

J.P. Morgan Private Equity

May 2011

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Historical market returns

As of March 31, 2011

	1 yr	3 yrs	5 yrs	10 yrs	11 yrs	15 yrs	20 yrs
All Private Equity*	15.3%	-2.0%	5.2%	3.8%	3.5%	10.2%	11.1%
Public Equity							
S&P 500	15.6	2.4	2.6	3.3	0.7	6.8	8.7
NASDAQ	17.2	7.9	4.5	5.2	-3.5	7.2	10.3
MSCI Europe	13.3	-3.5	2.6	6.2	3.2	7.8	8.8
MSCI EAFE	10.9	-2.5	1.8	5.8	2.5	5.1	6.0
MSCI Emerging Markets	18.8	4.6	11.0	17.1	10.9	8.7	10.9
Nikkei (Japan)	-0.8	-2.2	-4.0	1.3	-4.6	-3.5	-2.3
Sensex (India)	11.7	3.8	11.5	18.9	12.9	10.4	10.4
SSEC (China)	-1.8	-3.3	22.5	5.8	6.8	13.5	N/A
Fixed Income							
Barclays Aggregate	5.1	5.3	6.0	5.6	6.2	6.2	6.8
Barclays High Yield	14.3	12.9	9.1	8.6	8.1	7.5	9.2
Alternative Investments							
HFR Composite**	3.9	-1.9	0.2	2.5	2.0	6.0	9.4
NCREIF***	13.1	-4.2	3.5	7.4	7.8	9.2	7.0
REIT	24.3	3.0	1.1	10.9	12.1	10.2	10.8

Source: FactSet, Bloomberg, Barclays Capital, MSCI, Thomson ONE, Hedge Fund Research, JPMAAM. Indices are unmanaged and shown for illustrative purposes only. Past performance is no guarantee of future results.

*Source: Thomson ONE, All private equity pooled IRR net to investors as of September 30, 2010

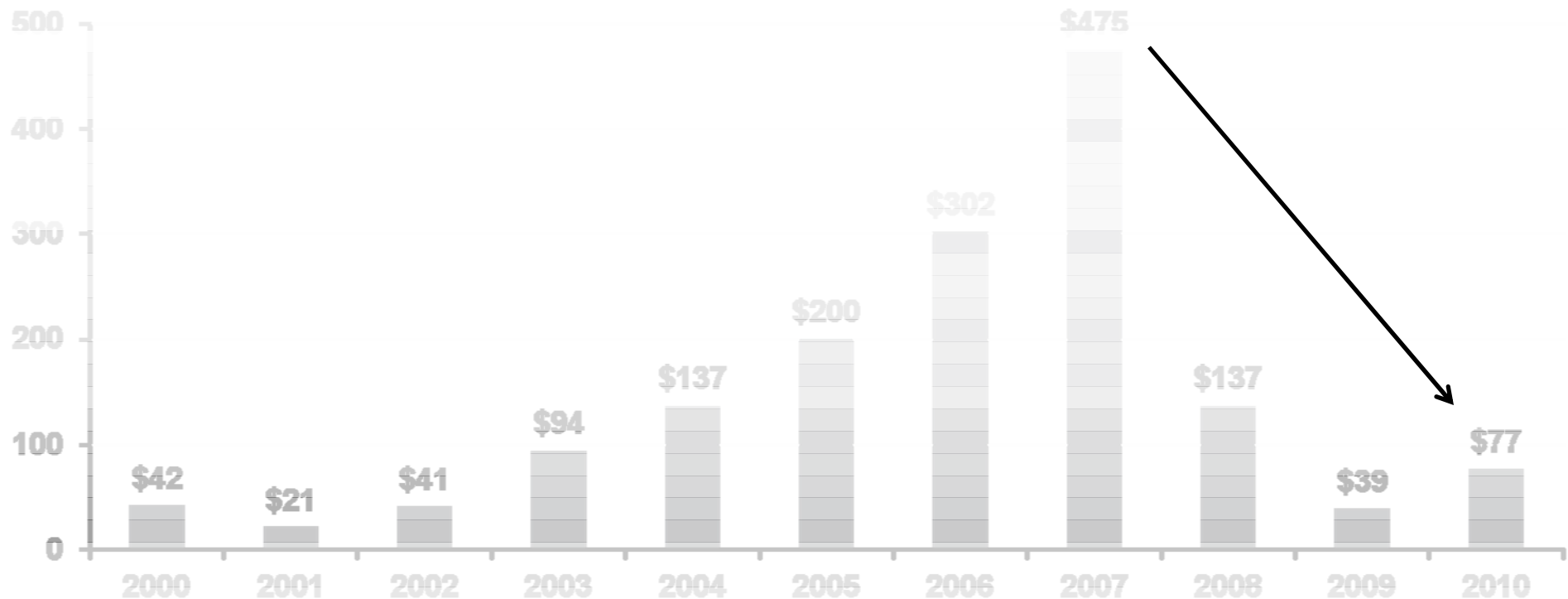
**HFR Composite reflects performance of HFRX Global Hedge Fund Index and HFRI Fund Weighted Composite Index.

