Multi-Asset Income case study: 
An addition to an existing investment portfolio

In today's low interest rate environment, finding attractive sources of income presents some difficult challenges for investors and their advisers.

Below is an example of how one investor, Marion Standing, is looking to use the JPM Multi-Asset Income Fund to complement an existing investment portfolio.

Potentially diversifying risk within an existing investment portfolio

Over the years, Marion Standing has built up an extensive portfolio of investment funds. Marion is generally happy as her portfolio has performed in line with her expectations, but as she is now approaching retirement, income is more of a concern. Marion would also like to diversify her portfolio overall whilst managing the value of her existing investments. However she is aware that diversification does not guarantee investment returns and does not eliminate the risk of loss.

JPM MULTI-ASSET INCOME FUND: MORE THAN THE SUM OF ITS PARTS

- The primary aim of the fund is to deliver attractive and regular income - seeking a higher level of income than is available from traditional savings accounts and bond funds
- The fund allows you to take your income flexibly, through converting from income to accumulation shares so you can choose to reinvest income to potentially benefit from long-term growth
- The fund takes a global and unconstrained approach, investing across a range of distinct strategies, and diversified across over 1,500 securities in over 50 countries
- The fund offers a traditional balanced risk profile, similar to a 60% equity 40% bond portfolio

Please see overleaf for fund specific risks and next steps.

IMPORTANT INFORMATION

This case study does not contain sufficient information to support an investment decision and shouldn’t be taken as a basis of any recommendation or advice. J.P. Morgan Asset Management does not consider the suitability of this investment fund against your individual circumstances, needs and investment risk tolerance.

Investors should ensure that they obtain all available relevant information, including fund specific risk warnings and charges, as well as the Key Investor Information Document (known as the KIID) and the relevant Key Features and Terms and Conditions for the product they are choosing before making an investment.

Please speak to your financial adviser prior to making any investment decision.
KEY RISKS

• The value of your investment may fall as well as rise and you may get back less than you originally invested.

• 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 Fund may use financial derivative instruments (derivatives) and/ or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the 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.

• 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.

• 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.

• As the portfolio of the Fund is primarily focused on generating income, it may bear little resemblance to the composition of its benchmark.

• Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

NEXT STEPS

Please ensure you read the Key Investor Information Document (KIID) and Key Features and Terms and Conditions before making an investment. Full product details, including risks and charges, can also be found at www.jpmorgan.co.uk/investor if you are in any doubt about the suitability of an investment please speak to an independent financial adviser; you can find an adviser at www.unbiased.co.uk.