

MARKET
INSIGHTS

1Q | 2014

As of December 31, 2013

Guide to the Markets

ASIA

J.P. Morgan

J.P.Morgan
Asset Management

Table of Contents

REGIONAL AND LOCAL ECONOMY	4
GLOBAL ECONOMY	21
EQUITIES	34
FIXED INCOME	50
OTHER ASSETS AND INVESTOR BEHAVIOR	55

Global Market Strategy Team

Dr. David Kelly, CFA	david.p.kelly@jpmorgan.com
Tai Hui	tai.c.hui@jpmorgan.com
Geoff Lewis	geoff.r.lewis@jpmorgan.com
Yoshinori Shigemi	yoshinori.shigemi@jpmorgan.com
Grace Tam, CFA	grace.wm.tam@jpmorgan.com
Ian Hui	ian.w.hui@jpmorgan.com
Ben Luk	ben.tw.luk@jpmorgan.com
Anthony Tsoi	anthony.tsoi@jpmorgan.com

Past performance is no guarantee of comparable future results. For China and Australia distribution, please note this communication is for intended recipients only and is for wholesale clients only in Australia. For details, please refer to the full disclaimer at the end. Unless otherwise stated, all data is as of 31 December 2013 or most recently available.

Regional and Local Economy

4. Share of Global GDP and Asian Middle Class
5. Asia: Inflation
6. ASEAN-5: Economic Growth and the Composition of GDP
7. ASEAN-5: Balance of Payments, Currencies and Credit
8. ASEAN-5: Trade and Competitiveness
9. Australia: Economic Snapshot
10. China: Economic Fundamentals
11. China: Cyclical Indicators
12. China: State-Owned vs. Private Enterprises
13. India: Economic Snapshot
14. India: Investment Flows and Balance of Payments
15. India: Performance
16. Japan: Economic Snapshot
17. Japan: Monetary and Fiscal Policy
18. Japan: Corporate Investment and Labor
19. Korea: Economic Snapshot
20. Taiwan: Economic Snapshot

Global Economy

21. Global Growth
22. Global Economics and Demographics
23. Global Monetary Policy
24. Global Business Cycle
25. Global Purchasing Managers' Index (PMI)
26. The Importance of Exports
27. United States: Economic Growth and the Composition of GDP
28. United States: Inflation and Unemployment
29. United States: Cyclical Indicators
30. United States: Consumer Finances
31. United States: The Fed and the Money Supply
32. Europe: Economic Fundamentals
33. Europe: Cyclical Indicators

Equities

34. Global and Asia Equity Markets: Returns
35. Global Equity Markets: Valuations
36. Global Economy and Equity

37. Global Earnings Momentum
38. Global Long-term EPS and DPS Growth
39. Global Sector Returns
40. United States: Source of Earnings, Corporate Profits and Leverage
41. United States: S&P 500 Index at Inflection Points
42. Europe: Earnings and Valuations
43. Europe: MSCI Europe at Inflection Points
44. Japan: TOPIX at Inflection Points
45. Asia: Valuation Analysis
46. Emerging Markets: Returns
47. Emerging Markets: Index Composition
48. Global Dividend Income
49. Asia Dividend Income

Fixed Income

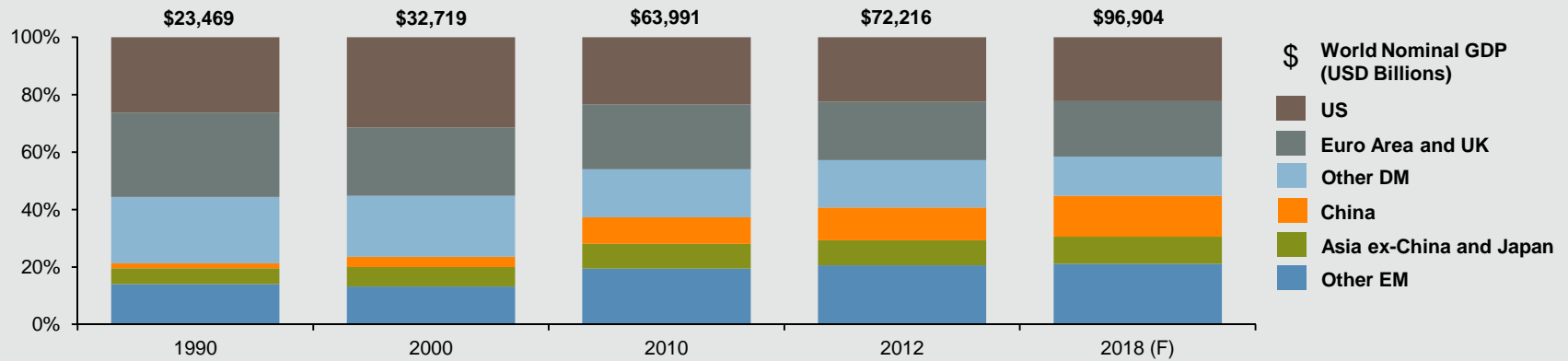
50. Global Fixed Income: Yields and Returns
51. United States: High Yield Bonds
52. Asia: Sovereign Debt and Credit Markets
53. Emerging Markets and Asia: Sovereign Debt
54. Emerging Markets and Asia: Currencies and External Positions

Other Assets and Investor Behavior

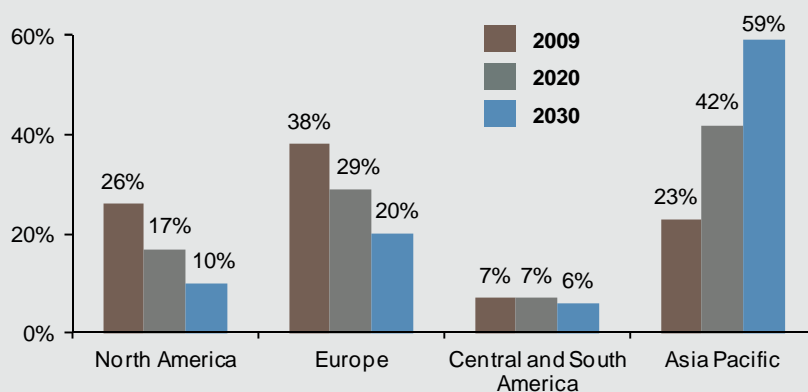
55. Asset Class Returns
56. Portfolio Construction, Asset Class Returns and Volatility
57. Asset Class Correlations
58. Interest Rates and Equities Correlation
59. United States: Treasury Yields and S&P 500
60. Rate Rise Impact on Different Asset Classes
61. REITs and Convertibles
62. Alternatives Returns
63. Commodities: Returns
64. Commodities: Energy
65. Commodities: Oil Demand
66. Global Investors' Asset Allocation by Region
67. Investors' Market Timing
68. Annual Returns and Intra-Year Declines
69. Equity Performance under Different Holding Periods
70. Real Return on Cash and Retirement Trends in Asia
71. Fund Flows

Share of Global GDP and Asian Middle Class

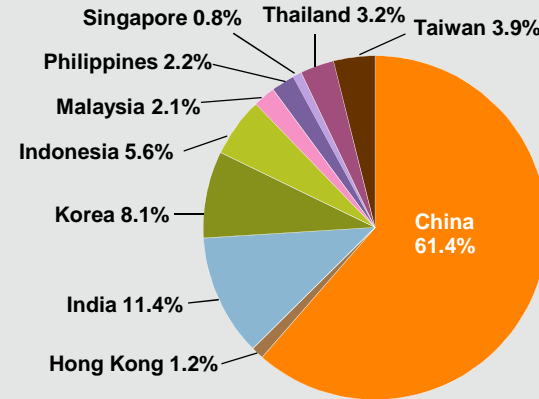
Share of Global Nominal GDP



Share of Spending by the Global Middle Class



Composition of the Asian Middle Class (2010)



Source: IMF, "The Emerging Middle Class in Developing Countries" by Homi Kharas - OECD paper, CLSA "Mr. & Mrs. Asia - Spring 2011," World Bank, Euromonitor, J.P. Morgan Asset Management "Guide to the Markets - Asia."

(Top) Nominal gross domestic product data are based on national currency converted to US dollars using market exchange rates (yearly average). Forecasts are provided by IMF, based on the October 2013 World Economic Outlook.

(Bottom Left) Middle class is defined as households with daily expenditures between USD10 and USD100 per person in PPP terms (2005 USD).

(Bottom Right) Middle class is defined as households with annual per capita disposable income of USD3,000 or above.

Total may not sum to 100% due to rounding. Data reflect most recently available as of 31/12/13.

Monthly Inflation Trend

Year-over-year % change

■ Rising inflation
 ■ Unchanged
 ■ Falling inflation

Country	12/2012	1/2013	2/2013	3/2013	4/2013	5/2013	6/2013	7/2013	8/2013	9/2013	10/2013	11/2013	Central Bank Target / Forecast
China	2.5	2.0	3.2	2.1	2.4	2.1	2.7	2.7	2.6	3.1	3.2	3.0	3.5
Hong Kong	3.7	3.0	4.4	3.6	4.1	3.9	4.2	6.9	4.5	4.6	4.3	4.3	4.5
India	7.2	6.6	6.8	6.0	4.9	4.7	4.9	5.8	6.1	6.5	7.0	7.5	5.0
Indonesia	4.6	5.3	5.3	5.9	5.6	5.5	5.9	8.6	8.8	8.4	8.3	8.4	3.5 – 5.5
Japan	-0.1	-0.3	-0.7	-0.9	-0.7	-0.3	0.2	0.7	0.9	1.0	1.1	1.5	2.0
Korea	1.4	1.5	1.4	1.3	1.2	1.0	1.0	1.4	1.3	0.8	0.7	0.9	2.5 – 3.5
Malaysia	1.3	1.3	1.5	1.6	1.7	1.8	1.8	2.0	1.9	2.6	2.8	2.9	2.0 – 3.0
Philippines	2.9	3.0	3.4	3.2	2.6	2.6	2.8	2.6	2.1	2.7	3.0	3.4	3.0 – 5.0
Singapore	4.3	3.6	4.9	3.5	1.5	1.6	1.8	1.9	2.0	1.6	2.0	2.6	2.0 – 3.0
Taiwan	1.6	1.2	3.0	1.4	1.0	0.7	0.6	0.1	-0.8	0.8	0.6	0.7	1.2
Thailand	3.6	3.4	3.2	2.7	2.4	2.3	2.3	2.0	1.6	1.4	1.5	1.9	0.5 – 3.0*

Source: J.P. Morgan Economics, National Bureau of Statistics (China), Hong Kong Monetary Authority, Census and Statistics Department (Hong Kong), Office of Economic Adviser (India), Bank Indonesia, Statistics Bureau and the Director-General for Policy Planning of Japan, Statistics Korea, Department of Statistics Malaysia, Bangko Sentral ng Pilipinas (BSP), National Statistical Coordination Board (Philippines), Department of Statistics Singapore, Directorate-General of Budget, Accounting and Statistics (Taiwan), Bank of Thailand, J.P. Morgan Asset Management “Guide to the Markets – Asia.”

All data for Headline CPI unless otherwise stated. India: Data is for Wholesale Price Index.

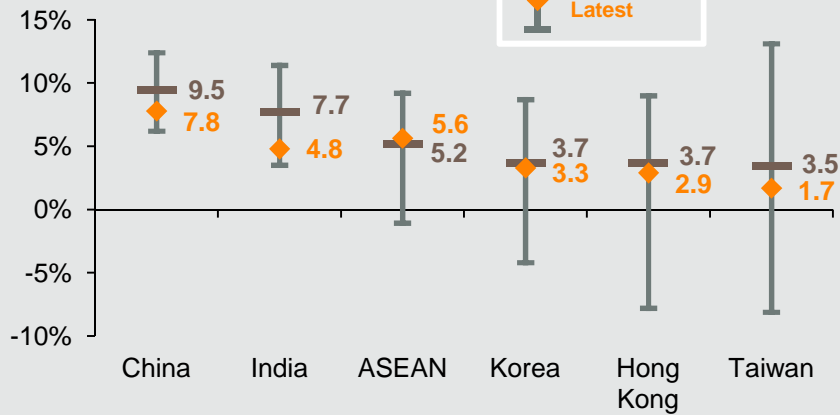
* Thailand’s central bank targets core CPI, which excludes raw food and energy.

Data reflect most recently available as of 31/12/13.

ASEAN-5: Economic Growth and the Composition of GDP

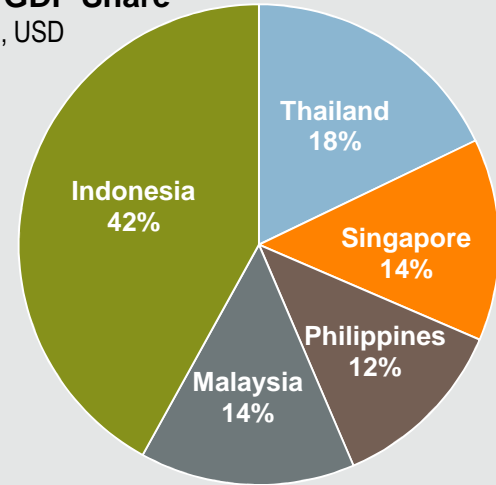
Real GDP Growth Comparison

Year-over-year % change



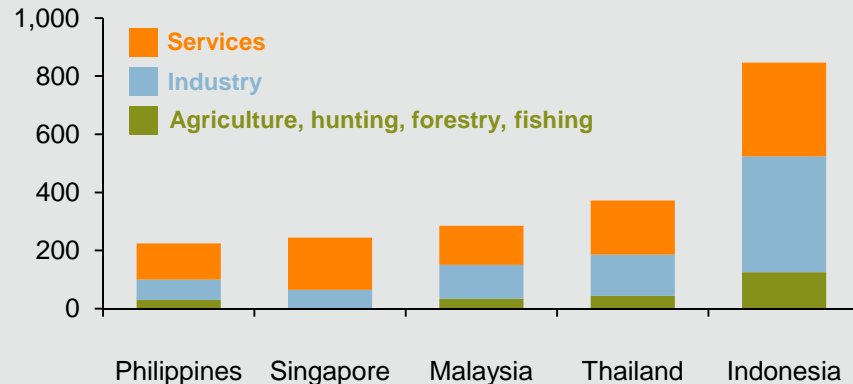
ASEAN-5 GDP Share

Nominal GDP, USD

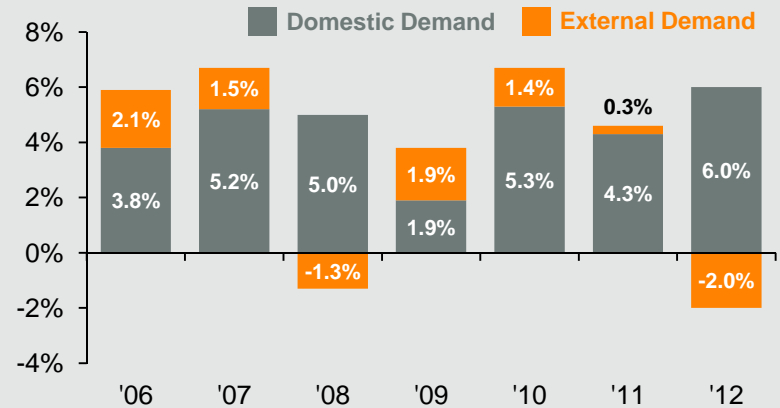


Nominal 2012 GDP by Output

USD Billions



Contribution to ASEAN GDP Growth



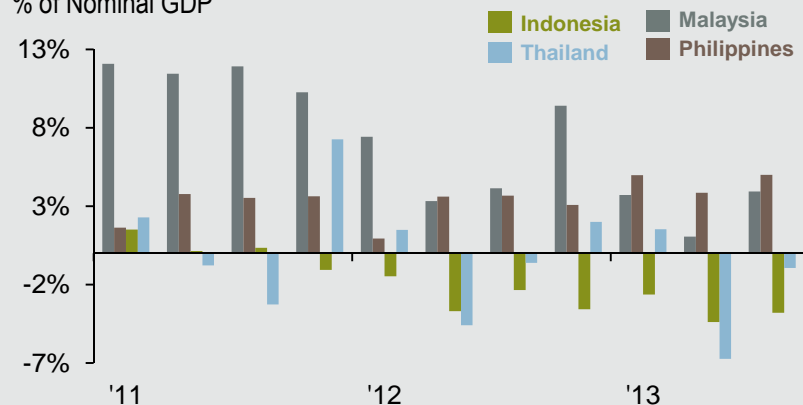
Source: IMF, UNCTAD, FactSet, J.P. Morgan Economics, J.P. Morgan Asset Management "Guide to the Markets – Asia."

(Bottom Right) Domestic Demand defined as private consumption, government consumption and fixed asset investment. External Demand defined as net trade, change in stocks and residuals. Data reflect most recently available as of 31/12/13.

ASEAN-5: Balance of Payments, Currencies and Credit

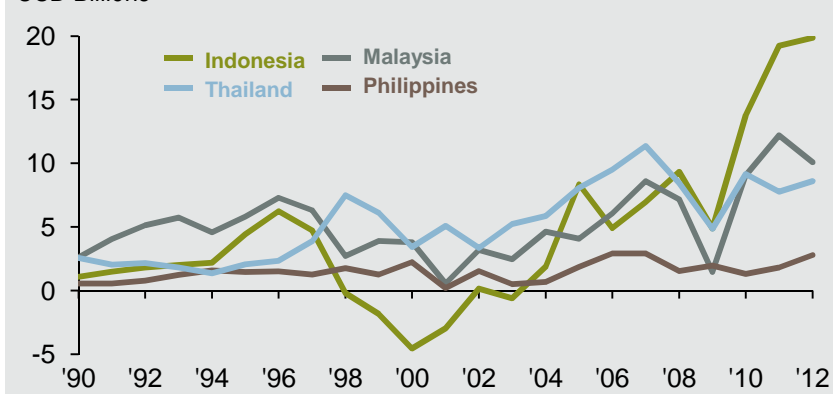
Current Account Balance

% of Nominal GDP



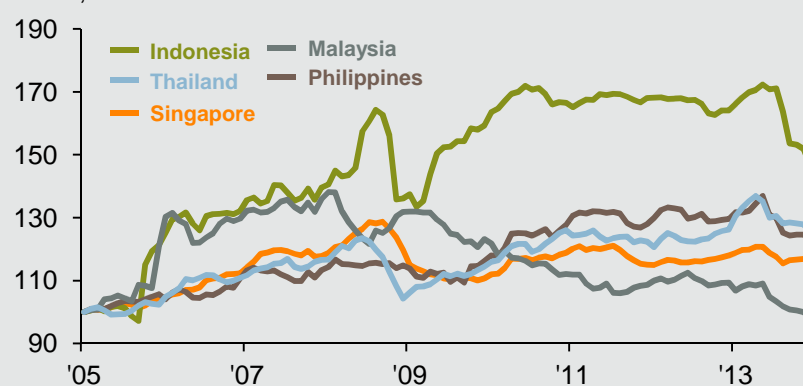
Net Foreign Direct Investment Flows

USD Billions

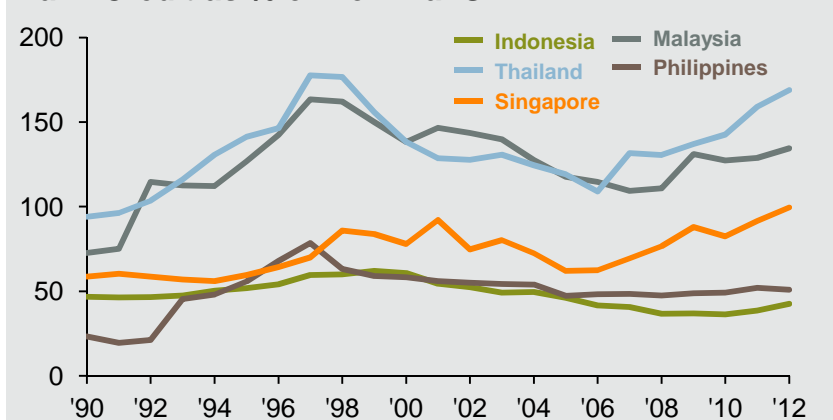


Real Effective Exchange Rates

Index, rebased 2005 = 100



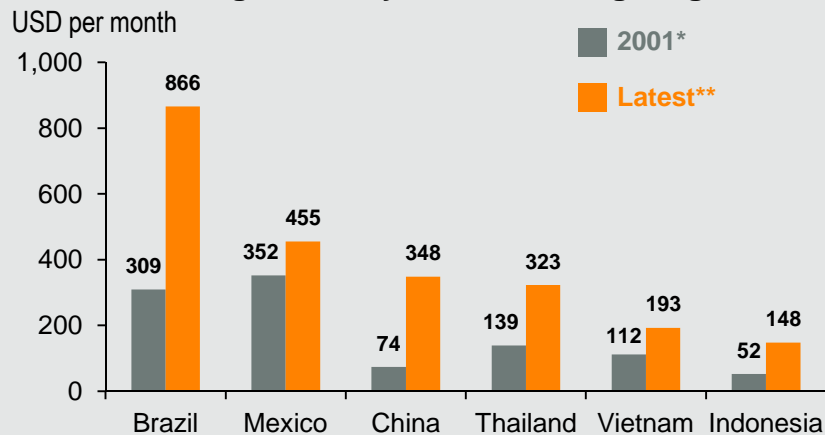
Bank Credit as % of Nominal GDP



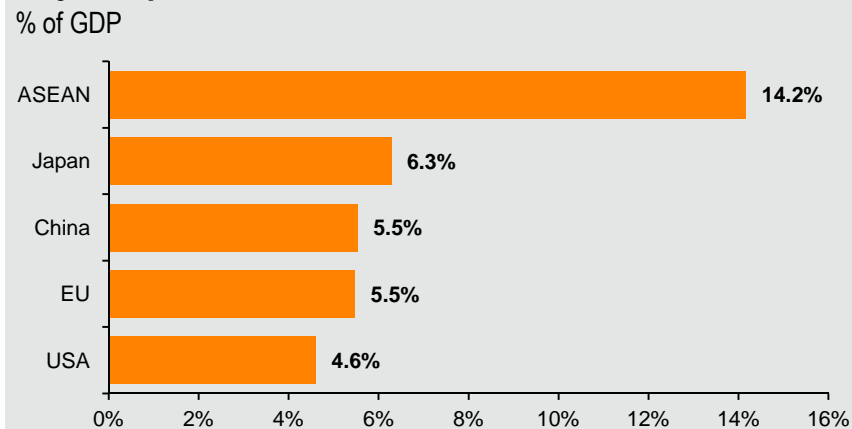
Source: UNCTAD, World Bank, FactSet, J.P. Morgan Economics, J.P. Morgan Asset Management "Guide to the Markets – Asia." Data reflect most recently available as of 31/12/13.

