

JPM Multi-Asset Income Fund

JPM C - Net Acc - GBP: GBO0B4N20M25

For other available share classes, please check the prospectus.

Topline

Monthly returns Fund	Benchmark	Yield*
▼ -2.69%	▼ -3.70%	4.25%
<p>Benchmark: 40% MSCI World Index (Net) Hedged to GBP, 30% Bloomberg Barclays US High Yield 2% Issuer Cap Index Hedged to GBP, 30% Bloomberg Barclays Global Credit Index Hedged to GBP</p> <p>Markets 2018 came to a volatile close for global equity markets, which posted significant negative returns amidst further deceleration in growth data and tighter financial conditions.</p> <p>Helped Agency securitised.</p> <p>Hurt Global equities, real estate investment trusts (REITs), high yield, preferred equities.</p> <p>Outlook Slowing economic momentum and tightening policy have led us to de-risk our multi-asset income strategy.</p>		

*The yield stated is as at 31.12.2018. The net published yield is in line with IA guidance. The reported yield reflects distributions declared over the past 12 months as a percentage of the quoted share price at the date shown. It does not include any preliminary charges and investors may be subject to tax on their distributions. It is not guaranteed and may change over time. For more information on the fund including investment objective, policy, risks, charges and available share classes please refer to the latest Prospectus.

Ratings and awards

Morningstar analyst rating™	BRONZE
Morningstar category™	GBP Moderate Allocation
Rayner Spencer Mills rated fund	
Square Mile Research rating	A
The Adviser Centre	Recommended fund
DT risk profile	5 risk profile

Past performance and forecasts are not reliable indicators of current and future results. Morningstar Ratings™ and Morningstar category™: © Morningstar. All Rights Reserved. All ratings as at December 2018. The methodology and calculations used by companies that provide awards and ratings are not verified by J.P. Morgan Asset Management and therefore are not warranted to be accurate or complete.

Fund overview

Investment objective

To provide income by investing primarily in a global portfolio of income generating securities.

Ongoing charge* (A Shares)	0.8%
Fund launch	30 June 2009
Currency	GBP
Dividend distribution	Quarterly

*Ongoing charge comprises: annual management and advisory fee 0.65; operating and administrative expenses 0.15%.

Month in review

- **It was a negative month for global equity markets in December**, with the MSCI World Index falling 7.9% in local currency terms. Markets had one of their worst months since the financial crisis, leaving global indices in negative territory for 2018 amidst concerns around U.S. Federal Reserve (Fed) tightening, slowing global growth and falling corporate earnings expectations for 2019.
- **Our allocation to global equities detracted from absolute performance** as the continued downturn in global growth data weighed on investor sentiment. The U.S. equity market struggled over the month relative to other regions, with the Standard & Poor's 500 Index (S&P 500®) down 9.0%, as 2019 earnings growth estimates were revised downwards. However, in December the defensive nature of our dividend-oriented equities fared better than broad markets.
- **REITs also delivered negative returns in December**; however, the sector benefited from its defensive qualities and outperformed the broader equity market.
- **Credit markets suffered alongside equities.** Pressure on the high yield market continued as global growth showed signs of deceleration due to tightening monetary policies, trade concerns, lower commodity prices and geopolitical uncertainty. Elsewhere, emerging market debt held up reasonably well, helped by relatively favourable valuations and lower U.S. Treasury yields.
- **Within the risk-off tone, our agency securitised allocation continued to add value**, particularly in December, as developed market sovereign bonds rallied over the month thanks to the lower oil prices and expectations of a moderated pace of monetary tightening in 2019.
- **Fear of a global macroeconomic slowdown has hurt our allocation to preferred equities** as the asset class sold off with the market, rather than because of a breakdown of fundamentals.

Looking ahead

- **The economic outlook remains reasonable**, and the risk of recession in the next 12 months remains quite low; however, global growth reverted to trend more quickly than expected, U.S. monetary policy is tightening, and trade rhetoric is escalating - all of which represent downside risks.
- **Slowing economic momentum and tightening policy have led us to de-risk our multi-asset income strategy**, most visibly by reducing our equities allocations. This continues down a gradual de-risking path that began in the middle of the year. This allocation mix is, in our view, appropriate for an environment of slowing earnings growth and rising macroeconomic risks.
- **The current volatility in markets has meant that yields on some asset classes have moved higher again**, potentially offering attractive income sources for investors going forward.

All data is sourced by J.P. Morgan Asset Management and is correct as at the date of this commentary unless otherwise stated.

Performance and positioning

%	1M	3M	YTD	1Y	3Y	5Y	Since inception
JPM Multi-Asset Income Fund C - Net Accumulation GBP	-2.69	-5.38	-5.83	-5.83	2.88	2.97	6.83
Volatility	-	-	5.14	5.14	5.05	5.51	5.79
Benchmark	-3.70	-7.16	-5.12	-5.12	4.89	4.17	8.18
Benchmark volatility	-	-	6.31	6.31	5.41	5.68	5.53

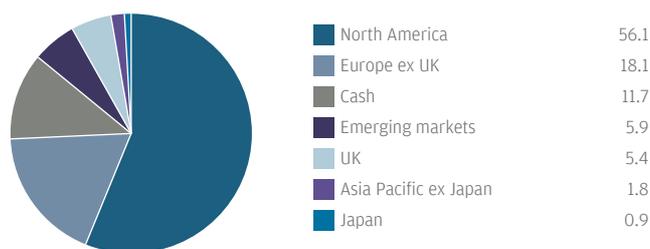
%	2018	2017	2016	2015	2014
JPM Multi-Asset Income Fund C - Net Accumulation GBP	-5.83	8.40	6.66	-0.08	6.41
Volatility	5.14	2.06	6.31	7.69	4.52
Benchmark	-5.12	10.22	10.34	-0.52	6.87
Benchmark volatility	6.31	1.94	6.00	7.71	4.26

Past performance is not a reliable indicator of current and future results.

