

New approaches to DC investing – helping your members achieve healthy returns in any conditions

What total return funds offer your members

- A core holding for their DC strategy that aims to deliver consistent returns in any market conditions
- A way to smooth out overall returns in their pension plan
- An easy-to-understand objective to outperform cash
- An ideal alternative to traditional default DC options

Investing with JPMorgan Asset Management

JPMorgan Asset Management is one of the leading names in total return investing in Europe.

We launched our first total return strategies in 2004 – and we are constantly exploring new ways in which we can deliver consistent ‘cash-plus’ returns.

Our success in these funds is due to our strong multi-asset capabilities. We maintain an extensive global multi-asset group (GMAG) dedicated to leveraging JPMAM’s expertise across equities, bonds, liquidity, real estate, commodities and other alternative assets.

By bringing together expertise across multiple asset classes, we are able to create highly diversified strategies that can offer compelling return potential in any market conditions. Today, we manage over £5.5 billion in total return strategies in the UK and Europe.

Let members achieve performance in a variety of market conditions with new funds from JPMorgan Asset Management

We recognise that DC scheme members can feel nervous about committing money to the stock market – especially during periods of market volatility. That’s why we’ve created a range of life funds, designed to allow them to achieve positive returns over the medium to long term, regardless of market movements.

How do these new funds differ from traditional DC funds?

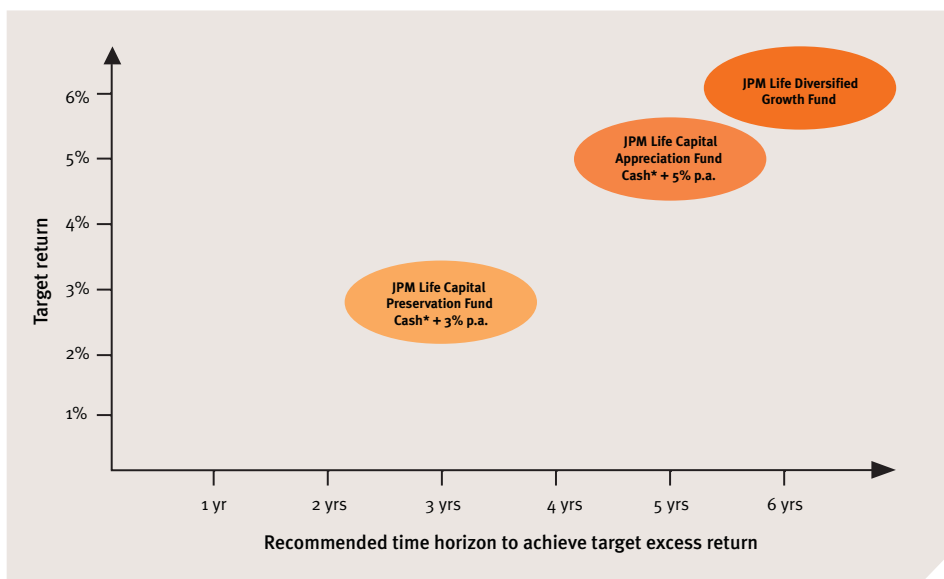
Our total return funds, JPM Life Capital Preservation and JPM Life Capital Appreciation are long-only funds that aim to deliver a positive return over a target time horizon. This is possible because, having the flexibility to invest across different asset classes, the fund may be able to move into equities when stock markets are set to rise. However, in periods of market weakness or decline, the fund may be able to mitigate loss by moving into lower-risk assets such as bonds or cash. Rather than measuring performance against a stock market benchmark, total return funds look to outperform a cash benchmark, such as a 1 Month GBP LIBOR.

The JPM Life Diversified Growth Fund is a pooled global strategy that could reduce overall portfolio volatility by providing long-term exposure to multiple asset classes. This new fund is an ideal solution for DC scheme members who are looking for a more sophisticated investment choice than traditional balanced or multi-fund options, since it offers a strategy that has greater growth potential than conventional balanced DC funds.

The JPMorgan Asset Management new DC range

We’ve built a range of new funds for the DC market designed to meet your member’s risk/return objectives and their different time horizons.

See overleaf for more on each of these funds.



*Benchmark is 1-month LIBOR.