*** Data available quarterly as of December 31, 2010

Significant increase in LBO activity through 2007, followed by a substantial decrease in 2008 - present

Disclosed U.S. buyout deal volume

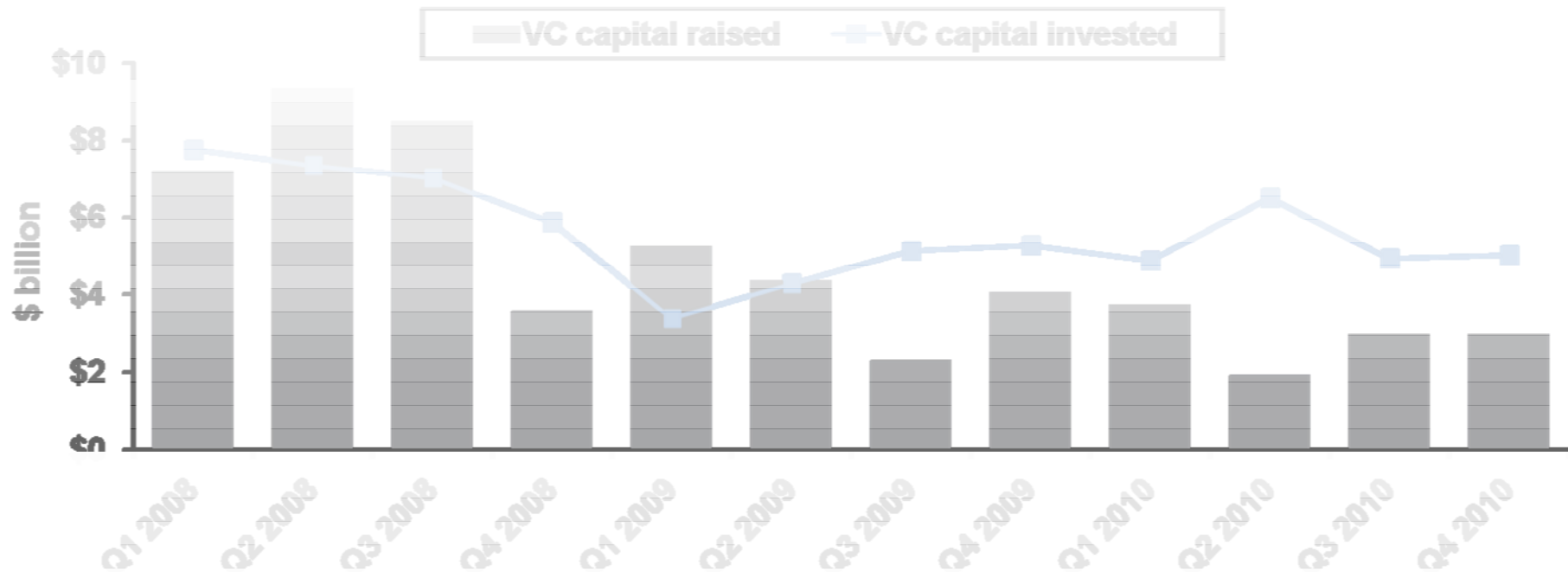
\$ billions



Source: Thomson ONE Buyouts, 1/3/11

The charts and/or graphs shown above and throughout the presentation are for illustration and discussion purposes only.

