



JPM Multi-Asset Income Fund

Access a world of income opportunities

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Whatever you invest

J.P.Morgan
Asset Management

JPM Multi-Asset Income Fund: Going further for your clients' needs

Many people rely on their savings to provide an income, whether to pay school fees or to help cover the bills. But today's low yield environment means your clients may be finding it hard to meet their everyday income needs.

JPM Multi-Asset Income Fund goes further in search of income, drawing on the global resources of J.P. Morgan Asset Management to seek out yield wherever in the world it is to be found.

- ▶ **Pays quarterly dividends**
- ▶ **Flexible, global approach**
- ▶ **Managed by multi-asset experts**

Pressure on income

With interest rates still at record lows, your clients may be struggling to meet their income needs from traditional sources such as bank accounts and bonds.

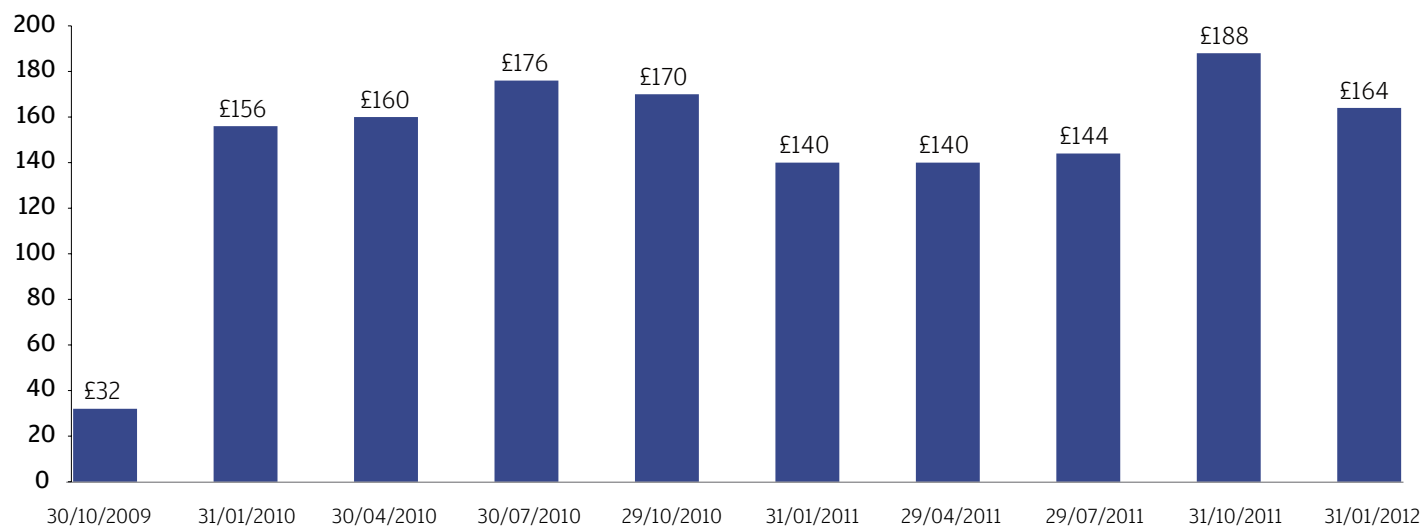
Investors are recognising the need to look more widely for income, but we believe concentration in the most popular solutions poses risks:

- ▶ Investors in UK equity income are heavily reliant on just a few sectors, with large weightings to a handful of big payers. For example, in 2011, 35% of dividends came from just five companies. In 2010, BP's dividend cut saw total UK distributions fall by almost 10%.
- ▶ After several years of strong inflows, valuations of UK corporate bonds look less attractive, while the persistently weak economic backdrop has left government bond yields at record lows.

Broadening your clients' income horizons

To maintain a satisfactory income in the face of rising living costs and record-low interest rates, your clients may need to look further afield. The JPM Multi-Asset Income Fund has demonstrated its ability to provide a regular income in diverse market environments.