ASEAN-5: Trade and Competitiveness

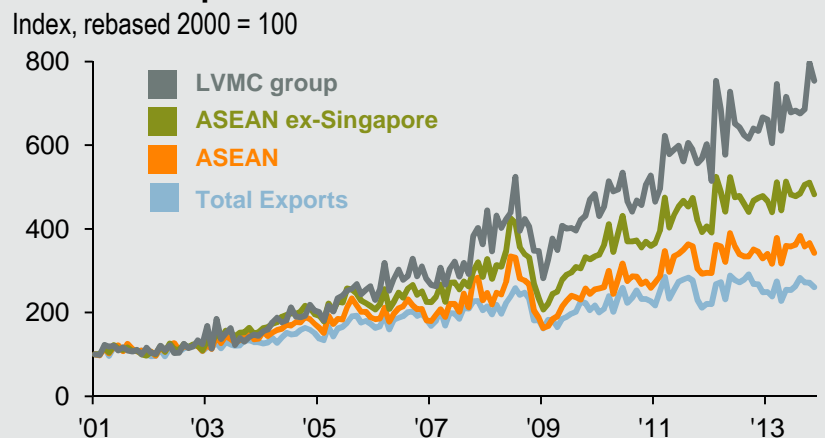
Nominal Average Monthly Manufacturing Wages



Major Export Partners



Thailand: Export Value Performance to ASEAN



ASEAN-5 Valuation Table

MSCI Indices	Forward P/E	5-year Avg. Forward P/E	Trailing P/B	5-year Avg. Trailing P/B
Indonesia	12.8x	13.3x	3.0x	3.5x
Malaysia	16.0x	14.7x	2.3x	2.1x
Philippines	16.7x	15.4x	2.7x	2.4x
Singapore	13.8x	13.6x	1.4x	1.6x
Thailand	10.9x	11.1x	2.0x	2.0x

Source: International Labour Organisation (ILO), IMF, World Trade Organization, ASEANstats, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

* Except for Vietnam, which is 2005.

** Latest data from 2012 for Mexico, China and Thailand; 2011 for Vietnam and Indonesia; 2010 for Brazil.

LVMC stands for Laos, Vietnam, Myanmar and Cambodia.

Data reflect most recently available as of 31/12/13.

Australia: Economic Snapshot

Real GDP and CPI Inflation

Year-over-year % change

20-yr Avg. 3Q13

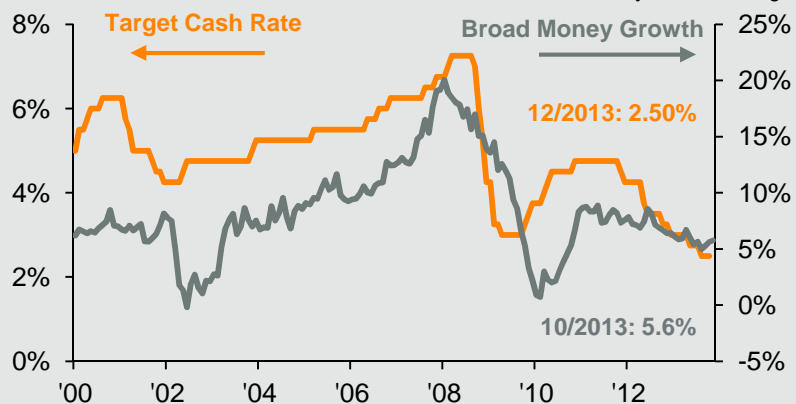


Unemployment and Consumer Sentiment*

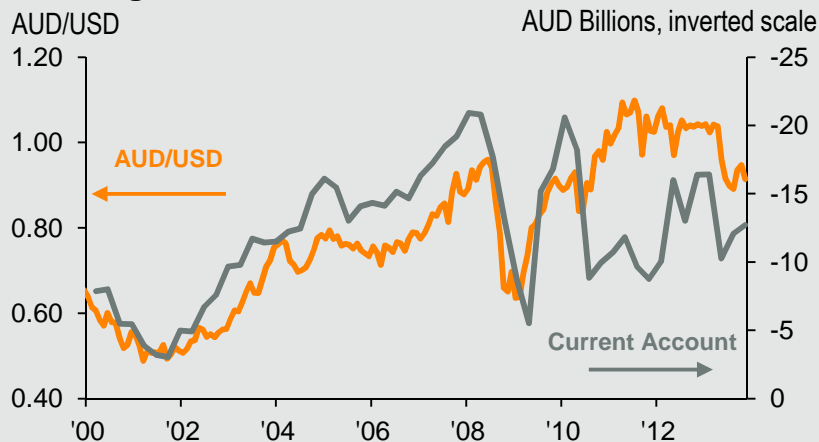


Monetary Policy

Year-over-year % change



Exchange Rates and Current Account



Source: FactSet, World Trade Organization, Australian Bureau of Statistics, Westpac Melbourne Institute, J.P. Morgan Asset Management "Guide to the Markets – Asia."

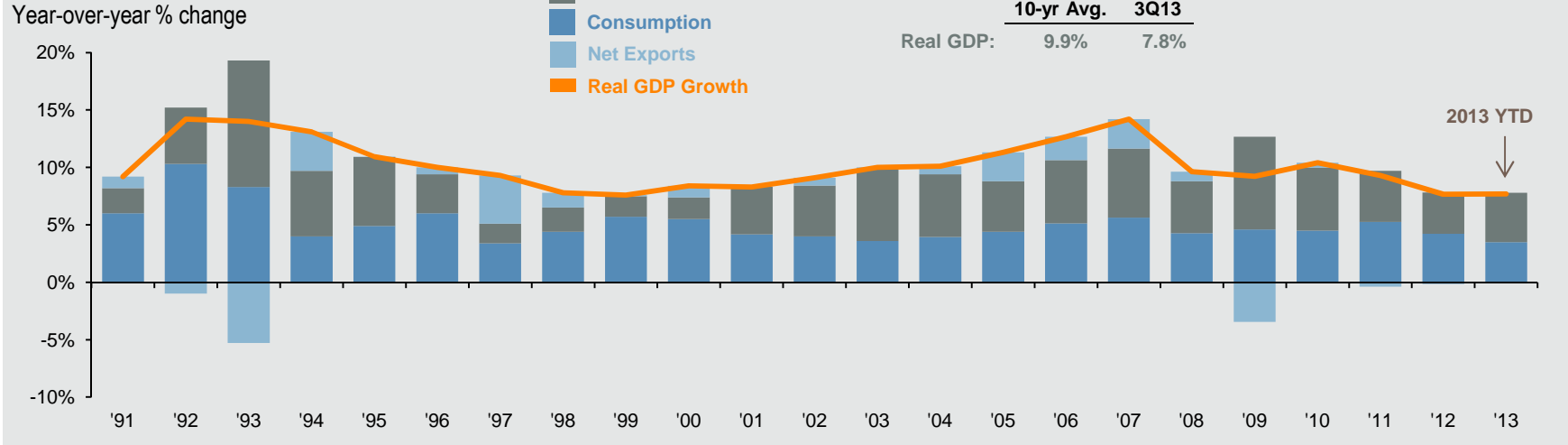
* Westpac Melbourne Institute Consumer Sentiment Index.

Data reflect most recently available as of 31/12/13.

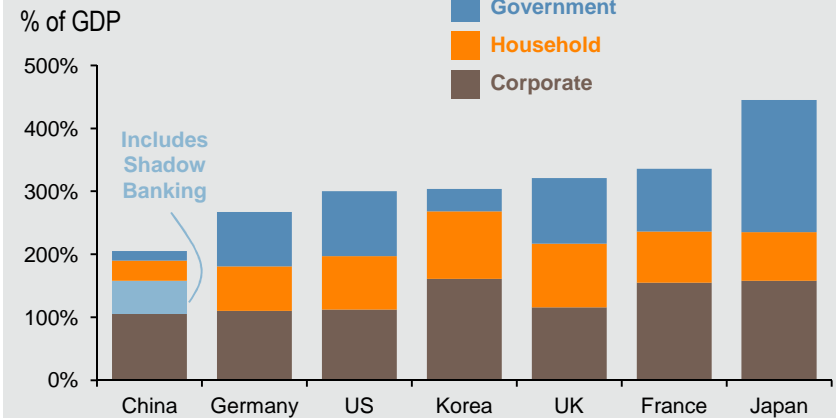
China: Economic Fundamentals

Regional and Local Economy

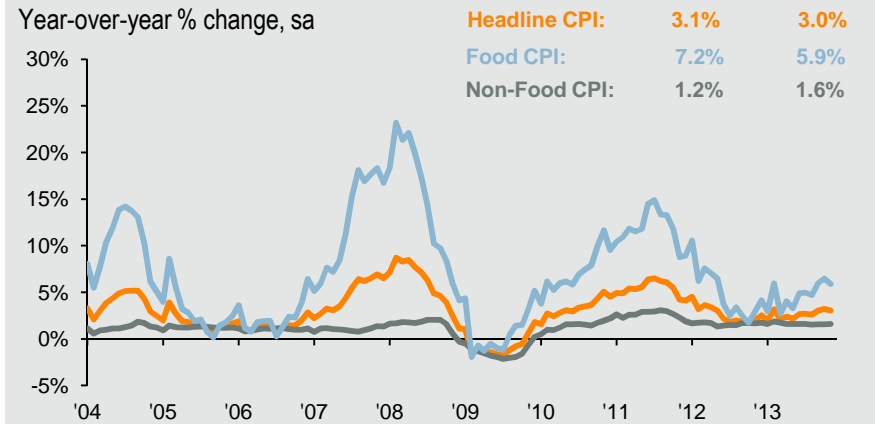
Contribution to Real GDP Growth



China Debt in Comparison



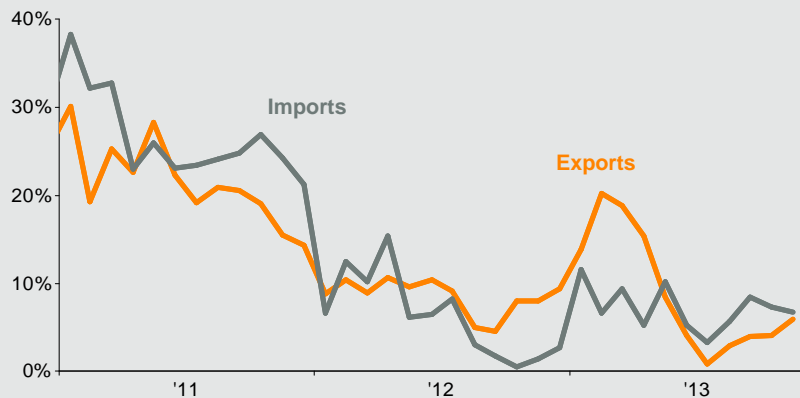
CPI Inflation



Source: National Bureau of Statistics of China, BCA, FactSet, J.P. Morgan Economics, J.P. Morgan Asset Management "Guide to the Markets – Asia." (Bottom Left) Local government investment vehicles' loans are included as part of the shadow banking, data as of 2011, China data is a BCA estimate as of 2012. Data reflect most recently available as of 31/12/13.

Merchandise Trade Growth

Year-over-year % change, 3-month moving average



Li Keqiang Index* and MSCI China

Year-over-year % change



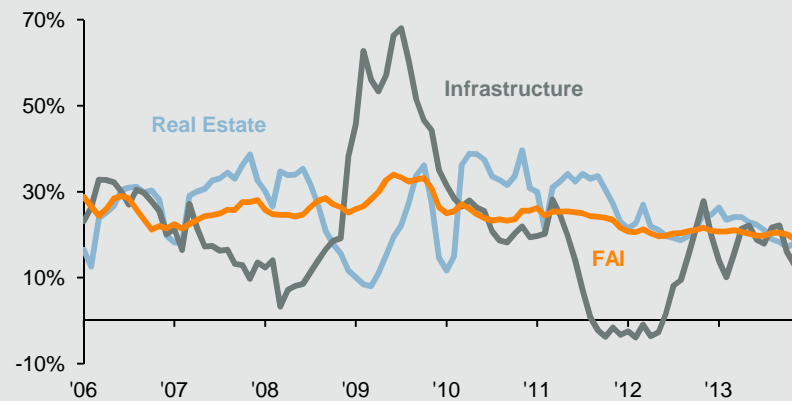
Retail and Auto Sales

Year-over-year % change, 3-month moving average



Fixed Asset Investment

Year-over-year % change, 3-month moving average



Source: National Bureau of Statistics of China, CEIC, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

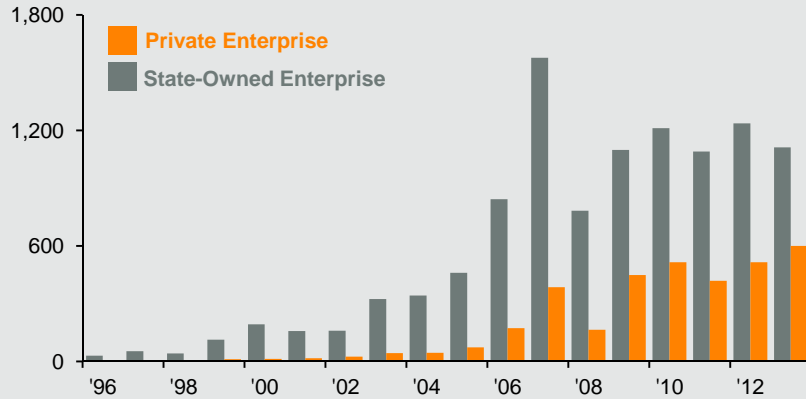
* The Li Keqiang Index is a weighted index of the growth in China's electricity production, loans by financial institutions and rail freight volumes.

Data reflect most recently available as of 31/12/13.

China: State-Owned vs. Private Enterprises

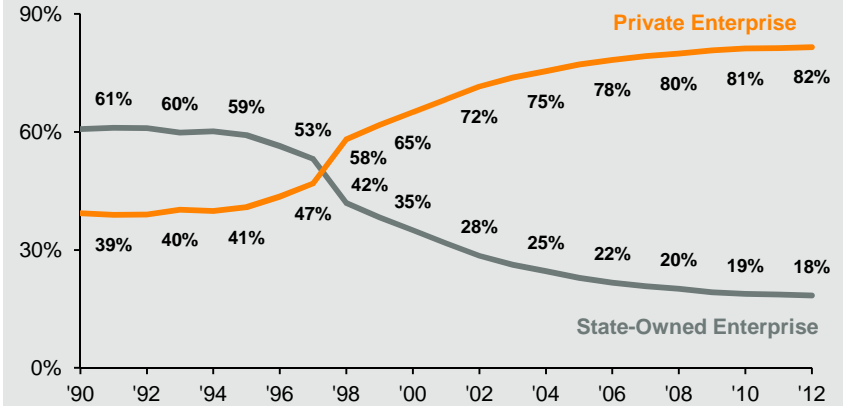
Market Cap of State-Owned vs. Private Enterprise*

USD Billions, ex. Financials



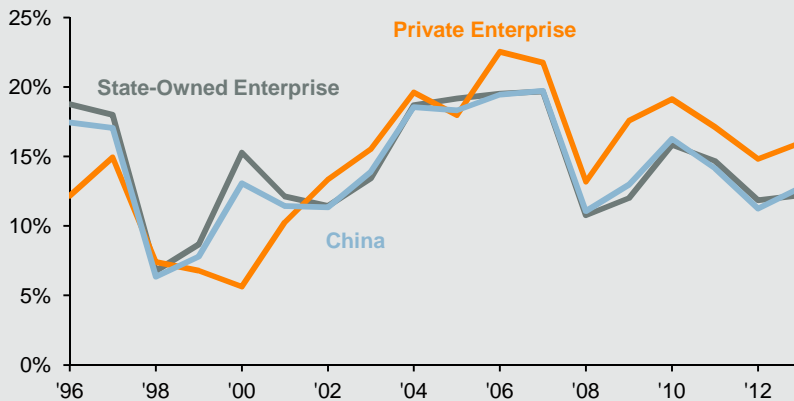
Urban Employment

Share of Total Urban Employment



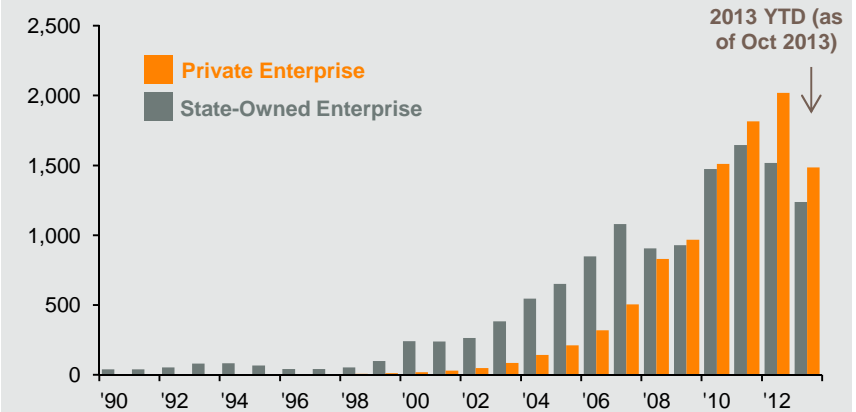
Return on Equity – China (ex. Financials)*

ROE, %



Industrial Profits

RMB Billions



Source: National Bureau of Statistics of China, CLSA, CEIC, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

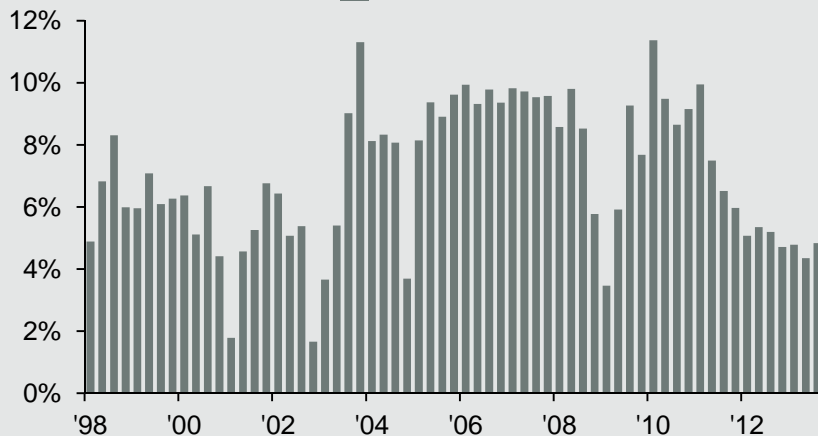
* The broader China universe refers to 452 listed ex-financial companies with primary operations in China and reasonable liquidity (average daily turnover greater than USD1 million) as analyzed by CLSA. Data reflect most recently available as of 31/12/13.