Venture Capital: capital invested now exceeds capital raised



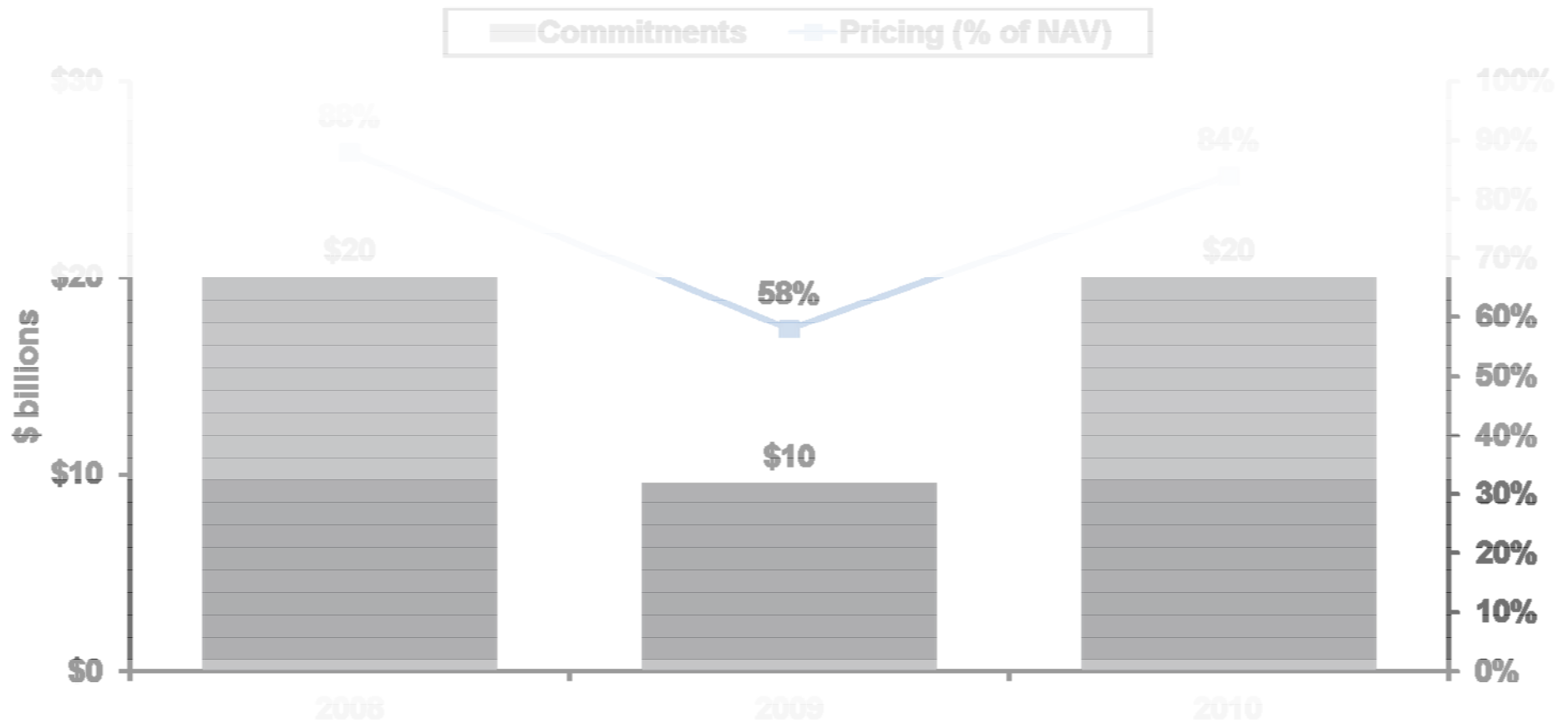
1Q08 – 4Q10 Cumulative capital raised **\$55bn**