Quarterly dividend payments on initial investment of £10,000



Source: J.P. Morgan Asset Management as at 31 Jan 2011. Fund inception: 30 June 2009



“If UK companies are cutting dividends there is little a UK equity income manager can do to maintain the fund's income. If we think income from one source is going to fall, we can simply look elsewhere.”

Michael Schoenhaut, fund manager

An income portfolio without boundaries

JPM Multi-Asset Income Fund invests globally for income. Its flexible allocation allows it to move between asset classes, sectors and markets, depending where the best opportunities lie.

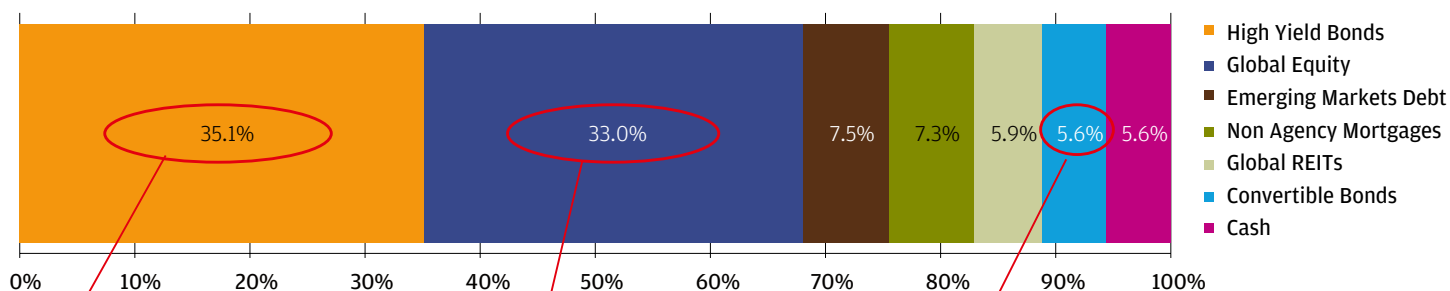
The flexibility to seek out the most attractive yield

Our size and global reach are key advantages, letting us draw on the knowledge of our experts all over the world, in asset classes your clients may otherwise struggle to access.

The fund can carry out the multi-asset allocation for you, providing your clients with a diversified portfolio of income-generating assets.

Dynamic asset allocation

Sample allocation as at 31 December 2011



High yield corporate bonds are attractively valued, offering a compelling yield premium and strong fundamentals.

A globally diversified equity allocation, looking beyond the concentrated UK market.

Convertible bonds are not included in our neutral allocation, but currently offer attractive yields, as well as a way to share in the positive performance of equity markets with limited downside risk.

Source: J.P. Morgan Asset Management as at 31 Dec 2011.



“We’re currently finding yield in places investors may not have considered, including emerging markets equities, high yield bonds and even some mortgage instruments that were hurt during the financial crisis but are now positioned to deliver more attractive returns and yields.”

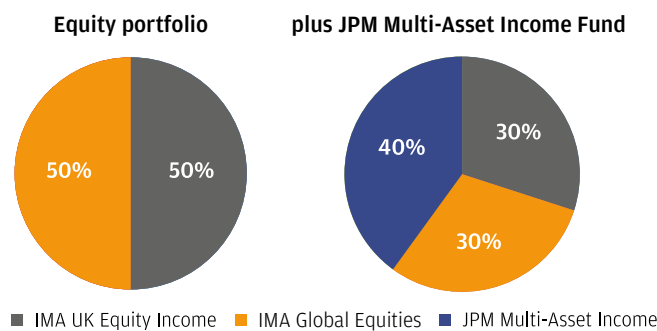
Talib Sheikh, fund manager

A multi-asset approach pays dividends

The fund’s access to diverse sources of income and its unconstrained, flexible approach make it a valuable addition to an existing income portfolio.

