

JPMORGAN
Cautious Total Return (OEIC)



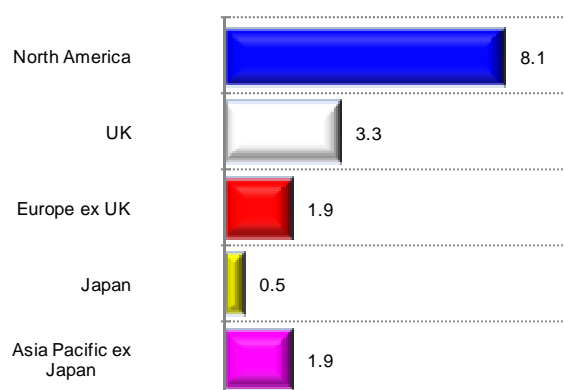
OBSR Fund Rating
A

Key Information

Launch Date	1 July 2005	
Fund Size	£767.0m	
Type of Shares Available	Accumulation	
Distribution Dates	Quarterly	
Historic Yield	2.00%	
ISA	Yes	
ISA Transfer	n/a	
Standard Fund Management Charges	Initial	4.25%
	Annual	1.25%

Positioning of Fund

Source: JPMorgan



Top Ten Holdings

	%
KFW into Deutsche Telecom 3.25% 27/6/2013	3.8
Transocean 1.625% 15/12/2037	2.2
Amgen 0.125% 1/2/2011	2.0
Boston Properties 2.875% 15/2/2037	1.5
Shire Pharmaceuticals 2.75% 9/5/2014	1.4
Carnival 2% 15/4/2021	1.1
Newmont Mining	1.1
Boston Properties 3.75% 15/5/2036	1.0
Wells Fargo 7.5%	1.0
Swiss Reinsurance 3.25% 21/11/2021	1.0
Concentration (Top 10)	16.1

Source: JPMorgan

Classification

Sector	Cautious Managed
Benchmark/Index	1 Month LIBOR
Management/Investment Style	
Fund Managers	JPMAM Global Multi-Asset Group

Offers investors a multi-asset portfolio managed to generate a return of cash plus 3% over the medium to longer term.

Investment Objective & Methodology

Aims to achieve, over a medium-term horizon, higher returns than those available from money market instruments denominated in Sterling by investing primarily in fixed income securities, convertible bonds, equity securities and short-term securities of issuers located in any country. The fund may invest in such securities by issuers in emerging countries worldwide. The fund adopts a cautious total return strategy and aims to preserve investors' capital while providing a better return than money markets by targeting cash, based on 1 month LIBOR, plus 3% over the medium to long term.

The fund is managed by JP Morgan Asset Management's (JPMAM) Global Multi-Asset Group (GMAG). The lead managers are Neill Nuttall, who is CIO of GMAG, and Talib Sheikh, who has worked on the fund since its launch. They draw upon the extensive experience of the GMAG as well as the wide range of investment teams at JPMAM, specifically the Global Fixed Income, Global Convertibles and regional equity teams.

The fund management team believes that, through tactically allocating assets between a number of different asset classes and through unconstrained stock selection within those asset classes, it can achieve steady returns with modest downside volatility, together with an asymmetric risk profile. The portfolio is constructed with a view to achieving an absolute return without the constraints of strategic asset allocation. The first aim is not to lose money, hence the use of a cash benchmark. The asset allocation strategy is driven by a number of factors including valuation, the business cycle, liquidity, risk and technicals, based on momentum. It then seeks to add risk where it perceives there to be money making opportunities, whilst diversifying the sources of risk. It has the ability to switch weightings between asset classes, broadly considered to be cash or cash equivalents, bonds, convertible bonds and equities. The team adopts a best ideas approach to stock-picking, drawing from its own research and from the various teams at JPMAM. The team will use derivatives in a conservative manner and will hedge part or all of the portfolio back into Sterling.

The asset allocation parameters range between 0% and 40% for equities, 0% and 50% for convertible bonds and 0% and 100% for both bonds and cash. At least 50% will be invested in cash and bonds whilst up to 50% may be invested in equities and convertibles. Furthermore a minimum of around 60% will be invested in UK assets whilst most overseas assets will be hedged into Sterling. The managers evaluate risk from an absolute perspective, using proprietary risk tools, and therefore place great emphasis on measures such as Sharpe and Sortino ratios, drawdown and the degree of upside versus the degree of downside participation, as well as using stop losses.

www.obsrfundratings.co.uk

Data as at 30 June 2010
Last Updated July 2010