All Sports	1.1%
11. Step 2 Holdings LLC	0.9%
12. Nycomed	0.9%
13. Lantheus	0.8%
14. Lifeaudiology	0.8%
15. Evergreen International Aviation, Inc.	0.8%
16. Everis Spain	0.7%
17. Ex Libris, Ltd.	0.7%
18. EDC Holding Company LLC	0.7%
19. Pacific Apparel Solutions	0.7%
20. CPC Rocket Dog	0.6%

JPEL's top 20 fund investments and the top 20 company exposures account for 46.2% and 37.4 % of the Company's private equity portfolio, respectively.

Note: Based on Net Asset Value as at 30 September 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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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 \$2.1 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.

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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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