As the charts show, since its inception in 2009, adding JPM Multi-Asset Income Fund to an existing equity or fixed income portfolio would have provided compelling diversification benefits.

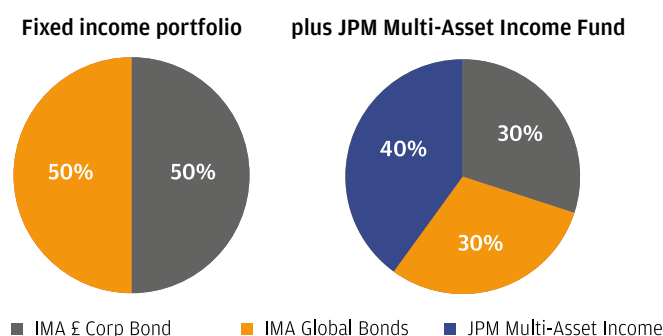
Adding the fund to an equity income portfolio: lower volatility, significantly higher yield



	Performance	Volatility	Dividend payment on £10,000
Equity portfolio	33.80%	14.52%	£319
Plus JPM Multi-Asset Income Fund	31.52%	12.59%	£456

Since inception: 30 June 2009.
Source: Micropal, bid to bid, unadjusted income, UK sterling as at 31 Dec 2011.

Adding the fund to a fixed income portfolio: higher yield and stronger performance, for only a slight increase in volatility



	Performance	Volatility	Dividend payment on £10,000
Fixed income portfolio	24.72%	5.83%	£428
Plus JPM Multi-Asset Income Fund	26.07%	7.37%	£523

Since inception: 30 June 2009.
Source: Micropal, bid to bid, unadjusted income, UK sterling as at 31 Dec 2011.



“The fund’s low UK weighting and exposure to asset classes many UK investors don’t hold make it a great diversifier for UK income investors.”

Neill Nuttall, fund manager

Key risks

- ▶ Bond prices can fluctuate significantly depending not only on the global economic and interest rate conditions but also on the general credit market environment and the creditworthiness of the issuer.
- ▶ The credit quality of high yield bonds is below investment grade and they usually offer higher yields to compensate for the reduced creditworthiness and the increased risk of default relative to investment grade bonds.
- ▶ The Fund may have a significant exposure to asset and mortgage backed securities (ABS and MBS). Owing to the nature of some ABS and MBS, the exact timing and size of cashflows paid by the securities may not be fully assured.
- ▶ The investment policy of the Fund permits the use of derivatives and/or forward transactions for investment purposes, potentially increasing the volatility and therefore risk of the Fund.
- ▶ 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.
- ▶ The Fund may be invested in emerging markets, which may be subject to additional political and economic risks, low liquidity, poor transparency and greater financial risks.
- ▶ Investments in equity securities issued by companies which are principally engaged in the business of real estate will subject the strategy to risks associated with the direct ownership of real estate. The majority of the REITs and other real estate companies that may be held by the Fund will be publicly listed.
- ▶ The performance of any investment in such vehicles will therefore be subject to normal market fluctuations, correlations and other risks inherent in investing in securities.
- ▶ 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.
- ▶ As the Fund is primarily focused on generating income, the Fund is expected to deviate from its benchmark in terms of asset allocation and performance.

Profile of the typical investor

- ▶ The Fund may suit investors looking for income from a diverse range of investments and who are prepared to take a higher level of risk than an investment in a corporate bond fund.
- ▶ Due to the additional volatility relative to cash associated with high-yield bonds and equities, investors in this Fund should have a five-year investment horizon.

To learn how the **JPM Multi-Asset Income Fund** can enhance the income potential of your clients' portfolios:

Scan the QR code to watch a video from the fund managers, view the latest sales aid and find out more about the fund.

Visit jpmorganassetmanagement.co.uk/Adviser

Call **0800 727 770**



Don't know what this is? To start scanning, download a QR reader from your smartphone app store, or visit www.jpmorganassetmanagement.co.uk/Adviser/QRcodes

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