Regular savings made simple
A guide to building your nest egg
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Welcome to our little guide

Regular savings made simple is one of a series of guides where we look at a variety of key investment topics.

We’ve produced this guide because we’re investment specialists, and it’s part of our job to help you understand the benefits of saving regularly. Investing month by month is a convenient and affordable way to save. It also gives you an investing discipline that can help smooth out the impact of market volatility, while making sure that time is on your side. And the effect of compounding means that the sooner you start, the better. Please remember that the value of investments can do down as well as up and you may not get back the full amount invested.

THIS GUIDE WILL LOOK AT:
• The advantages of regular saving
• Pound cost averaging – what it is, and why it works
• Reasons to invest in the stock market
• Ways to invest regularly with J.P. Morgan Asset Management
• Points to consider and next steps

Please remember the information in this guide does not constitute advice. We recommend you speak to a financial or tax adviser before making any investment decisions.

OUR BIG COMMITMENT TO INVESTORS

When you’re investing month after month and year after year, it’s good to know that your money is in expert hands. So you may be reassured to hear that we’re trusted with managing over £1.6 trillion of assets (source: J.P. Morgan as at 30 September 2015) and have more than 150 years of experience.

We’re also the only asset manager who has received Incisive Media’s Gold Standard Award twelve years in a row (2003 - 2014 as at November 2014). This is an unrivalled achievement; one that recognises financial strength, capability, trust, and fair value. The award also demonstrates our commitment to offering excellent customer service.

So whatever your circumstances, goals or financial aspirations, you can be confident that J.P. Morgan Asset Management has the know-how to help you meet your aims. That applies today, tomorrow and for the years ahead – which is ideal when you’re thinking about building up wealth through regular, continued investment.

Please note past performance is not a guide to the future. The value of investments and the income from them may fall as well as rise and investors may not get back the full amount invested.
A little today. A lot tomorrow

When you don’t make a habit of saving money, it seems to have a habit of disappearing. Of course, there are always expenses and bills that have to be paid. But if you want to build up wealth for the future, you need to find a way of catching some of that money before it disappears - in a way that’s as simple, flexible, and affordable as possible.

That’s why we offer you different ways to save regularly and easily, month by month, little by little. Then, once you set up a regular savings plan, your money can start to build up automatically. Before you know it, you’ll have been investing slowly but methodically for years, and your fund will have had the potential to grow steadily over time. So, when the time comes when you need a lump sum of money, it could be ready and waiting for you.

WHAT DO YOU NEED SAVINGS FOR?

The first thing to think about is why you need money, and how much money you may need.

You may want to fund a child’s school or university fees, or you may simply be looking to supplement your pension income in retirement. Or perhaps you want to build up a nest egg so you can retire earlier or take a year to go travelling.

Whatever your reasons for saving, by being clear about them you’ll increase your incentive to start saving regularly - which we believe is almost always the best way to save.
With investing, time is your ally – and a very powerful one, as any gains you make can compound over time. In other words, each year that you make a gain could give you a bigger base to invest for the next year, provided you don’t withdraw your money. However small an investment might be, if it’s invested long enough, it could become a substantial nest egg.

J.P. Morgan Asset Management offers you a range of regular savings options where you can invest from £50 a month (or with an initial £500 lump sum and subsequent top-ups of £100 or in the case of the J.P. Morgan Stocks and Shares Junior ISA start with a £100 lump sum). To show you how regular amounts could build up to a substantial investment, take a look at this table:

<table>
<thead>
<tr>
<th>MONTHLY INVESTMENT</th>
<th>NUMBER OF YEARS INVESTED</th>
<th>TOTAL AMOUNT INVESTED</th>
<th>POTENTIAL VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>£200</td>
<td>10</td>
<td>£24,000</td>
<td>£30,998</td>
</tr>
<tr>
<td>£200</td>
<td>20</td>
<td>£48,000</td>
<td>£81,492</td>
</tr>
<tr>
<td>£200</td>
<td>30</td>
<td>£72,000</td>
<td>£163,740</td>
</tr>
</tbody>
</table>

The chart assumes a fund growth averaged at 5% per annum.