1Q08 – 4Q10 Cumulative capital deployed **\$67bn**

Difference “underhang” **\$12bn**

As of 12/31/2010
Source: NVCA

Secondary market - industry volume and pricing

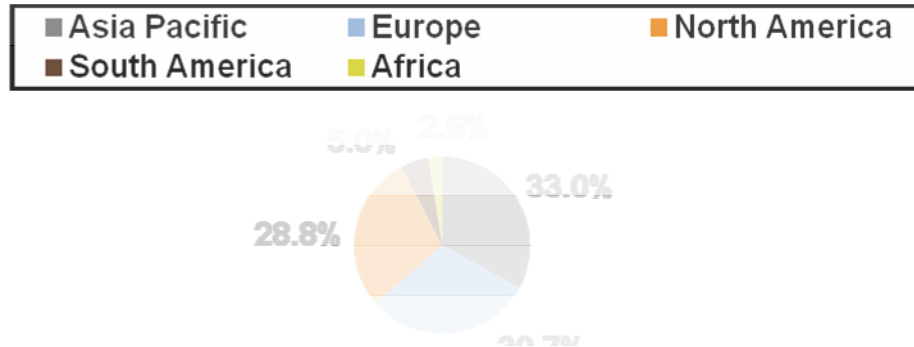


As of 12/31/2010
Source: UBS

Asia is a significant and growing force in the global economy

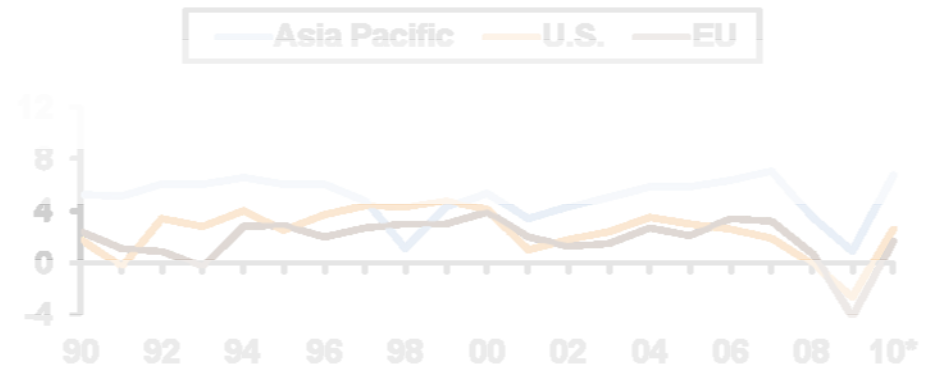
Favorable macroeconomic trends

Distribution of current GDP in the world economy



Source: World Bank, WDI 2011 data as of 2009

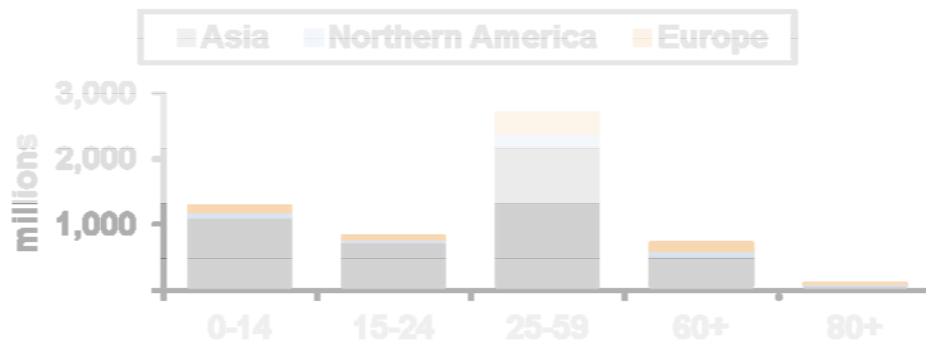
Real GDP growth % YoY



Source: J.P. Morgan; IMF World Economic Outlook database, October 2010; *Estimated

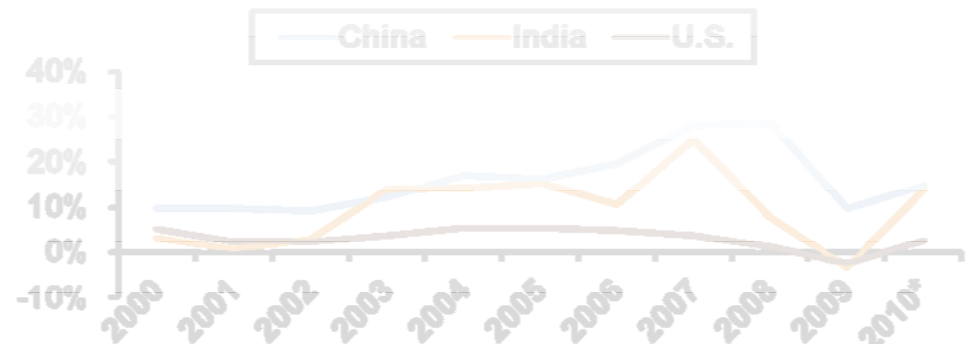
Favorable demographic and consumption trends

Population and age profile forecast for 2020*



Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat (2009) World Population Prospects: The 2008 Revision. Highlights. New York: United Nations
*2020 estimate is derived from assumptions regarding future trends in fertility, mortality, and international immigration

GDP per capita growth % YoY



Source: IMF, World Economic Outlook database, October 2010; *Estimated

Please keep in mind

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The following is an example of the effect of compounded advisory fees over a period of time on the value of a client's portfolio: A portfolio with a beginning value of \$100mm, gaining an annual return of 10% per annum would grow to \$259mm after 10 years, assuming no fees have been paid out. Conversely, a portfolio with a beginning value of \$100mm, gaining an annual return of 10% per annum, but paying a fee of 1% per annum, would only grow to \$235mm after 10 years. The annualized returns over the 10 year time period are 10.00% (gross of fees) and 8.91% (net of fees). If the fee in the above example was 0.25% per annum, the portfolio would grow to \$253mm after 10 years and return 9.73% net of fees. The fees were calculated on a monthly basis, which shows the maximum effect of compounding.

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