India: Economic Snapshot

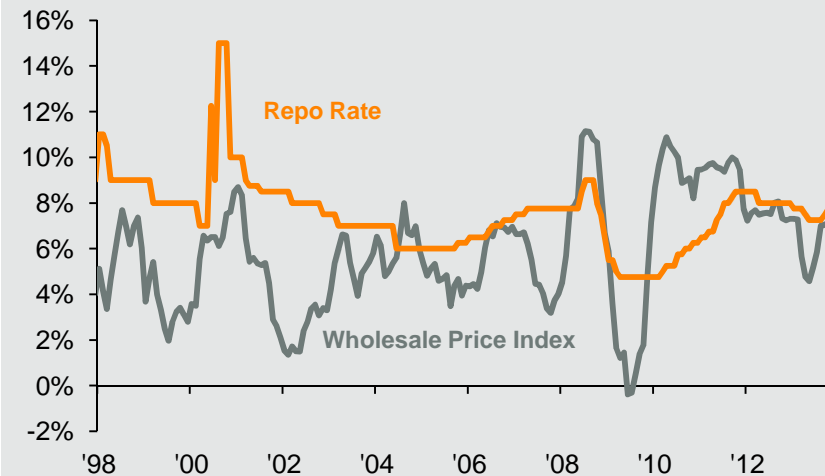
Real GDP

Year-over-year % change

Real GDP: 15-yr Avg. 3Q13
7.1% 4.8%



Inflation and Repo Rate

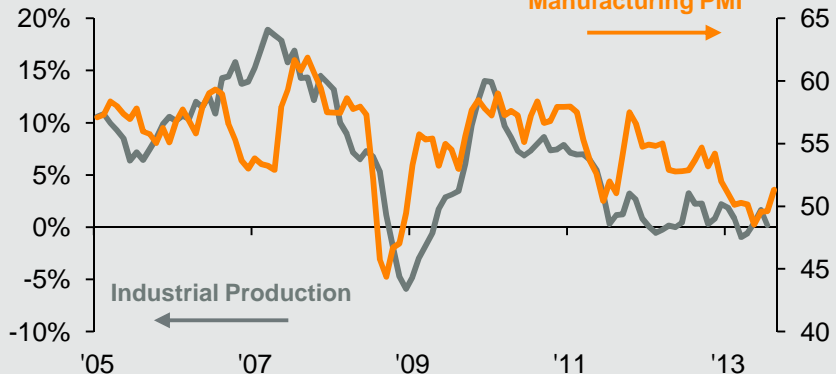


Industrial Production and PMI

Year-over-year % change

Manufacturing PMI

Index

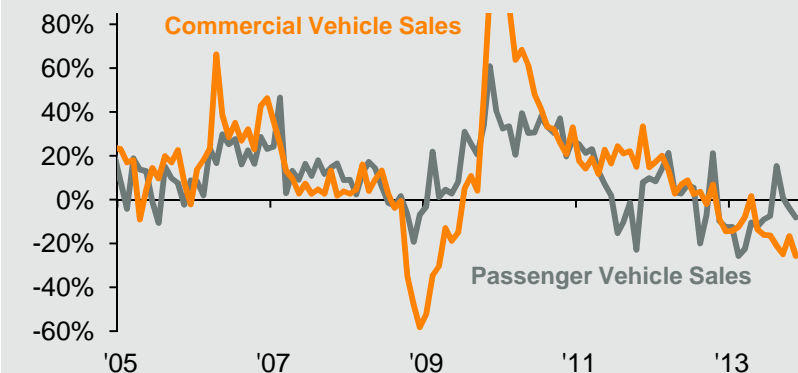


Auto Sales

Year-over-year % change

Commercial Vehicle Sales

Passenger Vehicle Sales



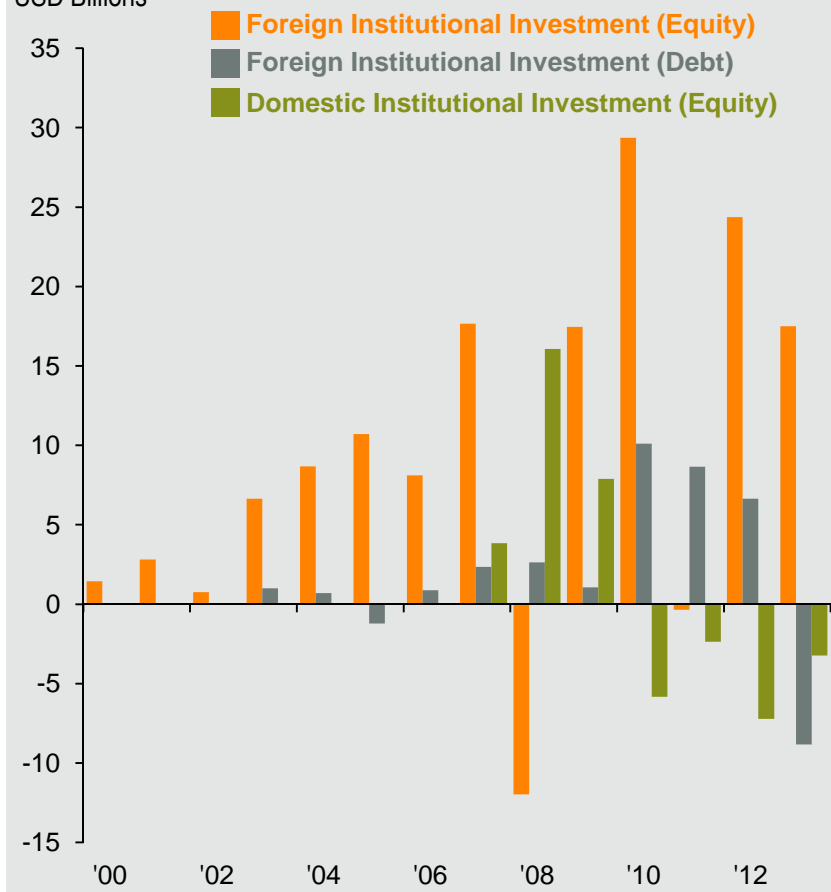
Source: J.P. Morgan Economics, Ministry of Statistics and Programme Implementation, Reserve Bank of India, Society of Indian Automobile Manufacturers, FactSet, J.P. Morgan Asset Management "Guide to the Markets - Asia."

(Top Right) Wholesale Price Index (WPI) value shown is year-over-year % change. (Bottom Right) Axis has been cut to maintain scale. Commercial Vehicle Sales reached a peak of 163% year-over-year in 12/2009. Data reflect most recently available as of 31/12/13.

India: Investment Flows and Balance of Payments

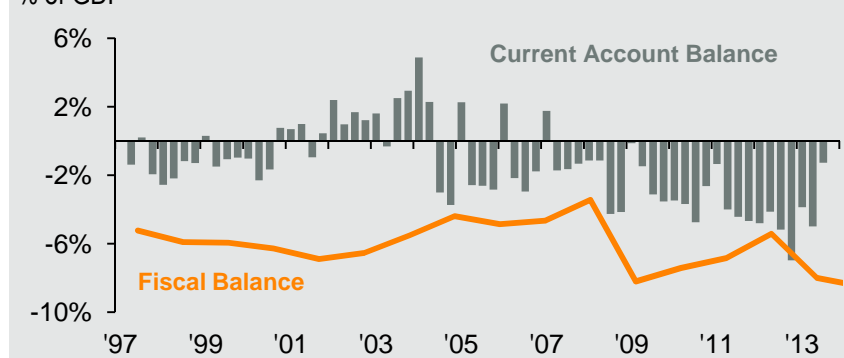
Investment Fund Flows

USD Billions



Deficits

% of GDP



Trade

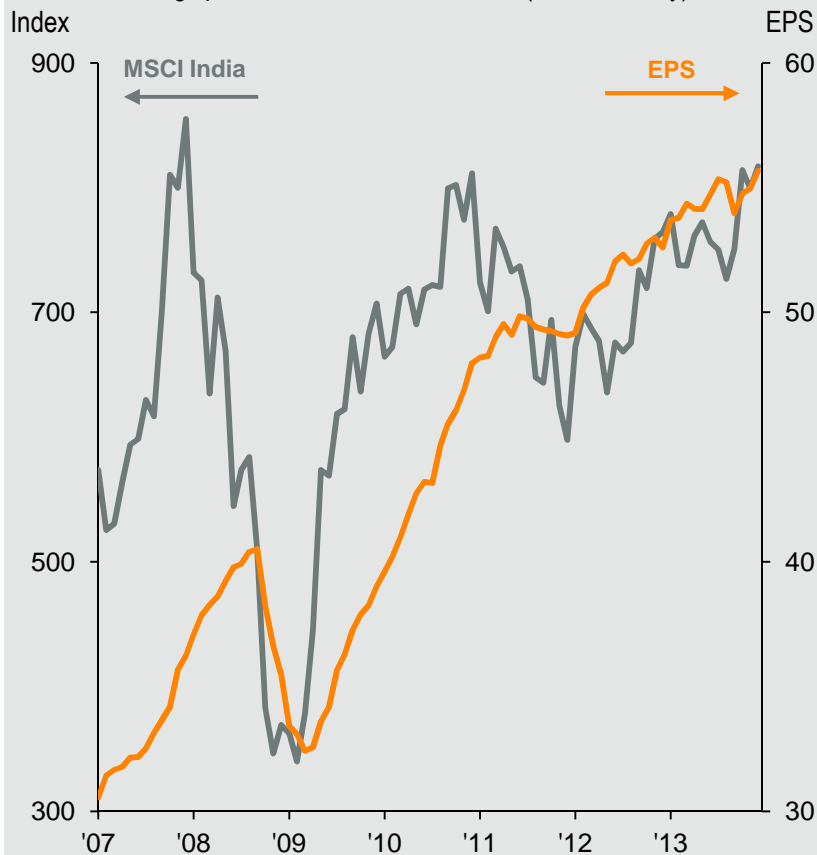
Year-over-year % change, 3-month moving average



Source: Ministry of Statistics and Programme Implementation, Office of the Economic Adviser - Ministry of Commerce and Industry, Bloomberg, IMF, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia." Data reflect most recently available as of 31/12/13.

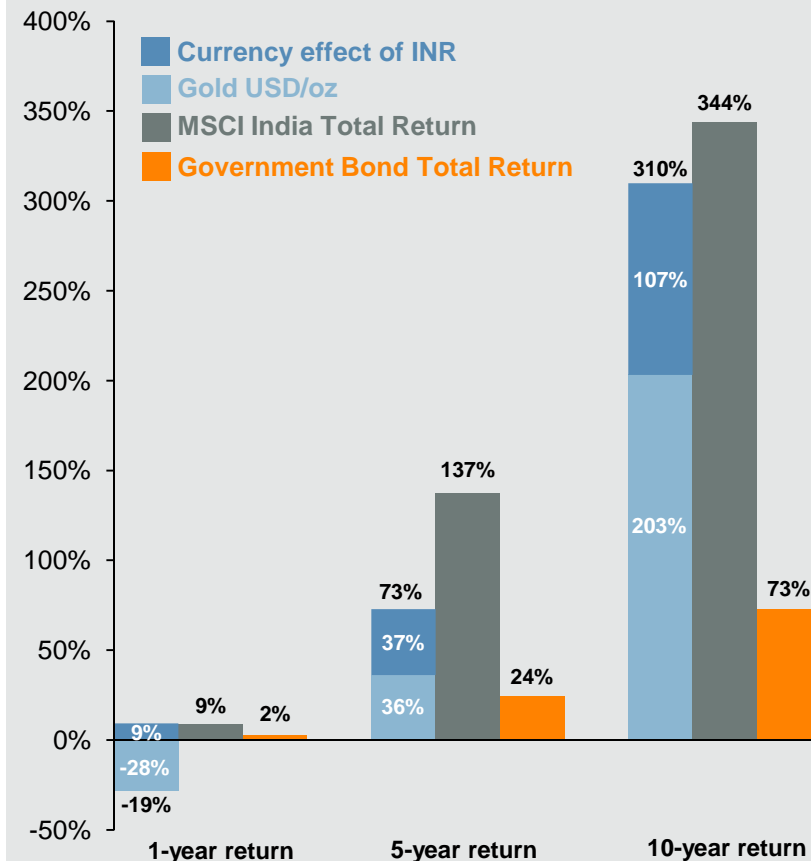
Earnings and Market Performance

Forward earnings per share and the MSCI India (local currency) Index



Performance Comparison

Total Return in INR

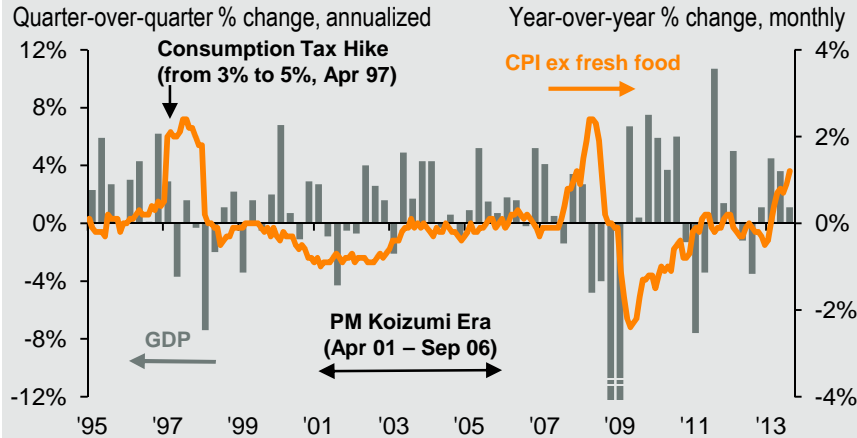


Source: Office of the Economic Adviser - Ministry of Commerce and Industry, MSCI, Bank of America Merrill Lynch, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."
 (Right) Government Bond Total Return Index uses the Bank of America Merrill Lynch India Governments Bond Index.
 Data reflect most recently available as of 31/12/13.

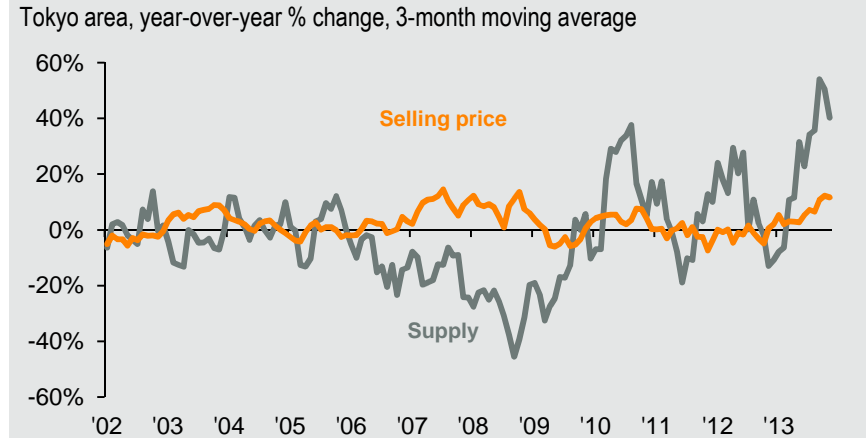
Japan: Economic Snapshot

Regional and Local Economy

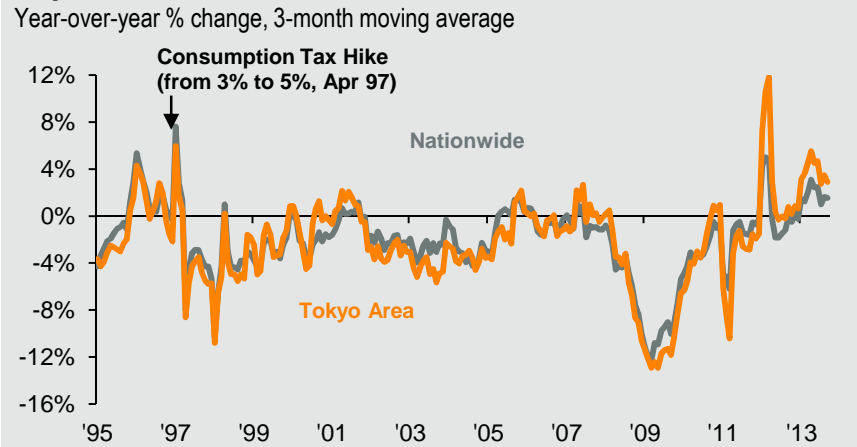
Real GDP and CPI Inflation



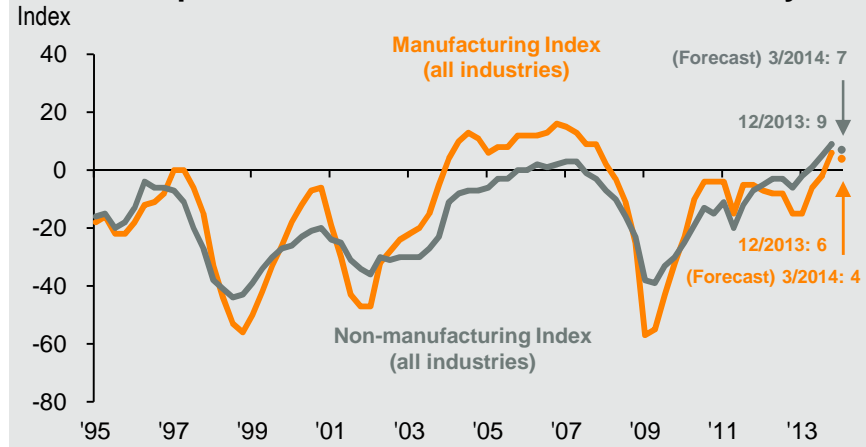
New Condominium Supply and Selling Price



Department Store Sales



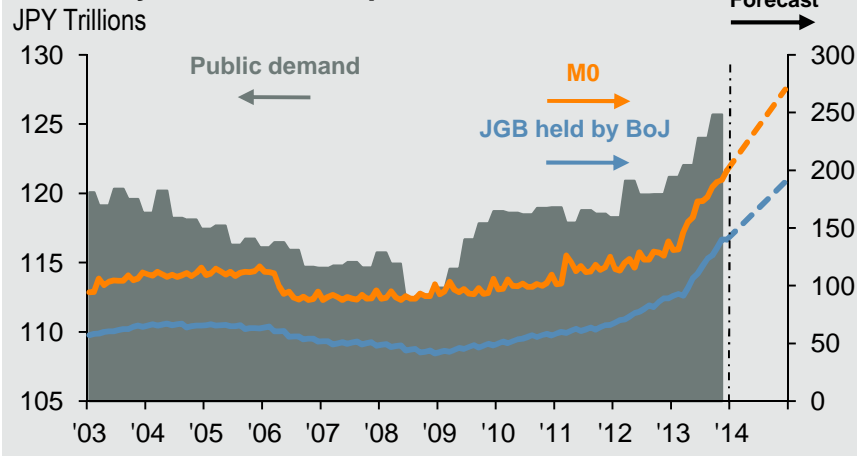
Bank of Japan Tankan Business Confidence Survey



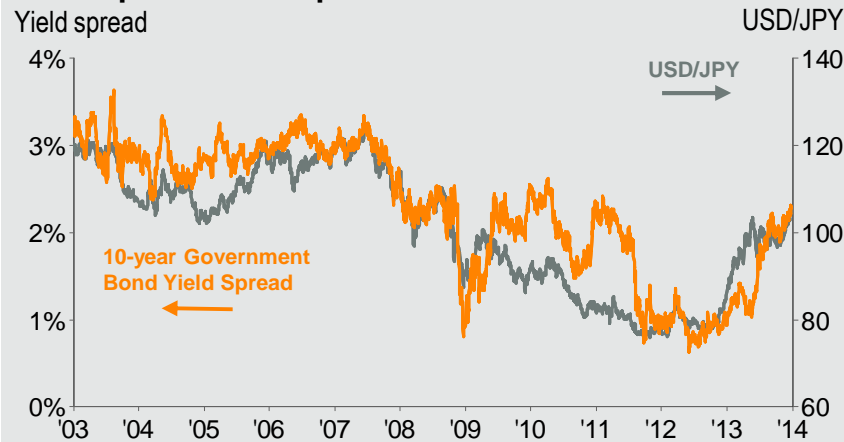
Source: Japanese Cabinet Office, Ministry of Internal Affairs and Communications, Japan Department Stores Association, The Bank of Japan, Real Estate Economic Institute, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."
 (Top Left) Real GDP growth rates for 4Q 2008 and 1Q 2009 were -12.5% and -15.2%, respectively. (Bottom Right) Forecast for March 2014 from Bank of Japan Tankan Short-Term Economic Survey of Enterprises in Japan. Data reflect most recently available as of 31/12/13.

