

JPM US Equity Income Fund

All data as at 31 December 2009 unless otherwise indicated

Key facts

“The JPM US Equity Income Fund targets a dividend yield of 1% above the S&P 500 Index, while providing the potential for strong long term capital appreciation.”

Clare Hart, Portfolio Manager

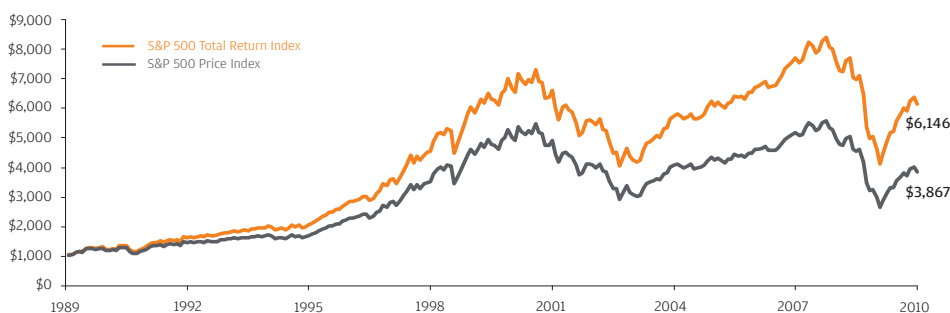
- 1. Targets attractive income yields from US stocks** – many market strategists believe US companies will offer higher dividends to attract equity capital. We aim to capitalise on this by focusing on higher yielding, high quality companies.
- 2. Equity income boosts returns** – research shows that since January 1990 the highest yielding companies have produced the best returns. In fact, going forward, it is expected that dividends will be a more significant component of total equity returns. We should benefit from this trend by targeting a yield of 1% greater than our benchmark, the S&P 500.
- 3. Minimise currency risk for UK investors** – with the fund's new sterling-hedged share class.
- 4. Experience with depth** – a proven investment team, leveraging the insights of our value research team plus over 40 research analysts from the greater US equity team.
- 5. Proven investment philosophy** – undervalued companies with durable franchises and strong management teams should generate superior returns over the long term.

Targets a dividend yield of 1% above the S&P 500 Index

Yield
3.3%

Source: JPM/JPMorgan Chase.
The current dividend yield is calculated by taking the sum-total dividend yield of each stock held in the portfolio. The dividend yield for each stock is the most recent dividend payout annualized and divided by the share price. The US Equity Income Fund and the S&P 500 Index dividend yields are calculated in the same manner.

S&P 500 Total Return vs. S&P 500 Price Return



Source: JPMorgan, Standard and Poor's. As at 31 January 2010.

In a low interest rate environment, this fund's emphasis on large and mid-cap value stocks that deliver income could be particularly appropriate. The income component of combined returns in the US has also made a significant impact. As you can see in the chart above, the power of income reinvested since 1989 has led to much better long-term returns.

The fund's joint managers and seven research analysts call on their extensive experience and ability by using a proven process honed over many years. This had led to the team's US equity income strategy outperforming its benchmark over all time periods.

An experienced team that delivers

- **Clare Hart**, vice president, is a portfolio manager and analyst in the US Equity Group. An employee since 1999, Clare is the lead portfolio manager of the JPM Equity Income Fund and the JPM Growth and Income Fund. Clare is also responsible for analytical coverage of the financial services and real estate sectors for the US Equity Value Team.
- **Jonathan K.L. Simon**, managing director, heads the US Equity Value Group. An employee since 1980, Jonathan manages the JPM Mid Cap Value Fund, the JPM Value Advantage Fund, and the JPMF US Value Fund. In addition, he is a portfolio manager of the JPM Diversified Mid Cap Value Fund, the JPM Growth and Income Fund and the JPM Equity Income Fund.

For more information call our dedicated brokerline on **0800 727 770**
www.jpmorganassetmanagement.co.uk

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