New approaches to DC investing – helping your members achieve healthy returns in any conditions

JPM Life Capital Preservation Fund

Invests in: **Equities, bonds, derivatives, convertibles and cash**

Target return: **LIBOR + 3% p.a. (net of fees) over 3 years**

JPM Life Capital Preservation Fund is aimed at DC scheme members, such as members who are looking for a lower risk investment while still achieving an attractive return.

The fund looks to deliver 3% above bank base rates (as measured by 1 Month GBP LIBOR) while minimising the potential for losses.

Flexible strategy

The fund has a highly flexible investment strategy.

At all times, at least 50% of the fund is held in cash deposits, gilts and investment-grade bonds. These low-risk assets could account for 100% of the portfolio when stock markets are looking very weak.

However the fund also has the flexibility to invest up to a maximum 40% of the fund in equities when market prospects look attractive. In this way, it has the flexibility to adapt its asset allocation to prevailing market conditions.

Suitable for members who:

- Are approaching retirement and looking to preserve capital
- Are nervous about fully investing in the stock market
- Want to beat the return on low-risk cash and bond funds and are willing to take some risk to do this

JPM Life Capital Appreciation Fund

Invests in: **Equities, bonds, derivatives, convertibles and cash**

Target return: **LIBOR + 5% p.a. (net of fees) over 5 years**

JPM Life Capital Appreciation Fund has a similar investment approach to JPM Life Capital Preservation Fund. However, it has different investment limits to increase its potential for capital growth.

Up to 80% of the portfolio can be held in equities to allow the fund to participate more fully in stock market rallies. Conversely, up to 90% of the portfolio can be held in bonds and cash when the fund needs to take a more defensive position.

Best ideas approach

Both JPM Life Capital Preservation and Capital Appreciation Fund benefit from our 'best ideas' approach.

This uses our top-down economic views to identify which asset classes, sectors, themes and regions are set to perform well. This is then combined with bottom-up security selection using insight across our global teams of specialists.

The portfolio team is then able to distill the very best ideas for inclusion in each strategy.

Suitable for members who:

- Need a core holding that can capture some equity growth while still reducing downside risk
- Want a more dynamic alternative to traditional 'static' balanced funds
- Want to capture 'best investment ideas'

JPM Life Diversified Growth Fund

Invests in: **Equities, bonds, private equity, commodities, property & absolute return**

Fund objective: **To maximise long-term capital growth**

JPM Life Diversified Growth Fund offers a pioneering solution for DC members looking for high levels of growth while controlling overall portfolio volatility.

In a single fund, investors get exposure to six asset classes chosen specifically for their high-return potential and low correlation: global equities, high-yield bonds, private equity, commodities, property and absolute return strategies.

Fund-of-funds structure

JPM Diversified Growth Fund has a fund-of-funds structure comprising around 20-30 different strategies.

By actively allocating exposure across all sources of diversification in line with predicted risk/return levels, the investment team can constantly optimise the fund's potential for return while minimising volatility.

Rather than looking to beat cash returns, JPM Life Diversified Growth Fund aims to outperform its benchmark of the different asset classes and over the long-term produce similar returns to equity with lower volatility.

Suitable for members who:

- Want to achieve high returns while managing volatility
- Want to diversify their portfolio beyond 'core' equities and bonds
- Have the time to take a long-term view

For more details on these funds and other DC fund choices from JPMorgan Asset Management, contact your usual JPMorgan Asset Management representative or visit our dedicated DC website at www.jpmorgan.com/assetmanagement/pensions

Total Return Funds do not have a capital guarantee. Performance may show periodic shortfalls against the target return and the fund will not benefit from strong equity market performance to the same extent as a fund which has no limitation on direct equity investing.

Telephone calls are recorded and may be monitored for security and training purposes. For UK domiciled funds, copies of the prospectus and simplified prospectus are available free of charge from JPMorgan Asset Management Marketing Limited. The funds are marketed in the UK by JPMorgan Asset Management Marketing Limited which is authorised and regulated by the Financial Services Authority and is part of the JPMorgan Asset Management marketing group which sells investments, life assurance and pension products. Registered in England No: 288553. Registered Office: 125 London Wall, London EC2Y 5AJ.