

# JPM US Equity Income Fund

Targeting high quality US companies with attractive valuations and healthy dividend yields

Yield of  
**2.3%\***

All information as at 31 December 2011 unless indicated otherwise

JPM US Equity Income Fund focuses on high quality companies with sustainable dividend yields providing an ideal way for your clients to share in the attractive long-term returns from the US stock market.

## Key selling points – at a glance

- 1. Targets attractive income yields from US stocks** - We believe US dividends are set to continue to grow as US companies release more of their cash in a bid to attract equity capital.
- 2. Equity income boosts returns** - The fund focuses on high quality companies with a healthy and sustainable dividend.
- 3. Experience with depth** - The fund is managed by a proven investment team, leveraging the insights of our 29-strong US equity research team.

## Fund performance

	1 Year	3 years	Since Inception
JPM A	7.78%	39.42%	49.88%
S&P 500 Total Return Net	2.55%	36.13%	51.43%
Quartile ranking	1	2	3

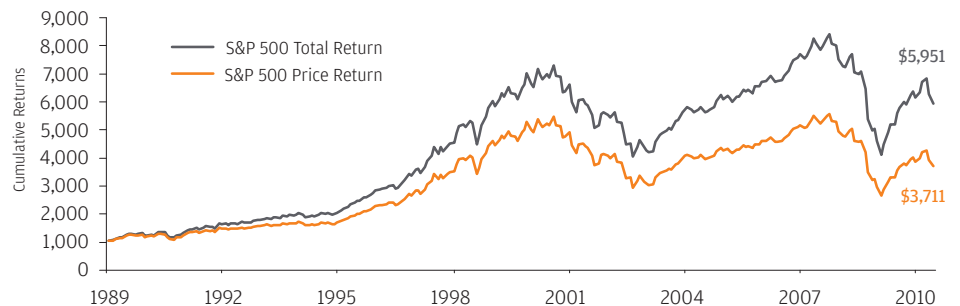
The performance returns are calculated on a single price basis.  
Inception: 15 Dec 2008.  
Source: J.P. Morgan Asset Management.

## Why the US is worth considering for equity income?

As the US is home to many of the world's most prosperous and innovative companies it makes sense for all modern portfolios to have some exposure to this dynamic market. Broadening your portfolio to include US stocks also provides a level of diversification that you can't achieve from the UK markets alone.

This is particularly true for investors seeking equity income opportunities. The emphasis of many US companies has shifted towards dividends in recent years, resulting in a broad spread of high yielding equities across a more diverse range of industry sectors. This is in contrast to the UK, where investors are dependent on a handful of large dividend payers concentrated in only a few sectors.

### The benefits of reinvesting income



Source: Credit Suisse Quantitative Equity research, 31 December 2011

As the chart above shows income reinvested substantially boosts returns over time. Research also demonstrates that since January 1990 the best performing US stocks have been those with above average yields and below average payout ratios (source: Credit Suisse Quantitative Equity research, 31 December 2011).

We believe that a focus on high yielding companies that have strong cash flows and sustainable dividends can help boost long-term returns. We focus particularly on undervalued companies with durable franchises, consistent patterns of earnings, conservative financials, and strong management teams.

\*Source: J.P. Morgan Asset Management. The Yield reflects distributions declared over the past 12 months as a percentage of the quoted share price.

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### How the fund may fit in a client's portfolio

The fund may suit investors looking to gain exposure to the attractive growth potential of the US stock market, and who appreciate the benefits of reinvesting dividends over the long-term. The fund may also be ideal for investors looking to produce a regular income from a single market equity fund. Finally, the fund may provide a good source of diversification for portfolios concentrated mainly on UK equity income funds.

### Why J.P. Morgan Asset Management for US equity income?

One of the competitive advantages of the fund is the scale of the team behind it, and from this, our substantial on-the-ground knowledge. The focus of our research is to uncover attractively valued companies that are in good financial health and have sustainable dividends.

We look particularly for companies with proven management teams and strong brands that offer long-term stability, seeking out stocks with the potential to deliver long-term returns and that can pay a growing income. The result is a high conviction portfolio of 70 to 100 stocks that has a higher dividend yield than the S&P 500 index.

### Investing in only the best



Clare Hart



Jonathan Simon

The JPM US Equity Income Fund has a substantial team at its core: two highly experienced fund managers, 29-strong US equity research team and over 200 research analysts globally.

**Clare Hart** is a portfolio manager and analyst in the US Equity Group. An employee since 1999, Clare is the lead portfolio manager of the US Equity Income Strategy and has over 18 years' investment experience.

**Jonathan Simon** is a portfolio manager in the US Equity Group. An employee since 1980, Jonathan manages the US Value and Mid Cap Value strategies. Jonathan also acts as back-up portfolio manager for the fund.

To learn how the **JPM US Equity Income Fund** can help your client's target high quality US companies, call us on **0800 727 770** or visit us on [jpmorganassetmanagement.co.uk/adviser](http://jpmorganassetmanagement.co.uk/adviser)

The information in this document is based on our understanding of law and regulation at the time of print. Telephone lines may be recorded for training and monitoring purposes. **Key risks:** Equity investment is subject to specific risks relating to the performance of the individual companies held and the market's perception of their performance. Equities are also subject to systematic risks such as general economic conditions, inflation, interest rates, foreign exchange rates and industry sector risks. In general terms, equities tend to be more volatile than bonds. As the Fund is primarily focused on generating income, the Fund may deviate from its benchmark. Funds that invest predominantly in a single market, asset class or sector may be subject to greater volatility than those funds with a more diversified portfolio. This Fund charges the fees of the ACD against capital, which will increase the amount of income available for distribution to Shareholders, but may constrain capital growth. It may also have tax implications for certain investors. The value of investments involving exposure to foreign currencies can be affected by exchange rate movements. There can be no assurance that the professionals currently employed by J.P. Morgan Asset Management will continue to be employed by J.P. Morgan Asset Management or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success. Past performance may not be a guide to the future. The value of investments and the income from them may go down as well as up and investors may not get back the full amount invested. Issued by JPMorgan Asset Management Marketing Limited which is authorised and regulated by the Financial Service Authority. Investment is subject to documentation (Prospectus, Simplified Prospectus and Terms and Conditions), copies of which can be obtained free of charge from JPMorgan Asset Management Marketing Limited. Registered in England No. 288553, 125 London Wall, London EC2Y 5AJ.