These examples are for illustrative purposes only. They do not take into account any annual account fees or transaction charges, potential inflation or changes in contribution limits or withdrawals. Please note the inclusion of charges will reduce the amounts shown in the illustration. Please remember that the value of investments and the income from them may fall as well as rise and investors may not get back the full amount invested.

For full details of charges, please see our Key Features and Terms and Conditions document for the relevant product as well as the Key Investor Information Document and Investment Trust Profiles.
WHAT IT MEANS AND WHY IT’S SO IMPORTANT

As well as ensuring your money is invested for as long as possible, it's also a good idea to save regularly - to ‘drip feed’ your money into the investment markets. This way, you can ride out fluctuations in the performance of the stockmarket and other investments, particularly in a volatile economic climate. That's because if the market falls, you benefit from buying more shares at a lower price. This approach is often referred to as pound-cost averaging.

For example, say you invest a monthly sum of £100 into a fund. In a month of falling markets, you will get more shares for your money. If the market rises, you will purchase fewer shares, but your existing shares will also be worth more. Over the long-term, this potentially means that the average price of the shares you hold may in fact be lower than the average share price for your investment period, since you have bought more shares when the price is lower and fewer when it’s higher - as the table shows.

POUND-COST AVERAGING: AN ILLUSTRATION

In a rising market

<table>
<thead>
<tr>
<th>MONTHLY INVESTMENT</th>
<th>REGULAR INVESTMENT</th>
<th>SHARE PRICE</th>
<th>NO OF SHARES PURCHASED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month one</td>
<td>£100</td>
<td>£5</td>
<td>20</td>
</tr>
<tr>
<td>Month two</td>
<td>£100</td>
<td>£10</td>
<td>10</td>
</tr>
<tr>
<td>Month three</td>
<td>£100</td>
<td>£20</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£300</strong></td>
<td></td>
<td><strong>35</strong></td>
</tr>
</tbody>
</table>

A client invests a total of £300 over three months, purchasing 35 shares at an average price of £8.57 (£300/35 shares). The average share price during this period is higher at £11.66 ((£5+£10+£20)/3), equating to a saving of £3.09 per share in terms of average costs (£11.66 - £8.57).

In a falling market

<table>
<thead>
<tr>
<th>MONTHLY INVESTMENT</th>
<th>REGULAR INVESTMENT</th>
<th>SHARE PRICE</th>
<th>NO OF SHARES PURCHASED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month one</td>
<td>£100</td>
<td>£25</td>
<td>4</td>
</tr>
<tr>
<td>Month two</td>
<td>£100</td>
<td>£20</td>
<td>5</td>
</tr>
<tr>
<td>Month three</td>
<td>£100</td>
<td>£10</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£300</strong></td>
<td></td>
<td><strong>19</strong></td>
</tr>
</tbody>
</table>

A client invests a total of £300 over three months, purchasing 19 shares at an average price of £15.79 (£300/ 19 shares). The average share price during this period is higher at £18.33 ((£25+£20+£10)/3), equating to a saving of £2.54 per share in terms of average costs (£18.33 - £15.79).
INVEST IN A WAY THAT SUITS YOU

You can’t predict the future. But with our flexible range of financial products, you can certainly plan and prepare for it. You can invest directly into our funds through your J.P. Morgan Investment Account or you can make the most of your tax-efficient allowances and invest in a J.P. Morgan Stocks and Shares ISA or a J.P. Morgan Stocks and Shares Junior ISA.

A full range of investment solutions – all available with a monthly saving option

We offer you all these account choices suitable for regular investing:

- **J.P. Morgan Stocks and Shares ISA.** Individual Savings Accounts (ISAs) allow you to save tax-efficiently, as you have no income tax or capital gains tax to pay when you take any profits. J.P. Morgan offers a Stocks and Shares ISA, with a minimum investment of £50 a month (or with an initial £500 lump sum and subsequent top-ups of £100).

