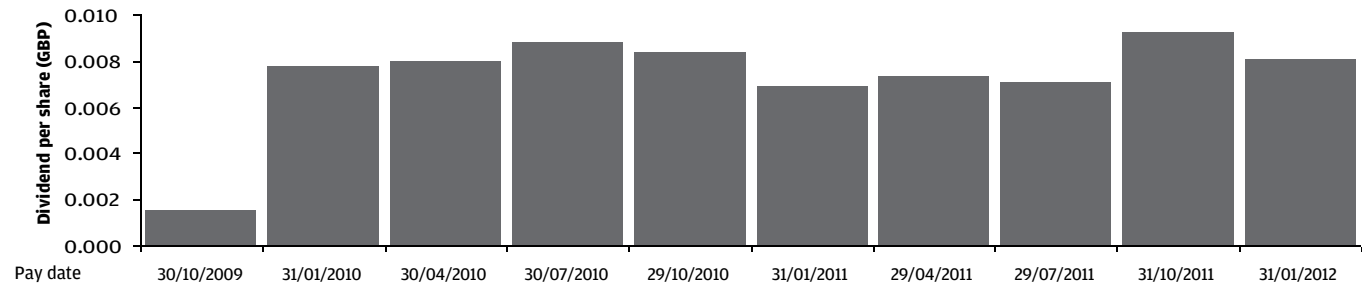


JPM Multi-Asset Income Fund

All data as at 29 February 2012 unless otherwise stated

Dividends

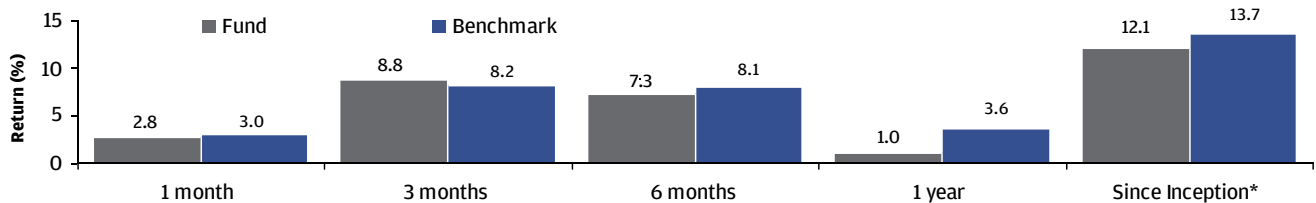
As at the end of February, the fund's yield was 5.3% on the A (Inc) class shares, calculated in accordance with IMA guidelines. The historical dividend payments of the fund are shown below:



Source: J.P. Morgan Asset Management. Figures are shown for the A (Inc) share class.

Fund Performance

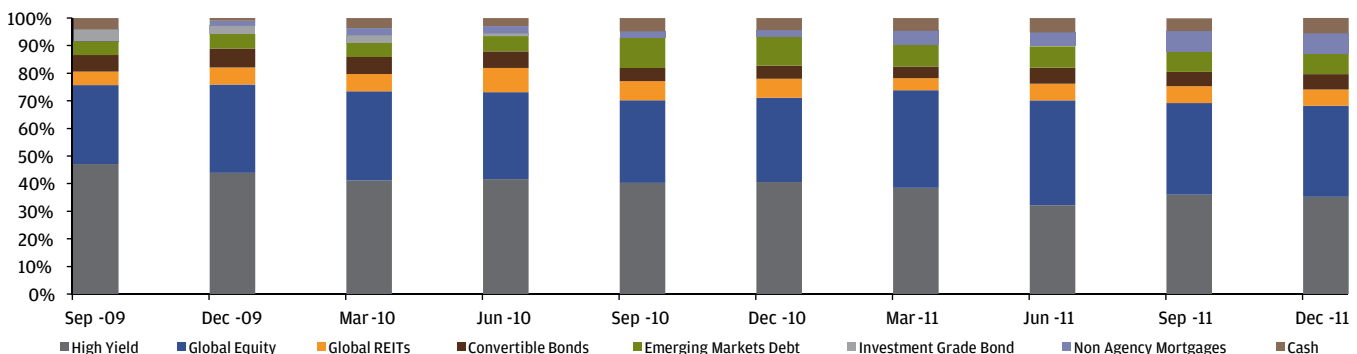
Fund performance versus its benchmark and various peer groups is shown below, as at 29 February 2012:



Periods to 29 February 2012:	1 month	3 months	6 months	1 year
JPM Multi-Asset Income Fund	2.8	8.8	7.3	-1.0
IMA Mixed investment 20-60% Shares	2.3	5.9	5.6	2.5

Source: J.P. Morgan Asset Management. A share class returns, in GBP. Assumes dividend is re-invested. * 30th June 2009. Customised benchmark is: 40% MSCI World Index hedged to GBP, 30% Barclays Capital US High Yield 2% Issuer Cap Index hedged to GBP, 30% Barclays Capital Global Credit Index hedged to GBP. Prior to 1st March 2011 the benchmark was 10% JPM GBI - Emerging Markets Global Index in GBP, 45% Merrill Lynch High Yield BB-B Constrained Index hedged to GBP, 10% FTSE EPRA/NAREIT Developed Index hedged to GBP, 25% MSCI World Index hedged to GBP, 10% Merrill Lynch Sterling Broad Market Index in GBP. Property component of benchmark changed from Global Property Research 250 hedged to GBP to FTSE EPRA/NAREIT Developed Index hedged to GBP on 1st April 2010.