Japan: Monetary and Fiscal Policy

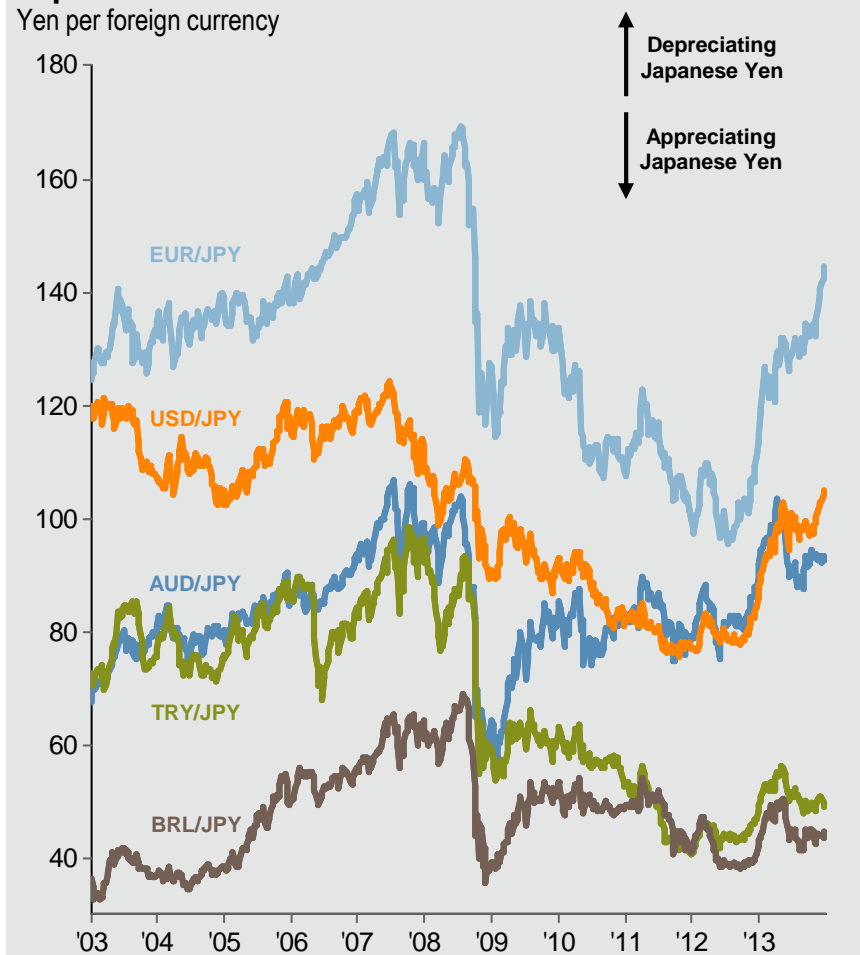
Monetary and Fiscal Expansions



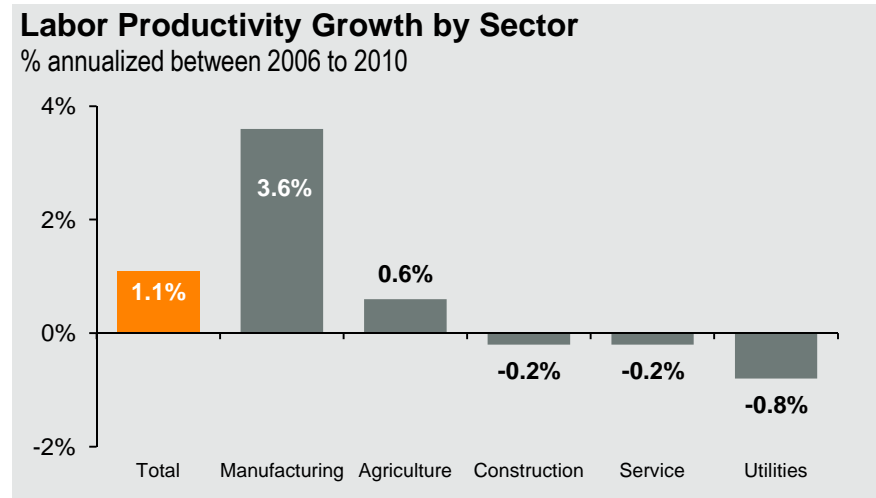
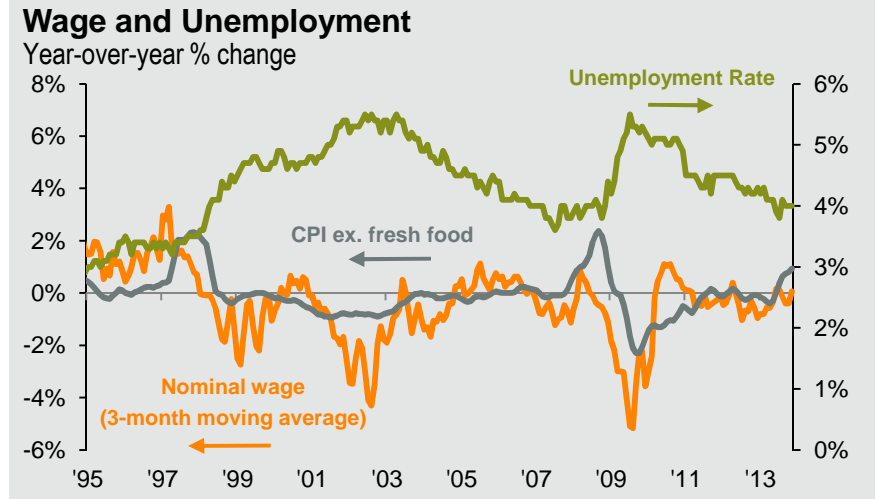
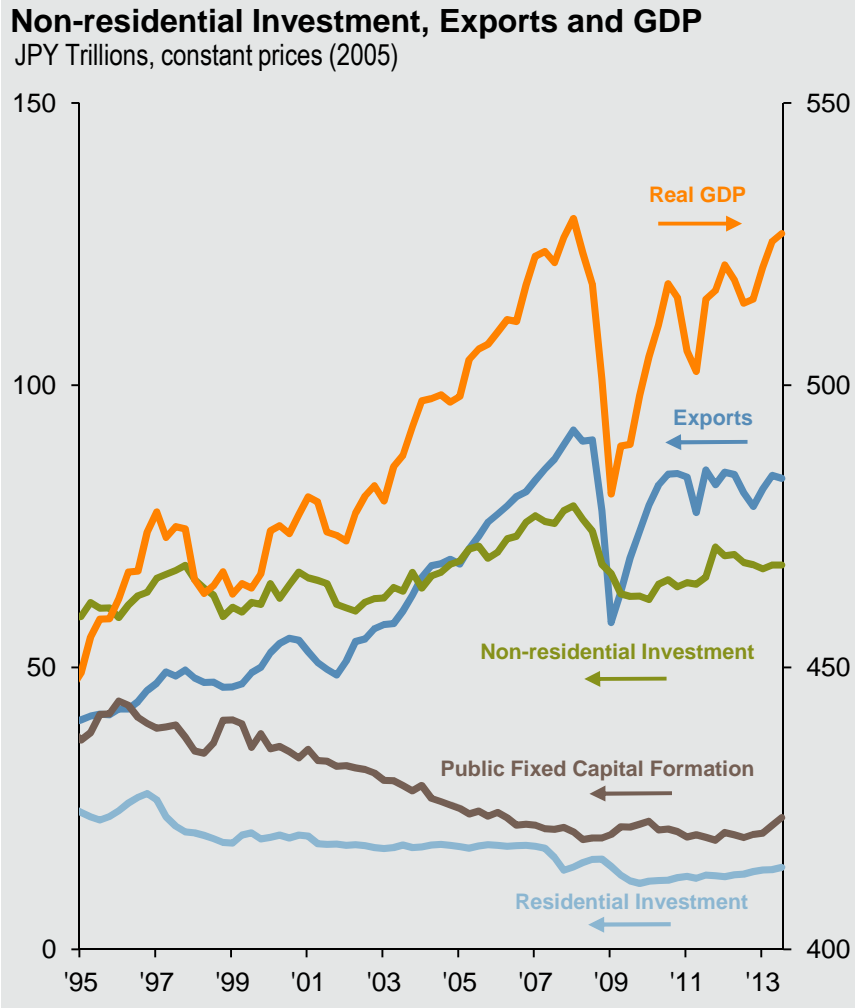
Yield Spread and Japanese Yen



Japanese Yen Cross



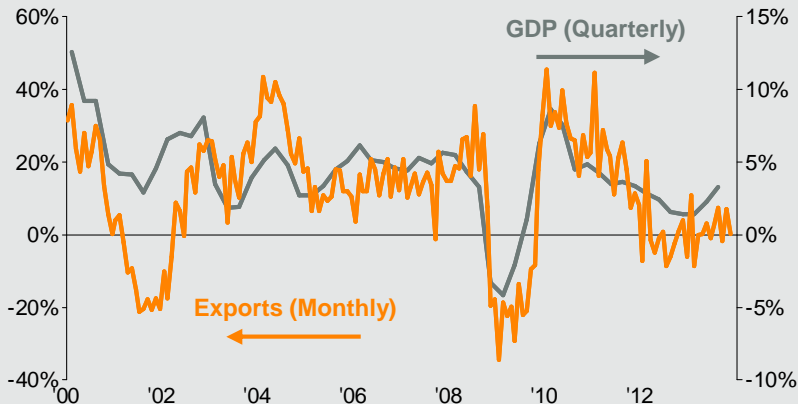
Source: Japanese Cabinet Office, Ministry of Internal Affairs and Communications, Bank of Japan, FactSet, Bloomberg, J.P. Morgan Asset Management "Guide to the Markets – Asia."
 (Top Left) Public demand includes government consumption, public investment and changes in public inventories and is seasonally adjusted and annualized. 2014 target of JGB held by BoJ is JPY 190 trillion and that of M0 is JPY 270 trillion. Both forecast projected by BoJ. (Bottom Left) Yield spread is the difference between 10-year US Treasury yield and 10-year Japanese Government bond yield. Data reflect most recently available as of 31/12/13.



Source: Japanese Cabinet Office, Ministry of Internal Affairs and Communications, Ministry of Health, Labour and Welfare, Japan Productivity Centre, J.P. Morgan Asset Management "Guide to the Markets – Asia."
 (Left) Data is seasonally adjusted and annualized. Data reflect most recently available as of 31/12/13.

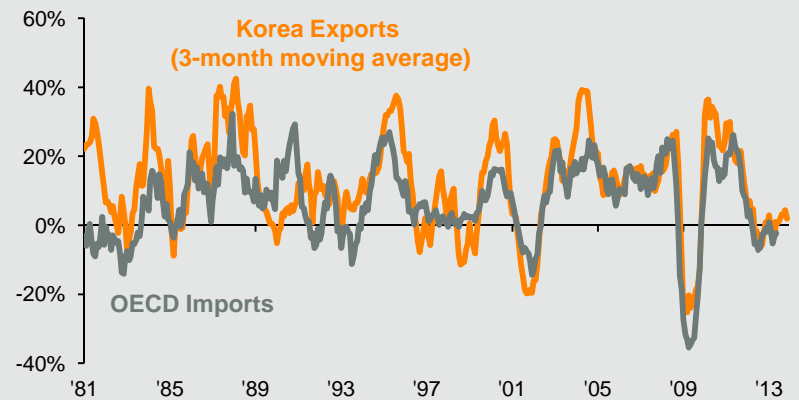
Real GDP and Exports

Year-over-year % change



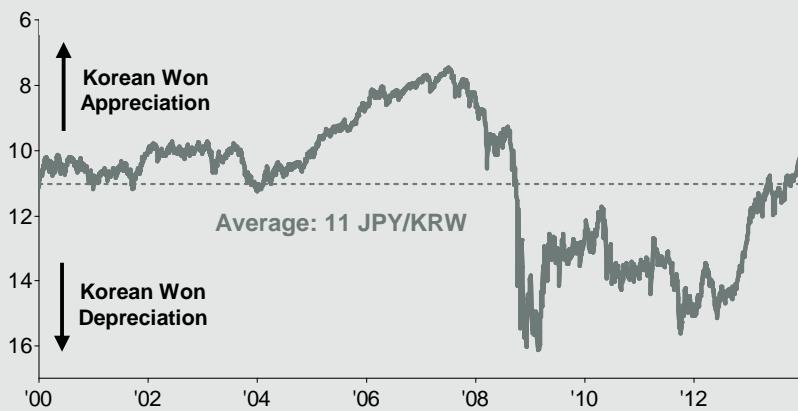
OECD Imports and Korean Exports

Year-over-year % change



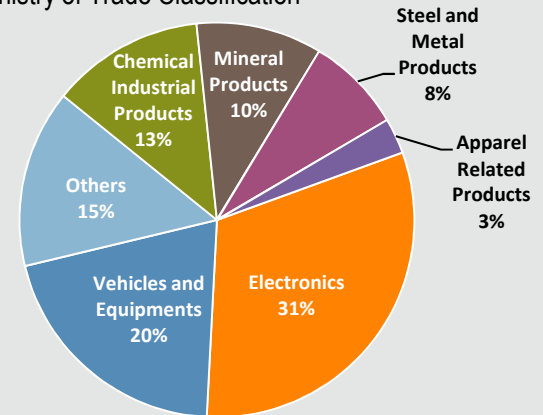
Currency Competitiveness

Korean Won per Japanese Yen, inverted scale



Korea Exports Composition

Based on Korea Ministry of Trade Classification

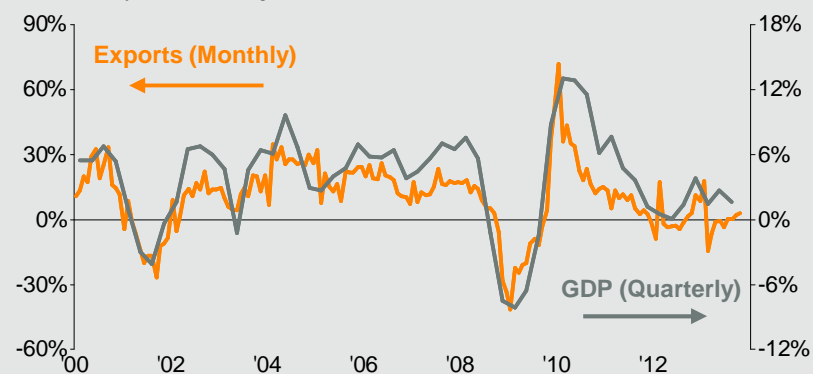


Source: Korea Customs Service, Ministry of Trade, OECD, CEIC, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."
 Total may not sum to 100% due to rounding.
 Data reflect most recently available as of 31/12/13.

Taiwan: Economic Snapshot

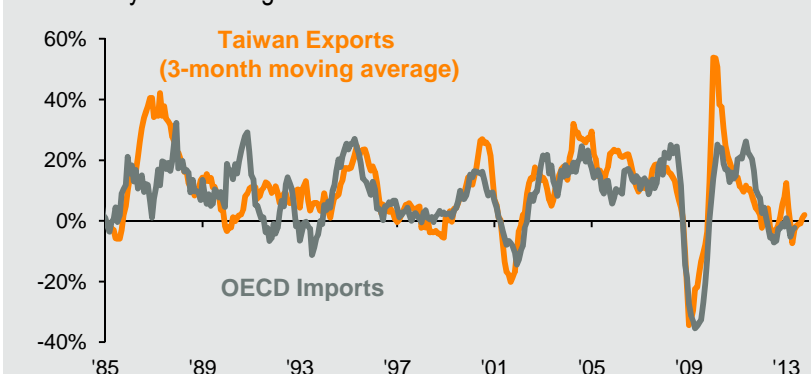
Real GDP and Exports

Year-over-year % change



OECD Imports and Taiwan Exports

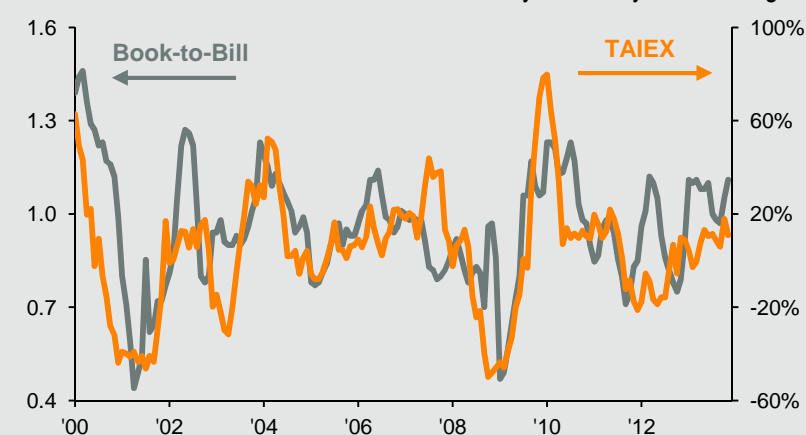
Year-over-year % change



SEMI Book-to-bill Ratio and TAIEX

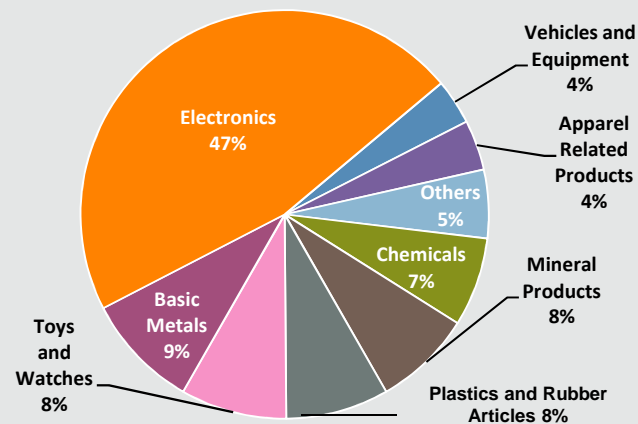
Ratio

Index, year-over-year % change



Taiwan Exports Composition

Based on Taiwan Ministry of International Trade Classification

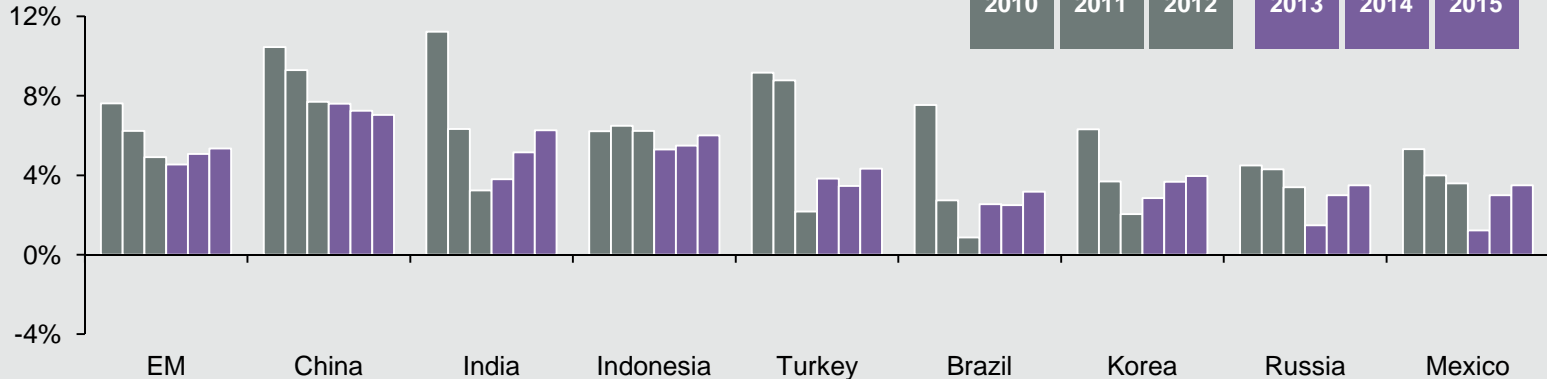


Source: Ministry of International Trade, OECD, CEIC, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

(Bottom Left) SEMI stands for North American Semiconductor Equipment Industry. Book-to-bill ratio is the ratio of orders taken in a period to the amount invoiced over the same period. Invoicing is usually done shortly after shipping. Therefore, the difference between the amount ordered and the amount invoiced is usually viewed as a leading indicator of whether output will rise or fall. A book-to-bill ratio of 1 shows stability, above 1 indicates near-term output expansion and vice versa. Total may not sum to 100% due to rounding. Data reflect most recently available as of 31/12/13.