- **J.P. Morgan Stocks and Shares Junior ISA.** Our Junior Stocks & Shares ISA allows you to invest for children up to age 18 who do not have a Child Trust Fund with similar benefits to the adult ISA. You can open a Junior ISA for a child with a minimum investment of £50 a month (or with £100 lump sums). There is no annual account fee.

- **J.P. Morgan Investment Account.** Though this account does not offer the tax advantages of an ISA or Junior ISA, there are no limits to how much you can invest. So by using this account you can continue to invest, even when you have used up your annual ISA allowance. You can invest from £50 a month (or with a £500 initial lump sum and subsequent top-ups of £100).

The level of tax benefits and liabilities will depend on individual circumstances and may change in the future.

Here’s a quick summary of the features offered by the different investment routes.
### Investment options at a glance

<table>
<thead>
<tr>
<th>FEATURES</th>
<th>J.P. Morgan Stocks and Shares ISA</th>
<th>J.P. Morgan Stocks and Shares Junior ISA</th>
<th>J.P. Morgan Investment Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Tax-efficient: no personal UK income tax or</td>
<td>- Invest from £50 a month or with a £500 initial lump sum and £100 top-ups</td>
<td>- No annual account fee</td>
<td>- No annual contribution limits</td>
</tr>
<tr>
<td>capital gains tax on returns</td>
<td>- Annual contribution limits</td>
<td>- Tax-efficient: no personal UK income tax or capital gains tax to pay on returns</td>
<td>- Invest from £50 a month or with a £500 initial lump sum and £100 top-ups</td>
</tr>
<tr>
<td>- Invest from £50 a month or with a £500 initial lump sum and £100 top-ups</td>
<td></td>
<td>- Invest from £50 a month or with £100 lump sums</td>
<td>- You can also designate and manage an account in a child's name - however, please be aware that you will continue to be the legal account holder</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- No early access: assets are tied up until the child’s 18th birthday</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Annual contribution limits</td>
<td></td>
</tr>
</tbody>
</table>
Strong foundations to support your investment plans

Whatever your reasons for regular saving, we aim to help you achieve your goals. We do this by giving you a wide range of funds, and investment trusts to choose from. These offer a range of risk levels, so you can create and manage a portfolio that matches your personal preferences.

EASY MONITORING

When you log in, you can see an overview of all investments held in your J.P. Morgan Account. You can then view your account by product or investment. You can also access your account 24/7.

EXTENSIVE CHOICE OF FUNDS

You can choose from a wide range of investment options:
• J.P. Morgan OEIC (Open Ended Investment Company) funds
• J.P. Morgan investment trusts

A FOCUS ON VALUE

• Whichever way you invest with us, you don't pay any account fee on OEICs.
• There are no annual account fees on the J.P. Morgan Stocks and Shares ISA.
• We do not charge an initial transaction charge on J.P. Morgan Stocks and Shares OEIC funds, and our range of investment trusts, meaning more of your money is invested. See the Key Features and Terms and Conditions for full information about charges.
• For regular savings there is no brokerage fee for all J.P. Morgan funds and investment trusts. Please be aware that for both buying and selling lump sums, brokerage fees of up to £10 may be applied to all investment trust transactions. Stamp duty may also be applied when buying investment trusts.
• For full details of charges, please refer to the Key Features and Terms and Conditions document for the relevant product.
Points to consider – a personal checklist

By understanding the importance of investing regularly over time, you have opened the way to a long and successful investing strategy. But before you begin, here’s a summary of the main points to consider:

Think about what you’re saving for and your investment time horizon

When you know why you’re saving, it’s easier to make a regular commitment. Think about specific investment goals, and how long you have to save before you’ll need to access the money.

Determine how much you want to save

Work out how much money you can salt away each month, as part of your personal budgeting. Remember, you can always adjust down later if you need to.

Decide how much risk you’re comfortable with

Different kinds of investment offer different combinations of risk and reward. It is important you decide which you feel most comfortable with.