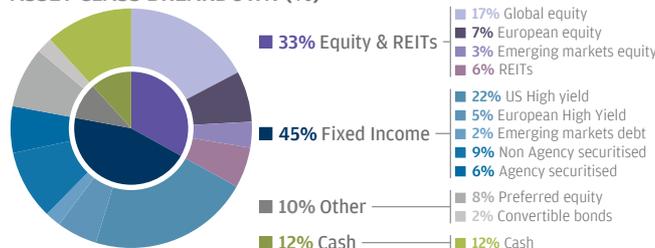
Source: J.P. Morgan Asset Management. Share class performance is shown based on the quoted price of the above share class, assumes any gross income was reinvested, and includes ongoing charges but not any entry or exit fees. Performance over one year is annualised. Share class inception date is 01.05.2012.

The performance shown prior the launch date of this share class relates to the A share class. The A share class performance has not been amended or simulated to adjust for the lower ongoing fees of the C share class.

REGIONAL BREAKDOWN (%)



ASSET CLASS BREAKDOWN (%)



The Fund is an actively managed portfolio; holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice.

RISK PROFILE

The value of bonds and other debt securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of bonds and other debt securities may fail to meet payment obligations (default) or the credit rating of bonds and other debt securities may be downgraded. These risks are typically increased for below investment grade and certain unrated securities, which may also be subject to higher volatility and be more difficult to sell than investment grade securities.

The Fund may have a significant exposure to asset and mortgage backed securities (ABS and MBS). ABS / MBS may be difficult to sell, subject to adverse changes to interest rates and to the risk that the payment obligations relating to the underlying asset are not met.

The Sub-Fund uses financial derivative instruments for investment purposes. The value of financial derivative instruments can be volatile and may result in gains or losses in excess of the amount required initially to establish a position in the derivative. The ACD is required to disclose in Appendix A of the Prospectus the sum of the gross notional exposure of the financial derivative instruments used (including those used for hedging or efficient portfolio management) as the expected level of leverage. However, this figure does not take into account whether the instrument

increases or decreases investment risk and so may not be representative of the overall level of investment risk in the Sub-Fund.

The value of equity and equity-linked securities may fluctuate in response to the performance of individual companies and general market conditions.

Emerging markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging market currencies may be subject to volatile price movements.

Emerging market securities may also be subject to higher volatility and be more difficult to sell than non-emerging market securities.

The Fund may invest in China A-Shares through the China-Hong Kong Stock Connect Programmes which are subject to regulatory change, quota limitations and also operational constraints which may result in increased counterparty risk.

Investments in companies engaged in the business of real estate may be more difficult to sell and may experience increased price volatility due to changes in economic conditions and interest rates.

Investing in contingent convertible securities may adversely impact the Fund should specific trigger

events occur (as specified in the terms of the security) and the Fund may be at increased risk of capital loss. This may be as a result of the contingent convertible security converting to equities at a discounted share price, the value of the contingent convertible security being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred.

The Fund's asset allocation is actively managed. There is a risk that the performance of the Fund will suffer if the allocation to any particular asset class is low when that asset class is outperforming or high when that asset class is underperforming.

This Fund is aggressively managed, which may result in higher volatility of the Fund's performance and bigger differences between the performance of the Fund and its benchmark.

This Fund charges the annual fee of the Authorised Corporate Director (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 portfolio of the Fund is primarily focused on generating income, it may bear little resemblance to the composition of its benchmark.

The term 'Fund' used throughout this document refers to the relevant 'Sub-Fund', which is a legal term used in the Prospectus.

This is a marketing communication and as such the views contained herein are not to be taken as advice or a recommendation to buy or sell any investment or interest thereto. Reliance upon information in this material is at the sole discretion of the reader. Any research in this document has been obtained and may have been acted upon by J.P. Morgan Asset Management for its own purpose. The results of such research are being made available as additional information and do not necessarily reflect the views of J.P. Morgan Asset Management. Any forecasts, figures, opinions, statements of financial market trends or investment techniques and strategies expressed are, unless otherwise stated, J.P. Morgan Asset Management's own at the date of this document. They are considered to be reliable at the time of writing, may not necessarily be all inclusive and are not guaranteed as to accuracy. They may be subject to

change without reference or notification to you. It should be noted that the value of investments and the income from them may fluctuate in accordance with market conditions and taxation agreements and investors may not get back the full amount invested. Changes in exchange rates may have an adverse effect on the value, price or income of the products or underlying overseas investments. Past performance and yield are not a reliable indicator of current and future results. There is no guarantee that any forecast made will come to pass. Furthermore, whilst it is the intention to achieve the investment objective of the investment products, there can be no assurance that those objectives will be met. J.P. Morgan Asset Management is the brand name for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide. To the extent permitted by applicable law, we may record telephone calls and

monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our EMEA Privacy Policy www.jpmorgan.com/emea-privacy-policy. Investment is subject to documentation which is comprised of the Prospectus, Key Investor Information Document (KIID) and either the Supplementary Information Document (SID) or Key Features/Terms and Condition, copies of which can be obtained free of charge from JPMorgan Asset Management (UK) Limited. This communication is issued by JPMorgan Asset Management (UK) Limited, which is authorised and regulated in the UK by the Financial Conduct Authority. Registered in England No:01161446. Registered address: 25 Bank Street, Canary Wharf, London E14 5JP.