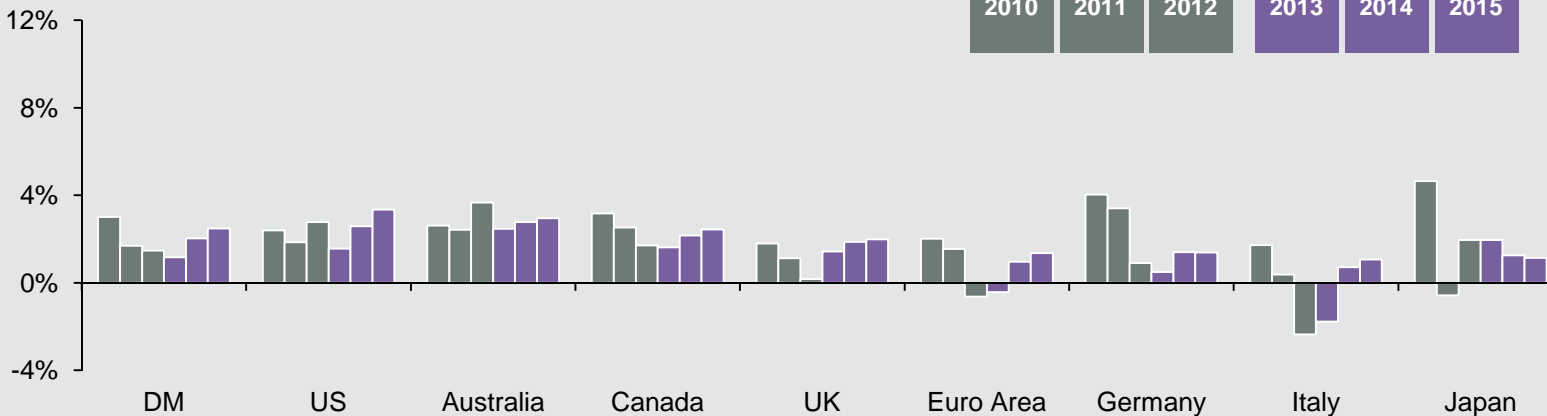
Emerging Market Real GDP Growth

Year-over-year % change



Developed Market Real GDP Growth

Year-over-year % change



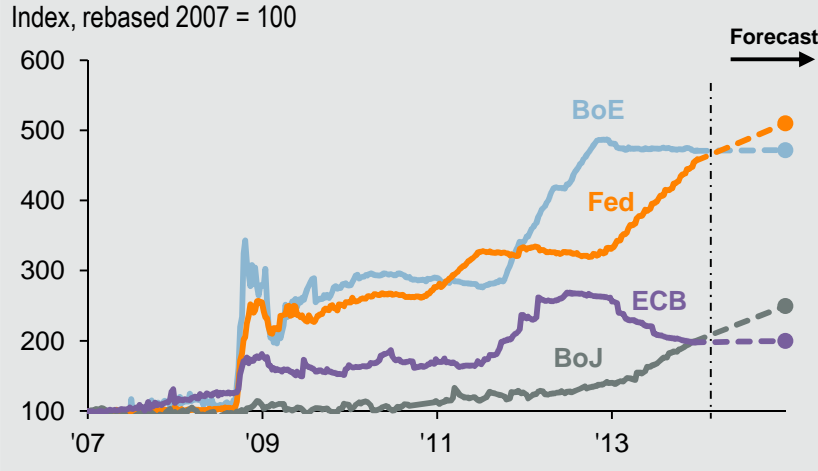
Source: IMF, J.P. Morgan Asset Management "Guide to the Markets – Asia."
Forecasts are from the IMF's October 2013 World Economic Outlook.
Data reflect most recently available as of 31/12/13.

	Economics (2014 Forecasts by IMF)					Demographics (2012/2013 Estimates)			
	GDP (USD bn)	GDP per Capita (USD)	Real GDP Growth (%)	Inflation (CPI %)	Current Account (% of GDP)	Population (millions)	Age Dependency Ratio (%)	Life Expectancy (years)	Median Age
Developed									
Australia	1,459	62,127	2.8%	2.5%	-3.5%	22	51.6	82.0	37.6
Canada	1,887	53,118	2.2%	1.6%	-3.1%	35	47.9	81.6	40.8
European Union	18,019	32,817	1.3%	1.7%	1.6%	504	49.2	79.9	41.3
Japan	5,228	41,150	1.2%	2.9%	1.7%	127	64.4	84.2	46.4
UK	2,627	40,879	1.9%	2.3%	-2.3%	63	55.2	80.3	40.3
US	17,438	54,609	2.6%	1.5%	-2.8%	317	51.5	78.6	37.3
Emerging									
Brazil	2,170	10,773	2.5%	5.8%	-3.2%	201	45.1	73.0	31.3
China	9,761	7,138	7.3%	3.0%	2.7%	1,350	38.3	75.0	36.2
India	1,750	1,389	5.1%	8.9%	-3.8%	1,221	51.0	67.5	26.6
Indonesia	863	3,432	5.5%	7.5%	-3.1%	251	50.2	71.9	29.6
Mexico	1,396	11,687	3.0%	3.0%	-1.5%	116	51.9	76.9	28.3
Russia	2,215	15,717	3.0%	5.7%	2.3%	143	42.1	69.9	38.7
Turkey	851	11,011	3.5%	6.5%	-7.2%	81	48.2	73.0	30.2

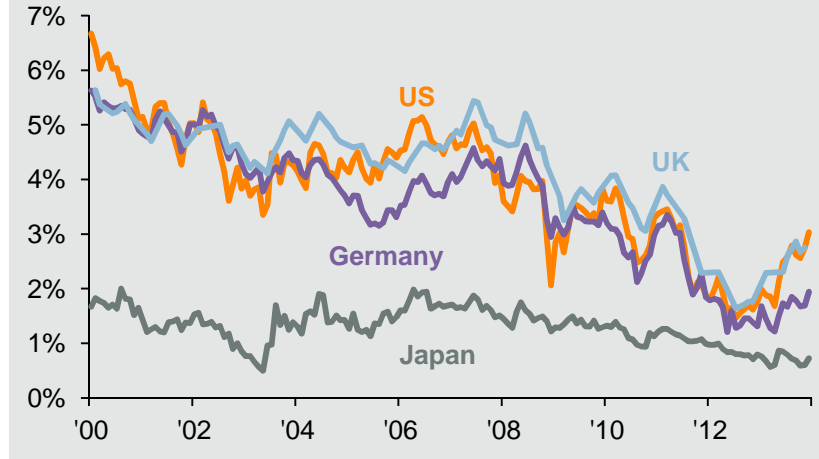
Source: IMF, UN, World Bank, CIA, J.P. Morgan Asset Management "Guide to the Markets – Asia."

All economic data are taken from the IMF's October 2013 World Economic Outlook. Population and life expectancy data are 2012/2013 estimates from the CIA World Factbook. Age dependency ratio is the ratio of people younger than 15 and older than 64 to the working age population. Median age and age dependency ratios for each region/country are based on 2015 projections from the United Nations World Population Prospects. Data reflect most recently available as of 31/12/13.

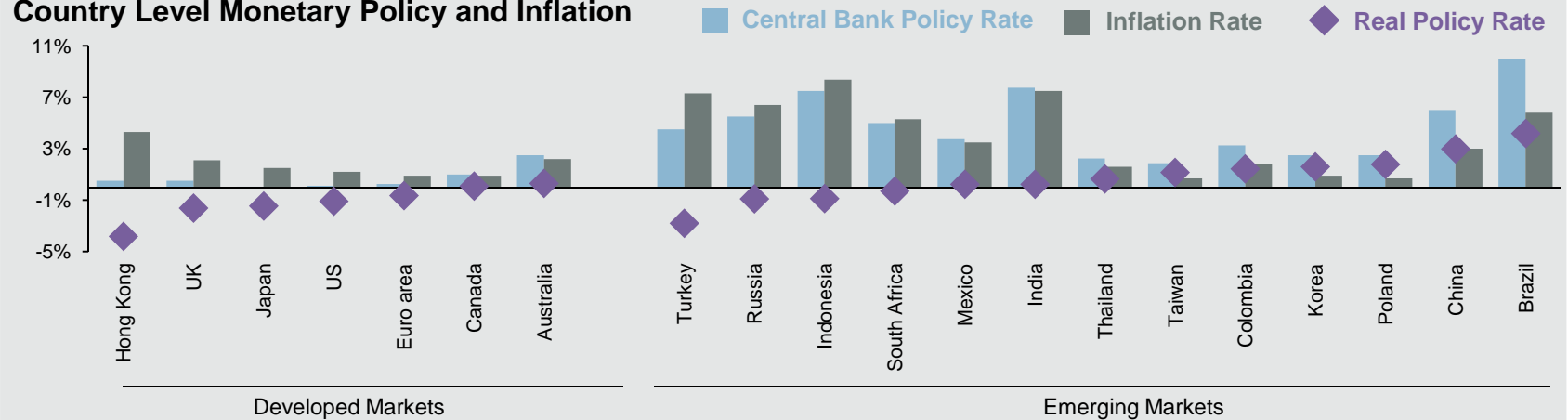
Central Bank Balance Sheets



10-Year Government Bond Yields

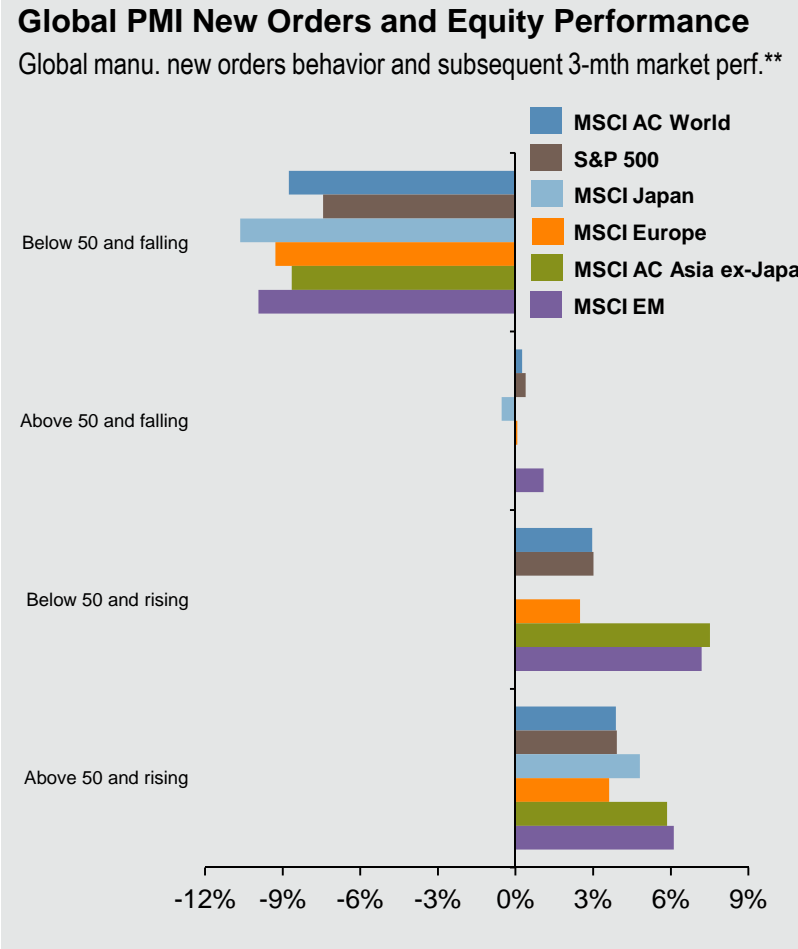
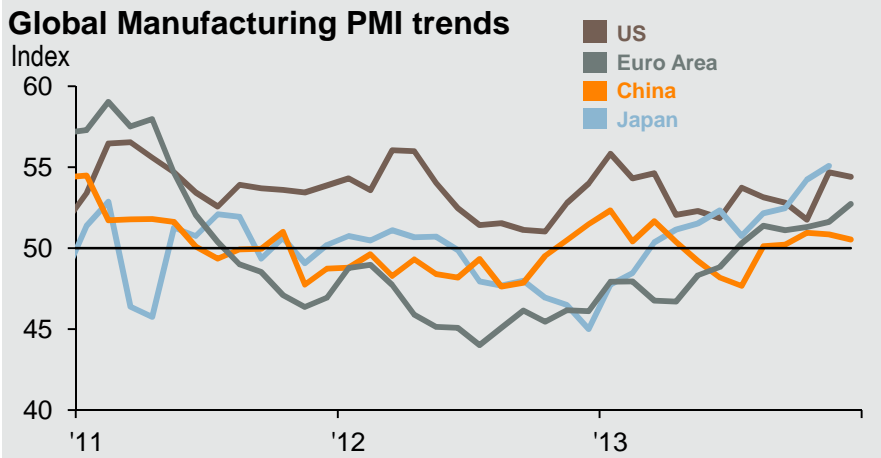
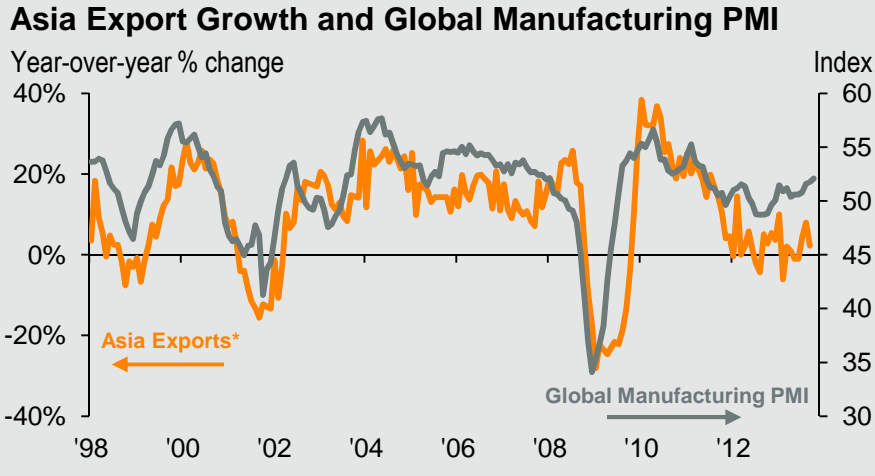


Country Level Monetary Policy and Inflation



Source: FactSet, J.P. Morgan Economics, J.P. Morgan Asset Management "Guide to the Markets – Asia."

(Top Left) Assuming constant maturity and average asset purchase for 2014 is equivalent to 50% of current levels throughout the year for the Fed. All other central banks maintain current rate. (Bottom) Central bank policy rates are the short-term target interest rates set by central banks. Inflation rates shown represent year-over-year average quarterly headline CPI rates for 3Q13. Real policy rates are latest central bank policy rates minus year-over-year inflation. Data reflect most recently available as of 31/12/13.



Source: China Customs, Hong Kong Census & Statistics Department, Indian Ministry of Commerce & Industry, Statistics Indonesia, Malaysian Department of Statistics, Philippines National Statistics Office, Statistics Singapore, Korean Customs Service, Taiwan Ministry of Finance, Bank of Thailand, Markit, MSCI, Standard & Poor's, J.P. Morgan Economics, J.P. Morgan Asset Management "Guide to the Markets – Asia."

* Simple average of China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand export growth.

** Subsequent 3-month performance from January 1998 – present.

Data reflect most recently available as of 31/12/13.

Global Purchasing Managers' Index (PMI)

Global Purchasing Managers' Index for Manufacturing

	Feb'12	Mar'12	Apr'12	May'12	Jun'12	Jul'12	Aug'12	Sep'12	Oct'12	Nov'12	Dec'12	Jan'13	Feb'13	Mar'13	Apr'13	May'13	Jun'13	Jul'13	Aug'13	Sep'13	Oct'13	Nov'13
Global	51.2	51.6	51.3	50.3	49.7	48.8	48.7	48.7	48.9	49.6	50.0	51.5	50.9	51.2	50.4	50.6	50.6	50.8	51.6	51.8	52.1	53.2
U.S.	53.6	56.0	56.0	54.0	52.5	51.4	51.5	51.1	51.0	52.8	54.0	55.8	54.3	54.6	52.1	52.3	51.9	53.7	53.1	52.8	51.8	54.7
U.K.	51.1	52.0	50.2	46.8	48.8	45.5	49.1	48.2	48.0	48.4	50.7	50.9	48.2	49.3	50.6	52.1	53.0	54.7	57.3	56.7	56.5	58.4
Euro Area	49.0	47.7	45.9	45.1	45.1	44.0	45.1	46.1	45.4	46.2	46.1	47.9	47.9	46.8	46.7	48.3	48.8	50.3	51.4	51.1	51.3	51.6
Germany	50.2	48.4	46.2	45.2	45.0	43.0	44.7	47.4	46.0	46.8	46.0	49.8	50.3	49.0	48.1	49.4	48.6	50.7	51.8	51.1	51.7	52.7
France	50.0	46.7	46.9	44.7	45.2	43.4	46.0	42.7	43.7	44.5	44.6	42.9	43.9	44.0	44.4	46.4	48.4	49.7	49.7	49.8	49.1	48.4
Spain	45.0	44.5	43.5	42.0	41.1	42.3	44.0	44.5	43.5	45.3	44.6	46.1	46.8	44.2	44.7	48.1	50.0	49.8	51.1	50.7	50.9	48.6
Greece	37.7	41.3	40.7	43.1	40.1	41.9	42.1	42.2	41.0	41.8	41.4	41.7	43.0	42.1	45.0	45.3	45.4	47.0	48.7	47.5	47.3	49.2
Australia	51.3	49.5	43.9	42.4	47.2	40.3	45.3	43.0	42.8	44.3	44.3	40.2	45.6	44.4	36.7	43.8	49.6	42.0	46.4	51.7	53.2	47.7
Japan	50.5	51.1	50.7	50.7	49.9	47.9	47.7	48.0	46.9	46.5	45.0	47.7	48.5	50.4	51.1	51.5	52.3	50.7	52.2	52.5	54.2	55.1
China	49.6	48.3	49.3	48.4	48.2	49.3	47.6	47.9	49.5	50.5	51.5	52.3	50.4	51.6	50.4	49.2	48.2	47.7	50.1	50.2	50.9	50.8
China (NBS)	51.0	53.1	53.3	50.4	50.2	50.1	49.2	49.8	50.2	50.6	50.6	50.4	50.1	50.9	50.6	50.8	50.1	50.3	51.0	51.1	51.4	51.4
Indonesia	50.6	50.8	50.5	48.1	50.2	51.4	51.6	50.5	51.9	51.5	50.7	49.7	50.5	51.3	51.7	51.6	51.0	50.7	48.5	50.2	50.9	50.3
Korea	50.7	52.0	51.9	51.0	49.4	47.2	47.5	45.7	47.4	48.2	50.1	49.9	50.9	52.0	52.6	51.1	49.4	47.2	47.5	49.7	50.2	50.4
Taiwan	52.7	54.1	51.2	50.5	49.2	47.5	46.1	45.6	47.8	47.4	50.6	51.5	50.2	51.2	50.7	47.1	49.5	48.6	50.0	52.0	53.0	53.4
India	56.6	54.7	54.9	54.8	55.0	52.9	52.8	52.8	52.9	53.7	54.7	53.2	54.2	52.0	51.0	50.1	50.3	50.1	48.5	49.6	49.6	51.3
Brazil	51.4	51.1	49.3	49.3	48.5	48.7	49.3	49.8	50.2	52.2	51.1	53.2	52.5	51.8	50.8	50.4	50.4	48.5	49.4	49.9	50.2	49.7
Mexico	53.7	53.8	56.3	55.2	55.9	55.2	55.1	54.4	55.5	55.6	57.1	55.0	53.4	52.2	51.7	51.8	51.3	49.7	50.8	50.0	50.2	51.9