Decide if you may need to access the money early

Are you able to invest money and forget about it for years? Or could you need to withdraw some cash as a safety net? If you’re considering a Junior ISA, how much money can you afford to lock away out of your reach?

Decide which investment product is right for you

This guide has suggested two principal routes for regular investing – an ISA (and Junior ISA) and an Investment Account. Will one of them suit you, or would a combination of routes prove most effective, if you have more to invest?

Don’t miss out on tax benefits

ISAs and Junior ISAs offer major tax advantages. This is why many investors see them as central to their investment strategy.

Make your investments and review regularly

Check your investments regularly to make sure you’re on track to meet your goals. Don’t forget that you can buy, switch and sell your individual investments easily using your J.P. Morgan Account. And remember, we don’t charge an initial transaction charge on J.P. Morgan OEIC funds, and our range of investment trusts. Please be aware that for both buying and selling lump sums, brokerage fees of up to £10 may be applied to all investment trust transactions. UK stamp duty may also be applied.

There may be annual charges applied to the Products and Investments you hold. In addition other charges may be applied to the transactions that you make. Please see the Key Features and Terms and Conditions document for further details.
We’ve made it as easy as we can for you to reap all the benefits of regular saving.

**STEP 1 – CHOOSE A PRODUCT**
First of all choose your investment product: ISA, Junior ISA or Investment Account.

**STEP 2 – RESEARCH AND CHOOSE YOUR FUNDS**
To research and select funds and invest in Investment Trusts, go online at [www.jpmorgan.co.uk/investor](http://www.jpmorgan.co.uk/investor). For managed funds ensure you receive and read the Key Investor Information Document (KIID) and for investment trusts the Investment Trust Profiles booklet.

**STEP 3 – READ THE IMPORTANT INFORMATION**
Please read the Key Features and Terms and Conditions booklet for the product that you have selected.

**STEP 4 – START INVESTING**
**Online:** Log in to [www.jpmorgan.co.uk/investor](http://www.jpmorgan.co.uk/investor) and select the relevant product.

**By post:** Complete the relevant application form(s), which can be requested from us or found online at: [www.jpmorgan.co.uk/forms](http://www.jpmorgan.co.uk/forms)

Alternatively, call us on **0800 20 40 20**, (or +44 1268 44 44 70). Our telephone lines are open Monday to Friday, 9am to 5.30pm.

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**A FINAL THOUGHT**
The powerful effect of compounding means that by starting early and with just a few years of extra saving, you could potentially see a huge difference in the size of your nest egg.

When it comes to investing, time really is money. Yet all too many people put off regular saving because they think it can be complicated to set up, time consuming, or involve too much paperwork. Fortunately, having read this guide, you know that none of this is true. J.P. Morgan Asset Management offers you a selection of simple-to-understand investment products, in-depth information support and regular contributions from £50 a month.
NEXT STEPS
Find out more at www.jpmorgan.co.uk/investor
or call 0800 20 40 20 (or +44 1268 44 44 70).
Telephone lines are open Monday to Friday,
9am to 5.30pm.

Telephone calls may be recorded and monitored for security and training purposes. J.P. Morgan Asset Management does not give advice on any investment. If you are unsure about the suitability of any investment, you should speak to a financial adviser. This material does not contain sufficient information to support an investment decision and investors should ensure that they obtain all available relevant information before making an investment. The information in this document is based on our understanding of law, regulation and revenue and customs practice as at the time of print. Investment is subject to documentation which is comprised of the Prospectus, Key Investor Information Document (KIID) and either the Key Features and Terms and Conditions or the Supplementary Information Document (SID), copies of which can be obtained free of charge from JPMorgan Asset Management Marketing Limited. Issued by JPMorgan Asset Management Marketing Limited which is authorised and regulated in the UK by the Financial Conduct Authority. Registered in England No. 288553. Registered Office: 25 Bank St, Canary Wharf, London E14 5JP.