Historical Asset Allocation



Source: J.P. Morgan Asset Management.

JPM Multi-Asset Income Fund

Market Review

February saw a continuation of the rally in global risk assets that began in December last year. Further unconventional monetary policy from the European Central Bank (ECB), the Bank of England (BoE) and the Bank of Japan (BoJ), together with continuing positive economic data from the US, supported global equity and high yield fixed income markets. The MSCI World index ended February up 9.3% year to date, the MSCI Emerging Market index up 12.3%, while the J.P. Morgan Government Bond Index has risen just 0.8%. By style, global large cap stocks performed broadly in line with small cap, while growth performed a little better than value. US equities and extended credit, such as high yield, ended the month stronger (performance stated in local currency terms).

Portfolio review

At the end of February, approximately 800 banks borrowed close to USD 690 billion from the ECB for a three-year period. This brings the total to USD 1.3 trillion of attractive funding to the European banking system from the ECB since December. This has led to near-term stability in this region as Italian ten-year funding rates have rallied from 7.0% in late December to close to 5.0% at the end of February. While there are still longer-term structural issues of deleveraging and anaemic growth in Europe, the near-term risk of one or more large European countries defaulting in the first quarter of 2012 has likely been removed. While there are many sceptics in the market that have not participated much in the rally in 2012, the sustained strength in important economic data should keep equity prices well supported. The strength in US labour data such as jobless claims and private payroll gains have been well documented, but the positive momentum has in fact been broader based. Regional manufacturing indices from Philadelphia, New York, Chicago and Kansas City have all been strong. North American auto sales - which are an historic leading indicator of consumer discretionary spending - are back to 15m monthly units for the first time since early 2008. Finally, consumer confidence is back to levels from 2007 and even housing data is showing signs of life in recent February readings. Given fundamentals, emerging markets remain an attractive opportunity in 2012. China's manufacturing purchasing managers' index (PMI) came in slightly above expectations in February at 51. Anything above 50 in this measure is indicative of growth. More important was the breakdown of its components, which all showed strength and were indicative of resilience in underlying demand. Compared to the developed markets, the emerging economies have both real growth and low debt levels making current valuations attractive. Policymakers in the emerging markets also have the ability to stimulate growth with monetary policy. This is a strong possibility in 2012 as inflation pressures have stabilised, giving cover to ease financial conditions.

Within the fund's fixed income allocation, we continue to maintain a sizeable allocation to high yield, representing 37% of the portfolio. Based on our positive US growth trajectory, 7% yields and 640 basis point spreads provide an attractive risk/return trade-off and offer substantial breakevens versus other fixed assets. The trailing 12-month par-weighted default rate of 1.9% still remains below the long-term average of 4.13%, though default activity picked up recently. It is also significantly lower than the 7% level that current spreads are discounting. Additionally, within fixed income, the fund maintains exposure to non-agency mortgages and convertible bonds with both offering attractive income and total return opportunities. Convertible bonds continue to provide the fund with an attractive way to participate in up markets, and have historically limited downside moves. We also favour emerging market debt, which offers an attractive volatility profile for the overall fund.

We remain aware of risks to the downside. Without the support of the ECB, there would be real concern around the on-going concern of peripheral European countries as well as the viability of the euro. The long-term refinancing operation offered much needed time for European governments, but this situation remains fluid for the foreseeable future. The ECB just cannot fund the eurozone indefinitely. Gas and oil prices are also a major risk. One of the reasons for the resiliency of the US consumer has been the attractive levels of national gas prices. With geopolitical risks in Iran and other Middle East countries, a spike in oil prices would adversely affect confidence, risk asset prices, and consumer spending. The fund remains flexible in its mandate to provide an attractive risk-adjusted yield and is prepared to adjust its allocations in anticipation of fluid events on the global landscape, whether they be to the upside or downside.

JPM Multi-Asset Income Fund

Key portfolio drivers

The total fund return was positive during the month, with the A share class returning +2.8%.

The positive move in February in global equities and high yield debt was a primary driver behind the fund's positive result. Strength in emerging market debt also contributed to positive performance. Global equities returned +4.7%*, global REITs were up 3.4%**, high yield bonds posted returns of +2.4%*** and emerging markets bonds posted gains of 2.1%**** during the month.

The positioning in the portfolio changed little during the month. We maintain a well diversified portfolio and believe this is critical to long- term performance and yield generation.

As measured by: *MSCI World Index hedged to GBP, **FTSE EPRA/NAREIT Global Real Estate Index hedged to GBP, ***Barclays Capital US High Yield 2% Issuer Cap Index hedged to GBP, ****JPM EMBI Composite Index in GBP.

All data in the above commentary is sourced from J.P. Morgan Asset Management or Bloomberg unless otherwise specified.

For more information please contact our brokerline **0800 727 770**
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