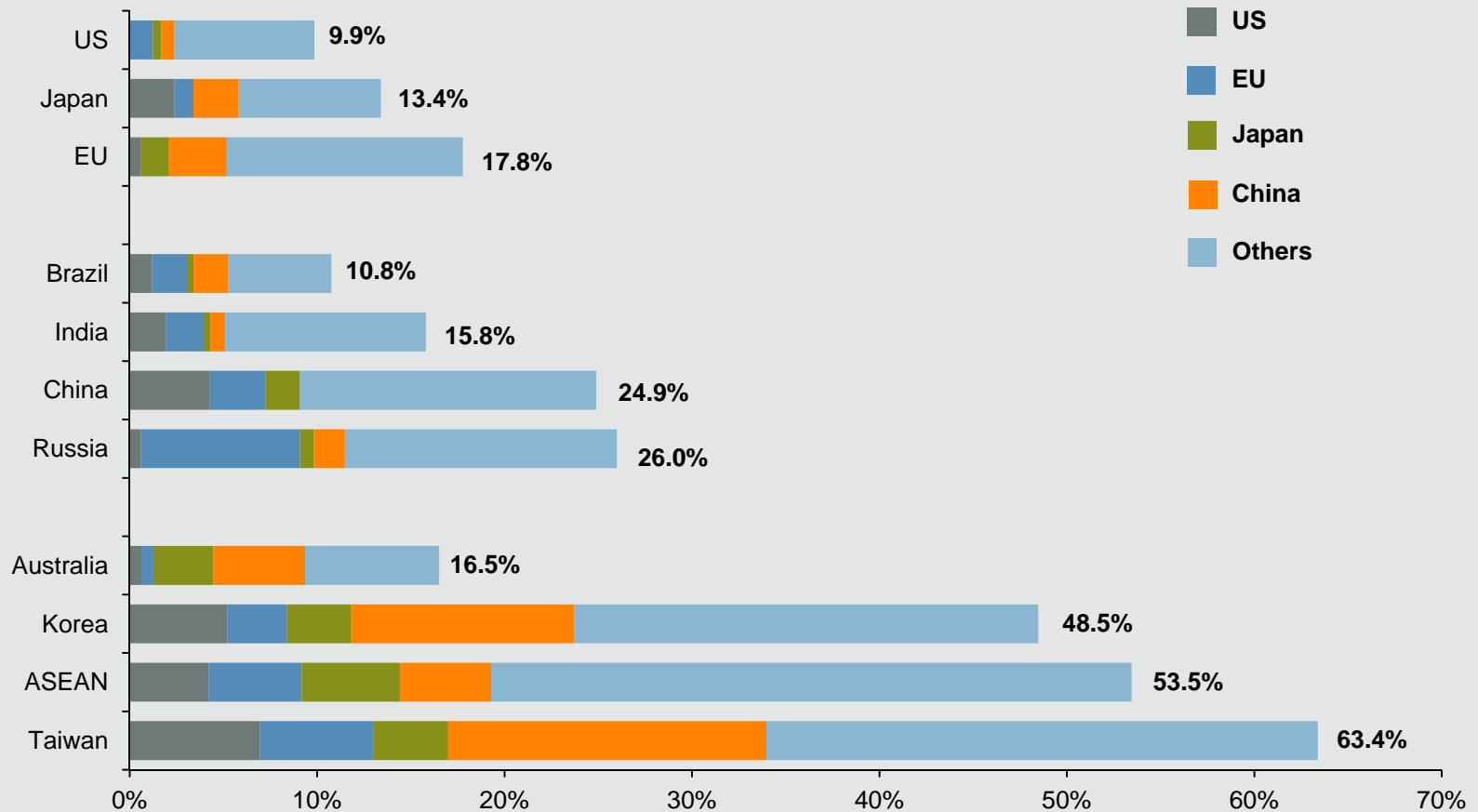
Source: Markit, National Bureau of Statistics of China, J.P. Morgan Asset Management "Guide to the Markets – Asia."

Heatmap colours are based on PMI relative to 50, which indicates contraction (below 50) or expansion (above 50) of the sector.

Data reflect most recently available as of 31/12/13.

Exports as a % GDP - 2012

Goods exports



Source: IMF, CEIC, J.P. Morgan Asset Management "Guide to the Markets – Asia."

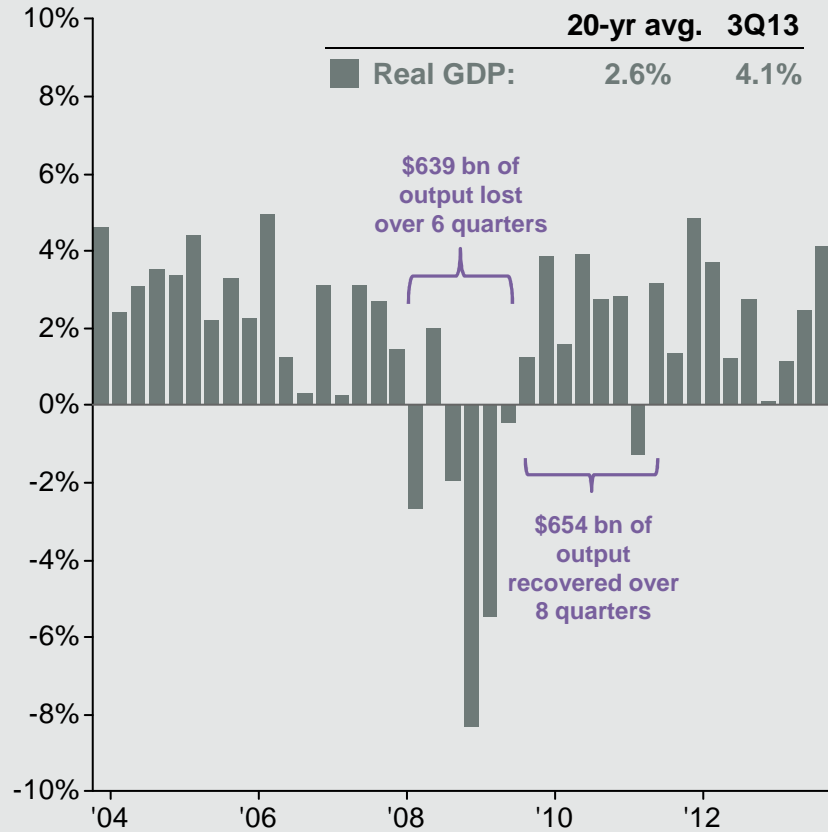
EU exports as a % of GDP excludes intra EU-trade as the European Union is considered as one regional economy.

Data reflect most recently available as of 31/12/13.

United States: Economic Growth and the Composition of GDP

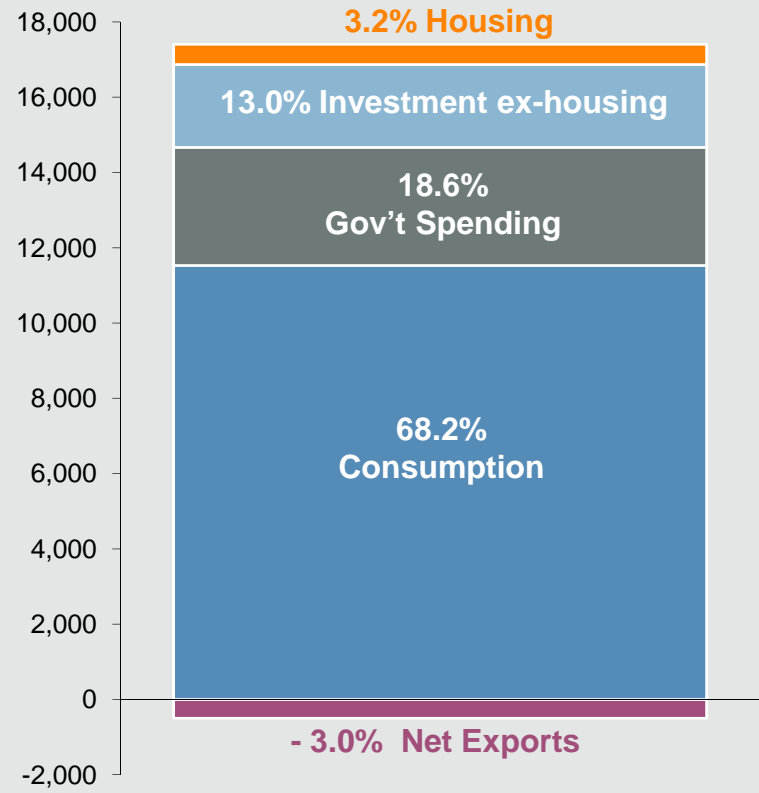
Real GDP

Quarter-over-quarter annualized seasonally adjusted, % change



Components of GDP

3Q13 nominal GDP annualized seasonally adjusted, USD billions



Source: US Bureau of Economic Analysis, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

GDP values shown in legend are % change vs. prior quarter annualized and reflect 3Q13 GDP.
 Total may not sum to 100% due to rounding.
 Data reflect most recently available as of 31/12/13.

United States: Inflation and Unemployment

Inflation

Year-over-year % change



Unemployment Rate

Seasonally adjusted



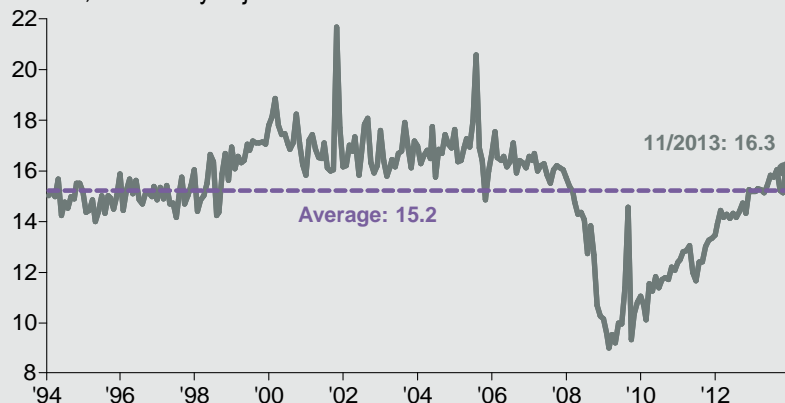
Source: US Bureau of Economic Analysis, Census Bureau, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

Data reflect most recently available as of 31/12/13.

United States: Cyclical Indicators

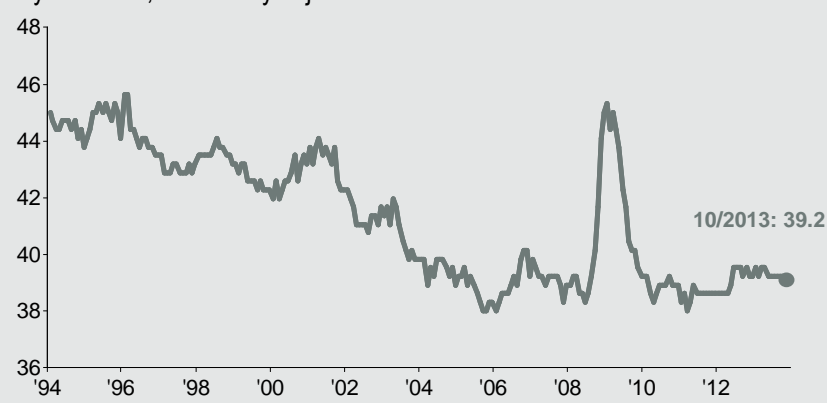
Light Vehicle Sales

Millions, seasonally adjusted annualized rate



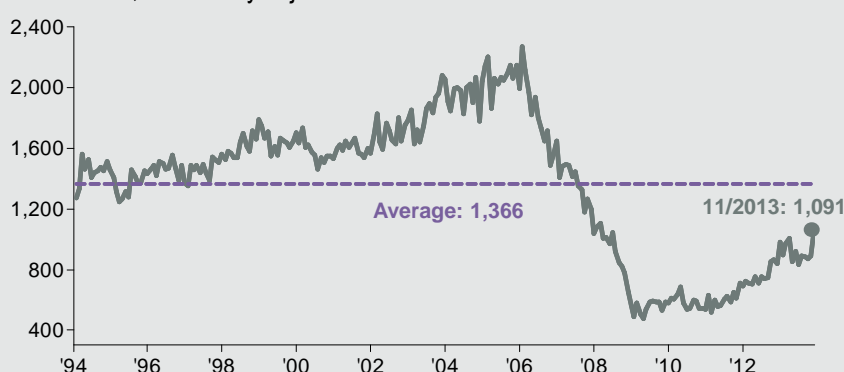
Manufacturing and Trade Inventories

Days of sales, seasonally adjusted



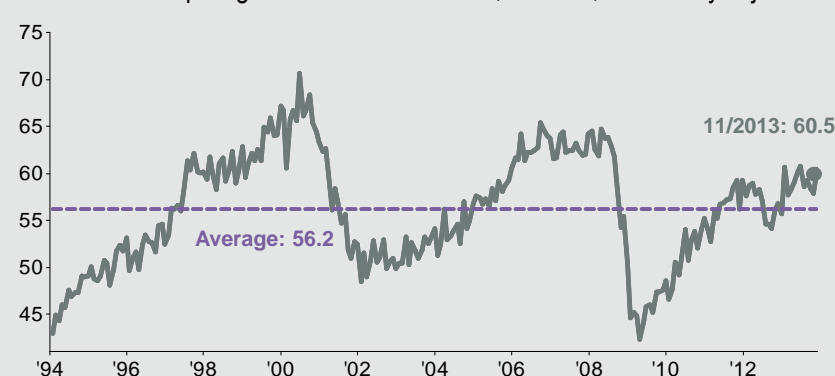
Housing Starts

Thousands, seasonally adjusted annualized rate



Real Capital Goods Orders

Non-defense capital goods orders ex. aircraft, USD bn, seasonally adjusted



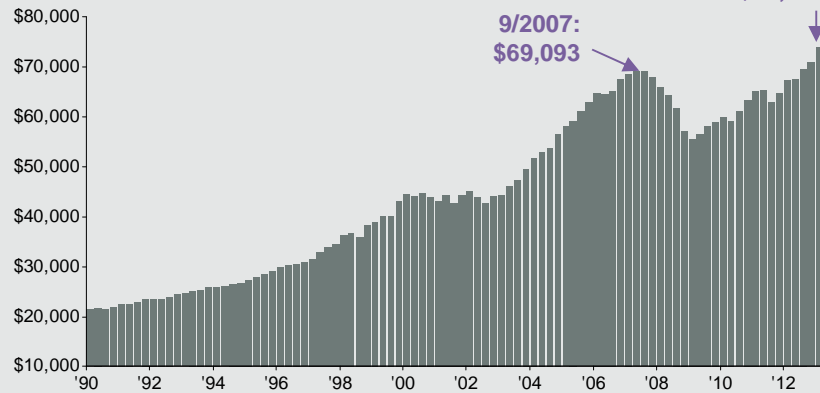
Source: US Bureau of Economic Analysis, Census Bureau, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

(Bottom Right) Capital goods orders deflated by producer price index for capital goods.

Data reflect most recently available as of 31/12/13.

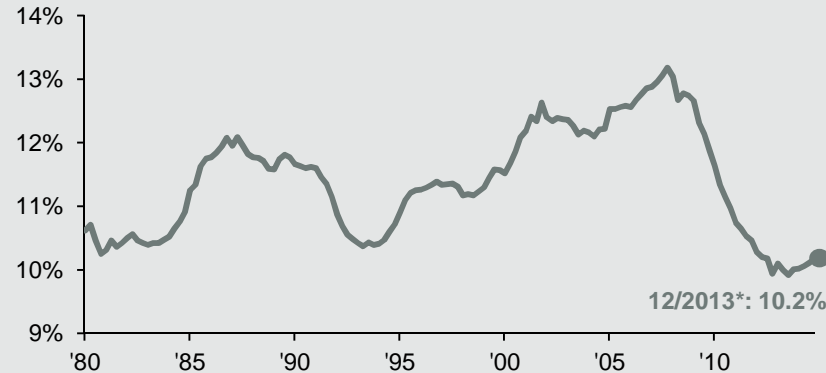
Household Net Worth

USD Billions



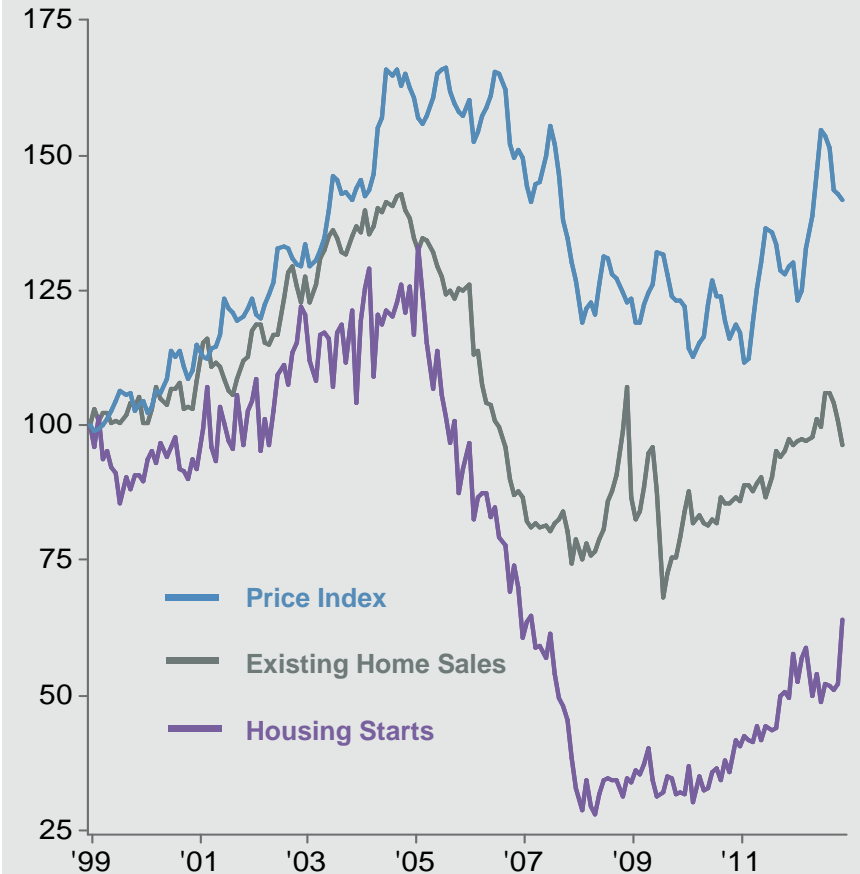
US Household Debt Service Ratio

Debt payments as % of disposable personal income, seasonally adjusted



US Home Sales, Prices, and Housing Starts

Index, rebased 12/1999 = 100



Source: Bureau of Economic Analysis, US Federal Reserve, FactSet, National Association of Realtors, US Census Bureau, J.P. Morgan Asset Management "Guide to the Markets – Asia."

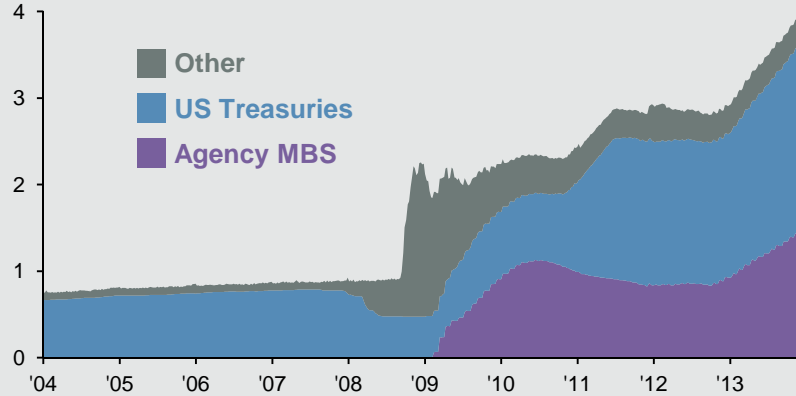
* 4Q13 household debt service ratio and household net worth (financial assets and property) are J.P. Morgan Asset Management estimates.

(Right) Price index is the median home sale price.

Data reflect most recently available as of 31/12/13.

Fed's Balance Sheet: Assets

USD Trillions



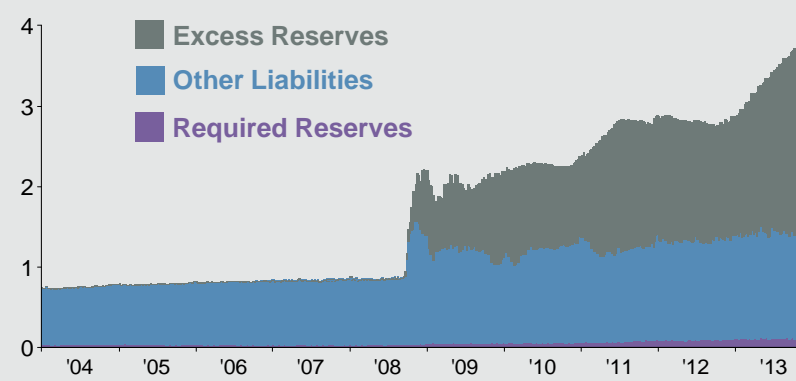
Money Multiplier

M2 / Monetary Base

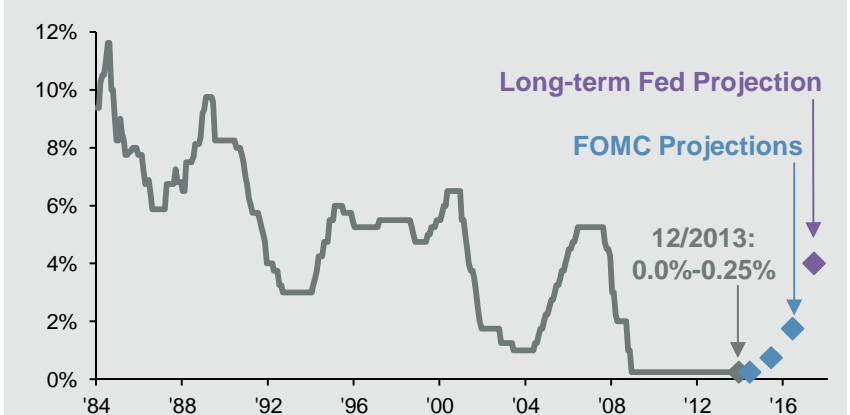


Fed's Balance Sheet: Liabilities

USD Trillions



Federal Funds Rate & FOMC Interest Rate Projections



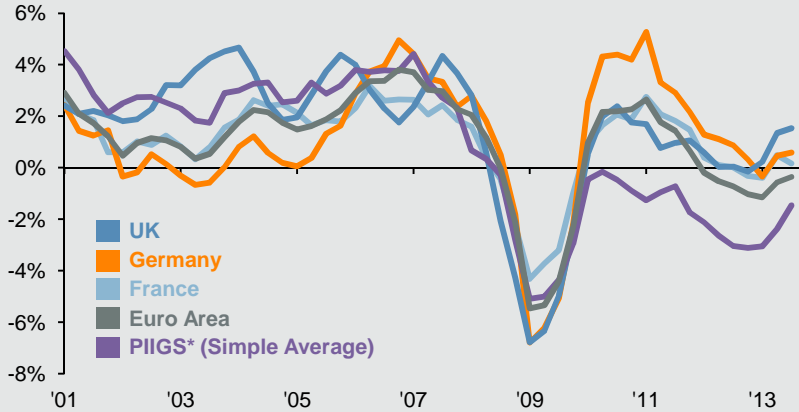
Source: Federal Reserve, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

Monetary base is defined as the total amount of a currency that is either in circulation with the public or held as commercial bank deposits with the central bank. The Money Multiplier is defined as the broad money supply, M2, divided by the monetary base, M0. Fed projections are based on the median of expectations of FOMC members.

Data reflect most recently available as of 31/12/13.

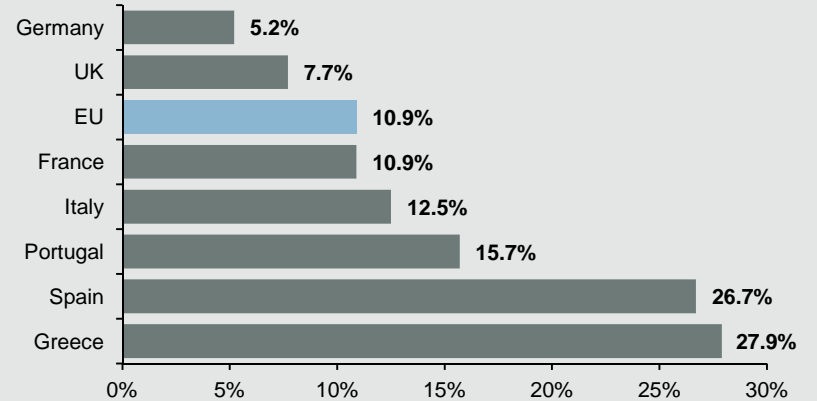
GDP Growth

Year-over-year % change



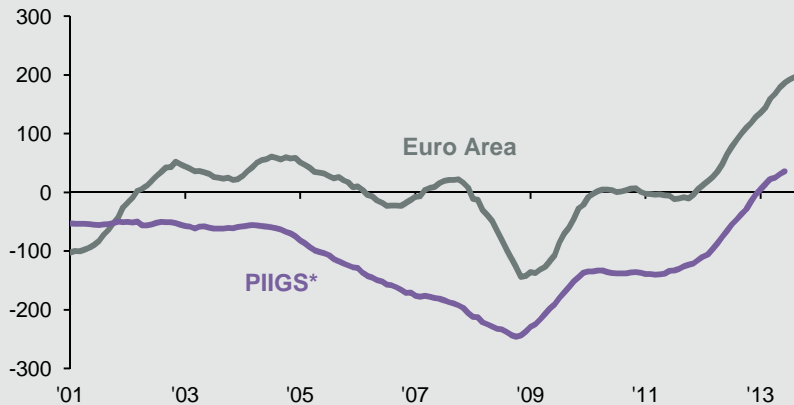
Latest Unemployment Rates for European Countries

October/November 2013, seasonally adjusted



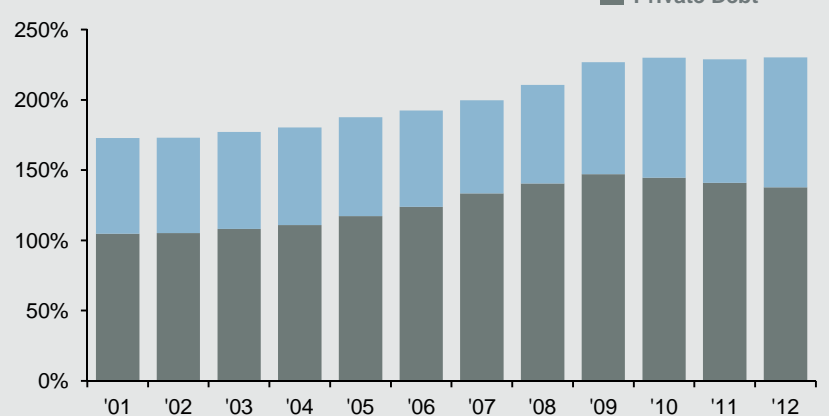
Current Account Balance

EUR Billions, 12-month rolling sum



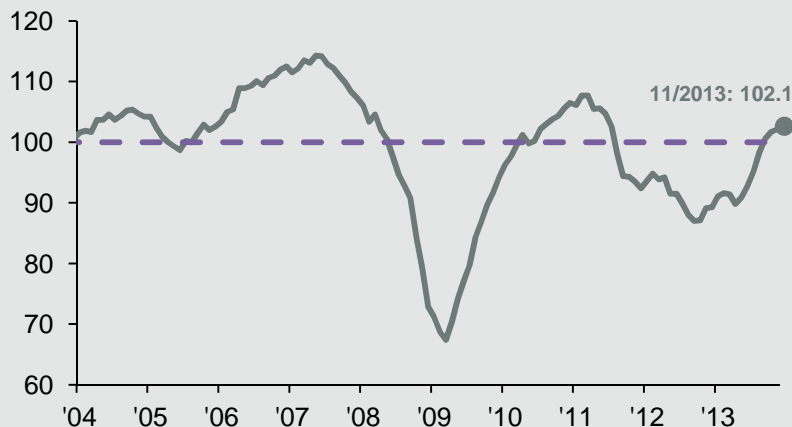
Euro Area Public and Private Debt

% of GDP



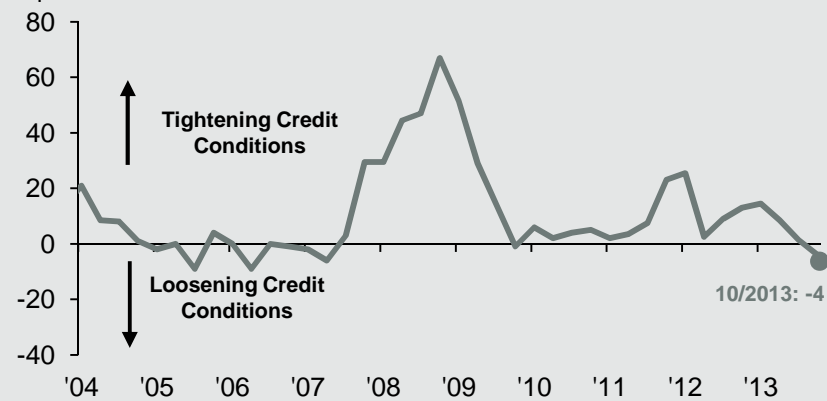
Source: Eurostat, ECB, Bank of Portugal, Bank of Italy, CSO – Irish Central Statistics Office, Bank of Greece, Bank of Spain, FactSet, MacData, J.P. Morgan Asset Management “Guide to the Markets – Asia.”
* PIIGS stands for Portugal, Italy, Ireland, Greece and Spain.
Data reflect most recently available as of 31/12/13.

Economic Sentiment Index*



ECB Bank Lending Survey

Expected Credit Conditions Diffusion Index**



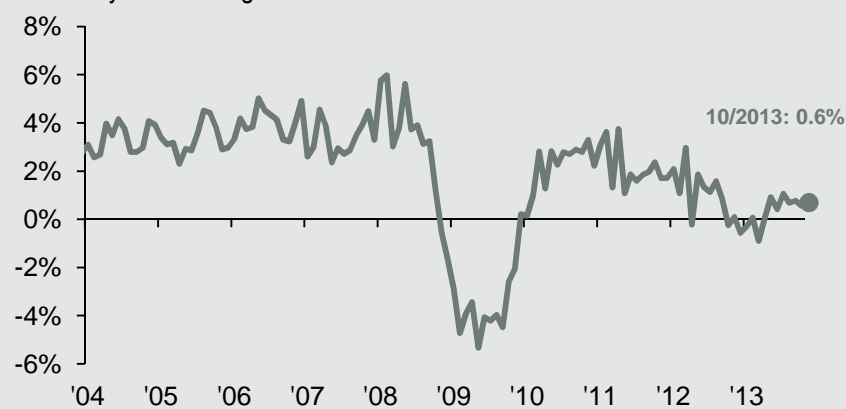
Export Growth

Year-over-year % change



Retail Trade

Year-over-year % change



Source: ECB, Eurostat, Bloomberg, FactSet, CEIC, J.P. Morgan Asset Management "Guide to the Markets – Asia."

* European Commission Economic Sentiment Index.

** The diffusion index is a weighted difference between enterprises expecting tightening or loosening credit conditions.

Data reflect most recently available as of 31/12/13.

Global and Asia Equity Markets: Returns

Equities

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	4Q '13	10-yrs ('04 - '13)	
													Ann. Ret.	Ann. Vol.
China	Australia	Korea	China	India	Japan	India	ASEAN	US	HK	US	India	ASEAN	India	
87.6%	30.3%	57.0%	82.9%	73.1%	-29.2%	102.8%	32.2%	1.4%	28.3%	31.8%	10.3%	13.1%	32.0%	
India	HK	India	India	China	US	Taiwan	Korea	ASEAN	India	Japan	US	China	Korea	
78.3%	25.0%	37.6%	51.0%	66.2%	-37.6%	79.2%	26.7%	-6.3%	26.0%	27.2%	10.1%	12.4%	28.7%	
Australia	Korea	Japan	ASEAN	HK	Europe	Australia	HK	Australia	China	Europe	Europe	Korea	China	
49.5%	22.1%	25.5%	42.4%	41.2%	-46.4%	76.4%	23.2%	-11.0%	22.7%	25.2%	7.9%	11.8%	27.5%	
ASEAN	Europe	China	Europe	ASEAN	Taiwan	ASEAN	Taiwan	Europe	ASEAN	HK	Taiwan	HK	Australia	
48.2%	20.9%	19.8%	33.7%	39.0%	-46.5%	74.6%	21.8%	-11.1%	22.5%	11.1%	4.3%	11.1%	24.1%	
Taiwan	India	Australia	Australia	Korea	ASEAN	Korea	India	Korea	Australia	Taiwan	Korea	Australia	Taiwan	
41.9%	19.1%	16.0%	30.9%	31.9%	-47.7%	71.3%	20.9%	-12.0%	22.1%	9.1%	4.0%	11.1%	23.7%	
Europe	ASEAN	ASEAN	HK	Australia	Australia	China	Japan	Japan	Korea	Australia	China	India	HK	
38.5%	18.9%	10.7%	30.4%	28.3%	-50.7%	62.3%	15.4%	-14.3%	21.2%	4.2%	3.8%	11.0%	21.5%	
HK	Japan	Europe	Taiwan	Europe	China	HK	US	HK	Europe	Korea	HK	Europe	ASEAN	
38.1%	15.9%	9.4%	20.0%	13.9%	-50.8%	60.2%	14.8%	-16.0%	19.1%	3.9%	3.3%	7.3%	20.8%	
Japan	US	HK	US	Taiwan	HK	Europe	Australia	China	Taiwan	China	Japan	US	Europe	
35.9%	10.1%	8.4%	14.7%	8.4%	-51.2%	35.8%	14.5%	-18.4%	16.7%	3.6%	2.3%	6.9%	19.9%	
Korea	Taiwan	Taiwan	Korea	US	Korea	US	China	Taiwan	US	India	Australia	Taiwan	Japan	
35.0%	9.0%	6.4%	12.6%	5.4%	-55.3%	26.3%	4.6%	-20.9%	15.3%	-3.8%	-0.9%	5.9%	16.3%	
US	China	US	Japan	Japan	India	Japan	Europe	India	Japan	ASEAN	ASEAN	Japan	US	
28.4%	1.9%	5.1%	6.2%	-4.2%	-64.6%	6.3%	3.9%	-37.2%	8.2%	-4.7%	-1.2%	4.2%	14.7%	

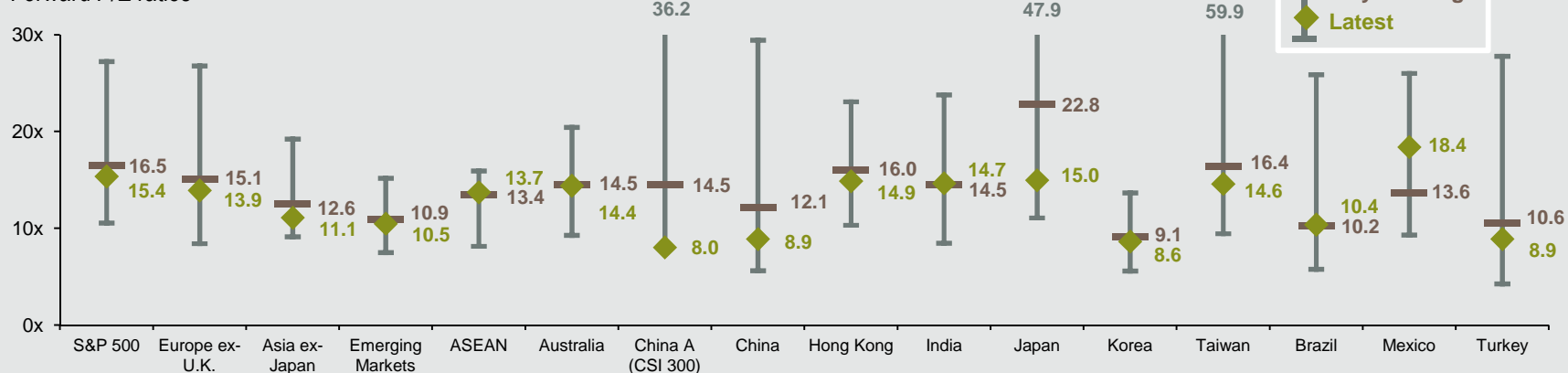
Source: MSCI, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

Returns are total (net) returns based on MSCI indices in US dollar terms. 10-yr total (net) return data is used to calculate annualized returns (Ann. Ret.) and 10-yr price return data is used to calculate annualized volatility (Ann. Vol.) and reflect the period 31/12/03 – 31/12/13. Data reflect most recently available as of 31/12/13.

Global Equity Markets: Valuations

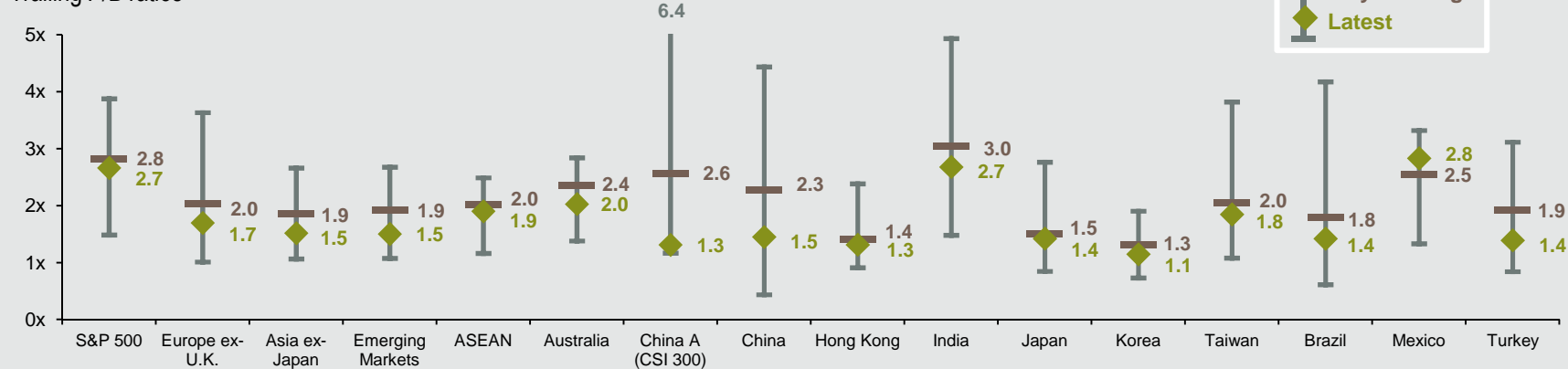
Equity Market Valuations – Price to Earnings

Forward P/E ratios



Equity Market Valuations – Price to Book

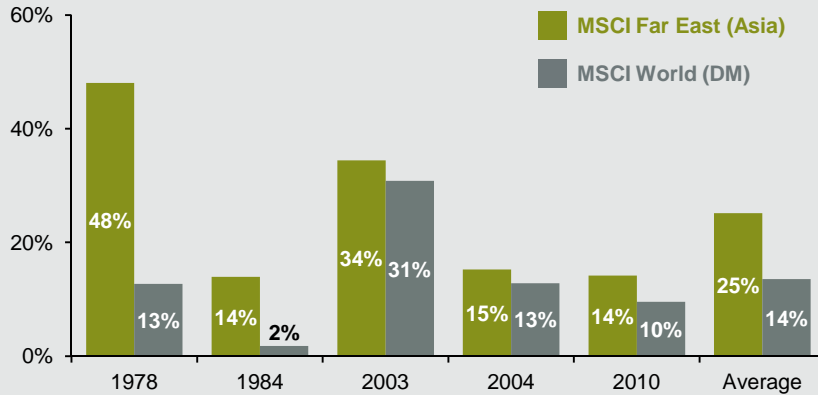
Trailing P/B ratios



Source: Standard & Poor's, MSCI, China Securities Index, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia." P/E and P/B ratios are in local currency terms. China A valuations based on the CSI300 Index and China valuations based on the MSCI China. 20-year range for P/E and P/B ratios are cut off to maintain a more reasonable scale. Data reflect most recently available as of 31/12/13.

Synchronized Growth and Equity Performance

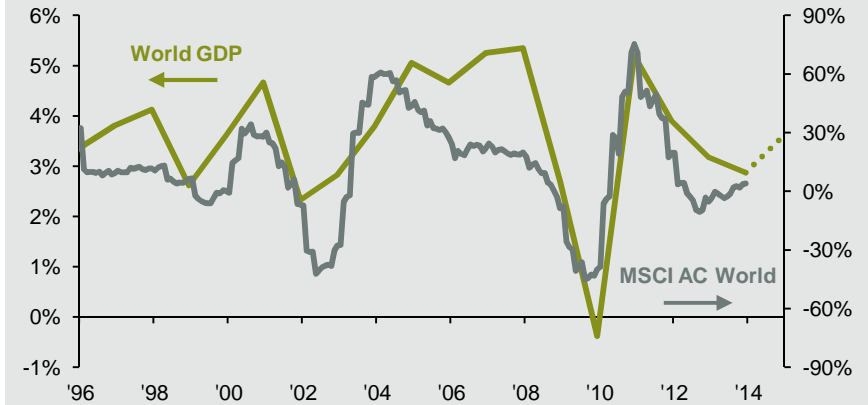
Return (%) during years when all 4 economies have stronger GDP growth



Economic Growth and EPS Growth

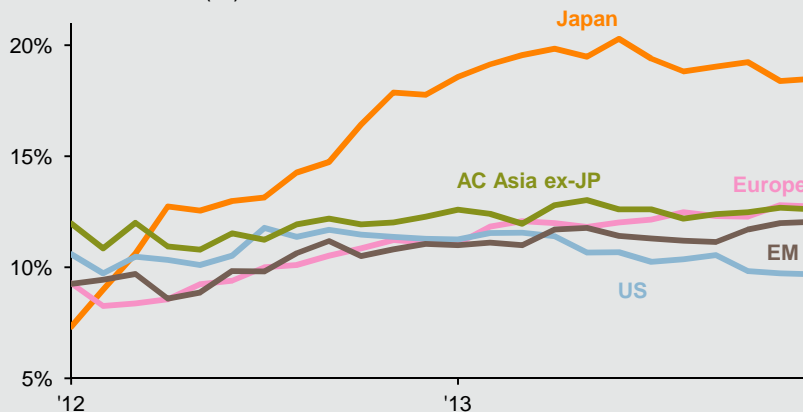
Real GDP Growth (%)

Trailing EPS Growth (%)



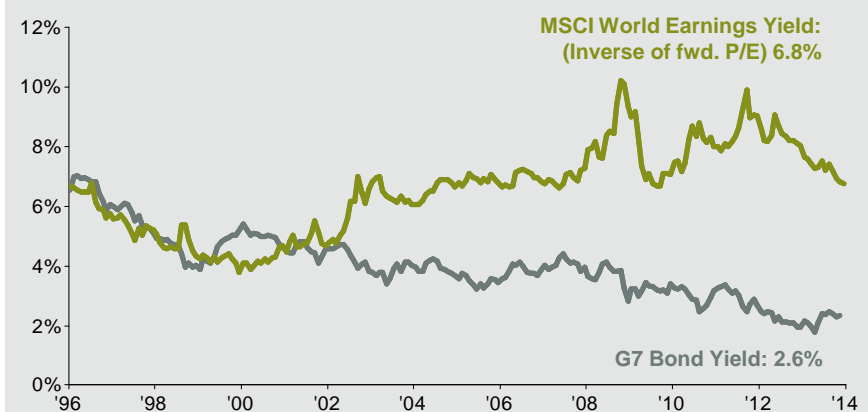
EPS Growth Expectations by Region

2014, EPS Growth (%)



Relative Valuations of Global Equities vs. Bonds

Yields



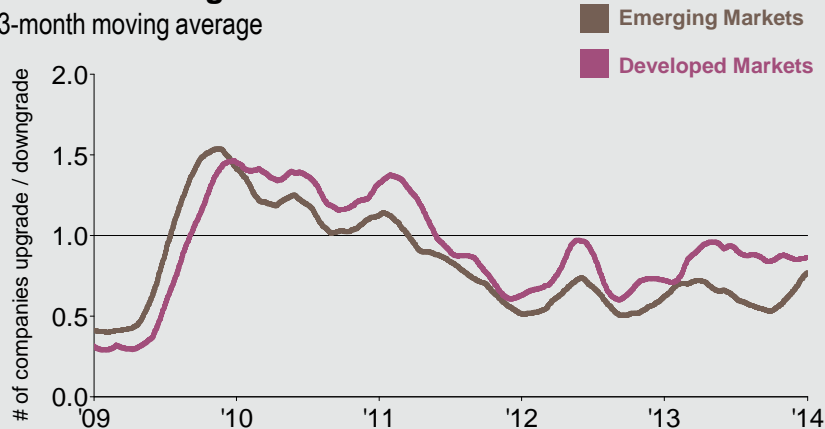
Source: MSCI, IMF, Moody's, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

(Top Left) Years with synchronized growth is defined as years when real GDP growth was higher than the previous year in each of the world's 4 largest economies - the US, Japan, China and European Union. (Bottom Right) G7 bond yield is the simple average of 10-year government bond yields, which consists of Canada, France, Germany, Italy, Japan, United Kingdom and United States. Earnings yield is calculated as the inverse of the forward P/E ratio. Data reflect most recently available as of 31/12/13.

Global Earnings Momentum

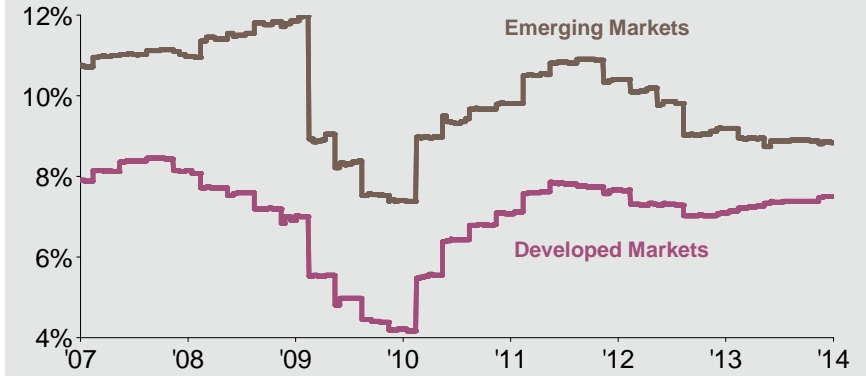
Global Earnings Momentum

3-month moving average



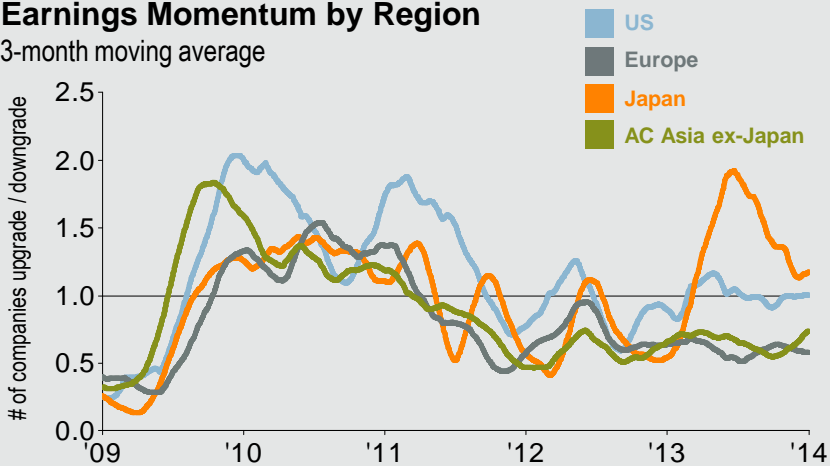
Global Net Margins

Net income / sales



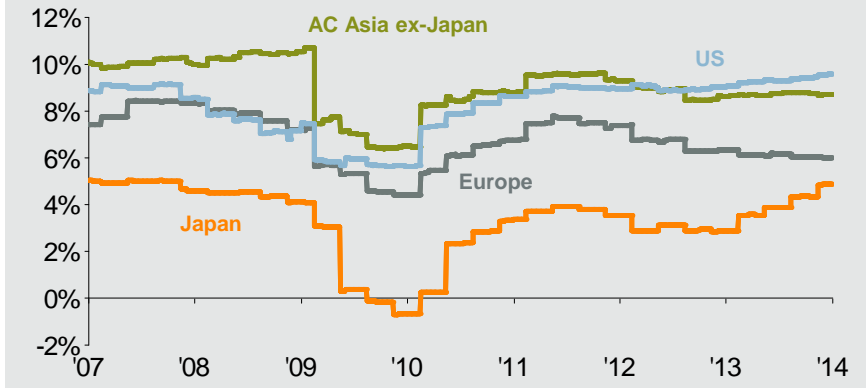
Earnings Momentum by Region

3-month moving average



Net Margins by Region

Net income / sales



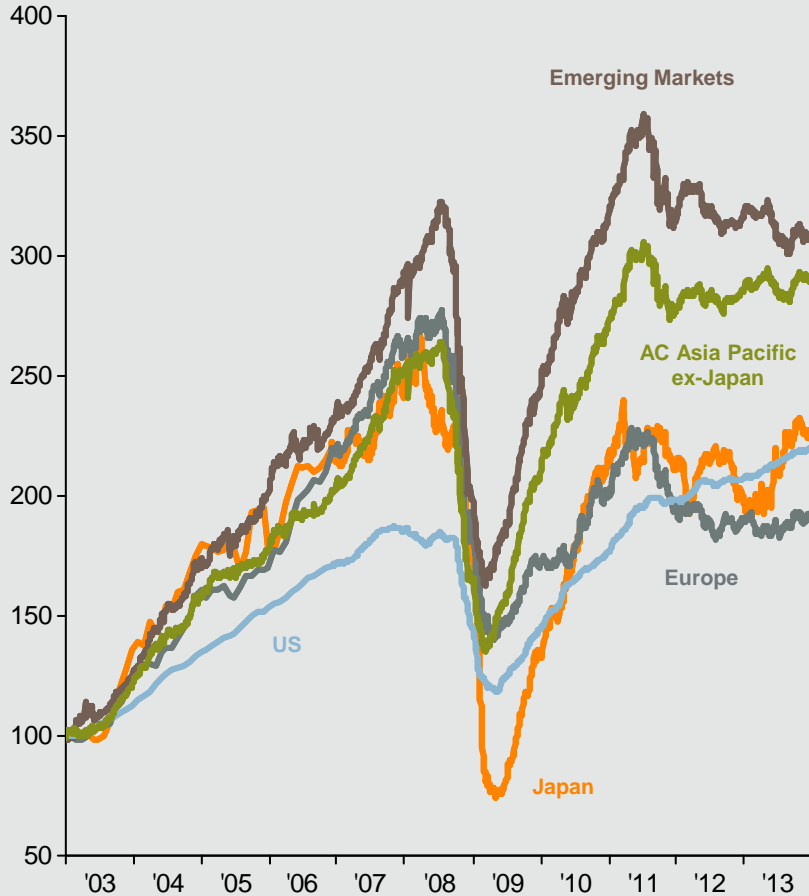
Source: FactSet, MSCI, J.P. Morgan Asset Management "Guide to the Markets – Asia." Earnings expectations measure the number of companies with upward revisions (analyst upgrades) over downward revisions (analyst downgrades) compared with the previous month. Data reflect most recently available as of 31/12/13.

Global Long-term EPS and DPS Growth

Equities

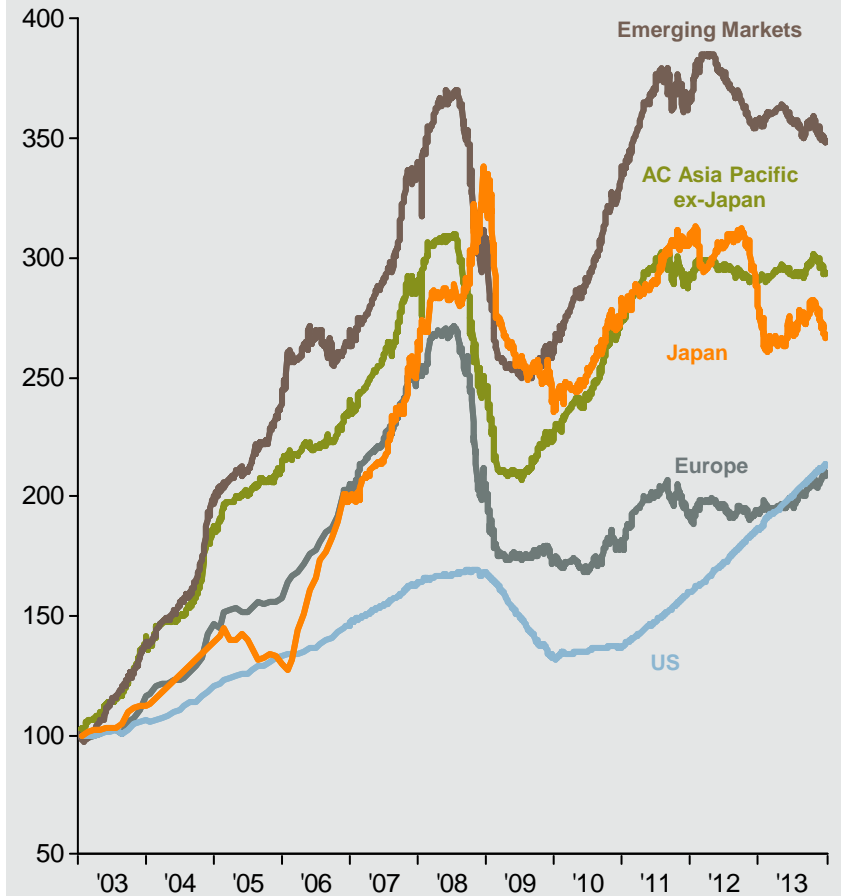
Earnings Per Share (Forward) by Region

Index, rebased 2003 = 100



Dividends Per Share by Region

Index, rebased 2003 = 100



Source: MSCI, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."
Earnings Per Share (EPS) is Forward EPS (Next 12 Months). Dividend Per Share (DPS) is Trailing DPS (Last 12 Months).
Data reflect most recently available as of 31/12/13.

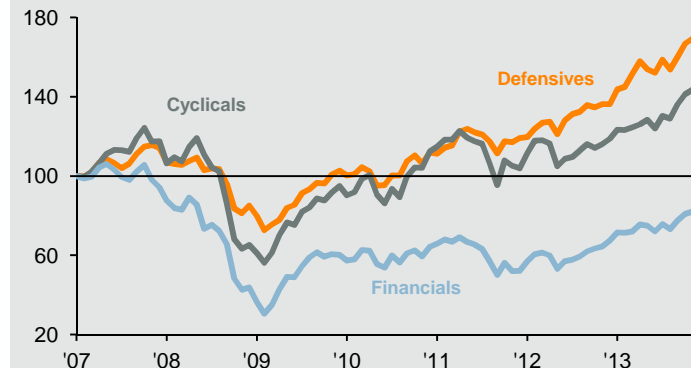
Global Sector Returns

Equities

2008	2009	2010	2011	2012	2013	4Q '13	5-yrs ('09 - '13) Ann. Ret.
Health Care -21.4%	Materials 70.1%	Cons. Disc. 25.2%	Health Care 8.9%	Financials 28.7%	Cons. Disc. 36.0%	IT 11.3%	Cons. Disc. 23.4%
Cons. Stp. -24.0%	IT 58.1%	Industrials 23.8%	Cons. Stp. 7.8%	Cons. Disc. 23.5%	Health Care 35.8%	Health Care 8.8%	IT 19.7%
Utilities -30.4%	Cons. Disc. 43.7%	Materials 21.6%	Telecoms -0.4%	Health Care 17.8%	Industrials 29.4%	Industrials 8.8%	Industrials 16.6%
Telecoms -35.6%	Financials 36.7%	Cons. Stp. 14.2%	Energy -3.0%	Industrials 16.1%	IT 26.5%	Cons. Disc. 7.8%	Health Care 16.4%
Energy -42.2%	Energy 33.3%	Energy 11.5%	IT -4.4%	IT 15.3%	Telecoms 23.5%	Telecoms 7.7%	Cons. Stp. 15.7%
Cons. Disc. -42.3%	Industrials 29.0%	IT 11.3%	Utilities -4.6%	Cons. Stp. 14.5%	Financials 22.1%	Financials 6.8%	Financials 13.0%
IT -44.6%	Cons. Stp. 24.2%	Telecoms 11.3%	Cons. Disc. -5.2%	Materials 11.0%	Cons. Stp. 18.5%	Energy 5.6%	Materials 12.4%
Industrials -45.0%	Health Care 19.5%	Financials 6.5%	Industrials -10.2%	Telecoms 8.1%	Energy 13.6%	Cons. Stp. 5.2%	Telecoms 11.5%
Materials -51.9%	Telecoms 16.5%	Health Care 2.9%	Financials -19.3%	Energy 2.5%	Utilities 10.6%	Materials 4.0%	Energy 10.9%
Financials -53.9%	Utilities 9.7%	Utilities 0.0%	Materials -21.5%	Utilities 2.4%	Materials -0.7%	Utilities 2.2%	Utilities 3.4%

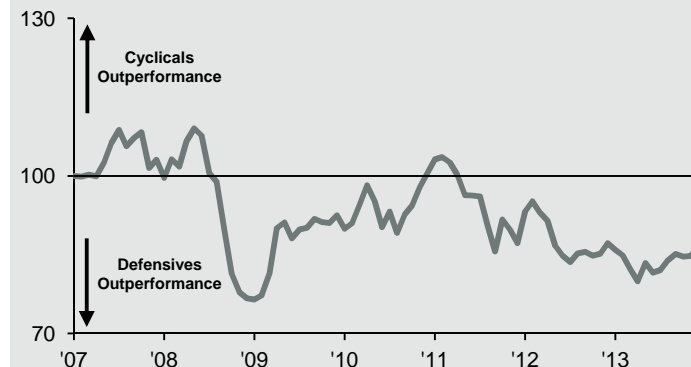
Global Sector Performance*

Index, rebased 2007 = 100



Global Cyclical vs. Defensive*

Index, rebased 2007 = 100



Source: MSCI, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

Sector returns are total (net) returns based on MSCI indices in US dollar terms. 5-year data is used to calculate annualized net total returns (Ann.), reflecting the period from 31/12/08 – 31/12/13.

* Based on MSCI AC World GICS Sectors. Cyclical sectors include Consumer Discretionary, Industrials, Information Technology, Materials and Energy.

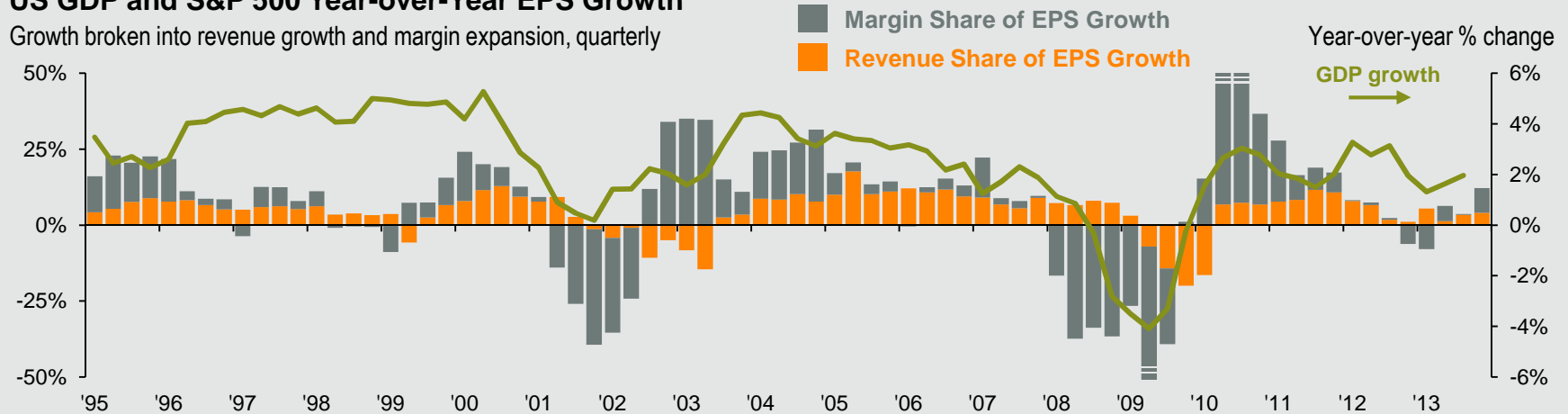
Defensive sectors include Consumer Staples, Utilities, Telecommunication Services and Health Care.

Data reflect most recently available as of 31/12/13.

United States: Source of Earnings, Corporate Profits and Leverage

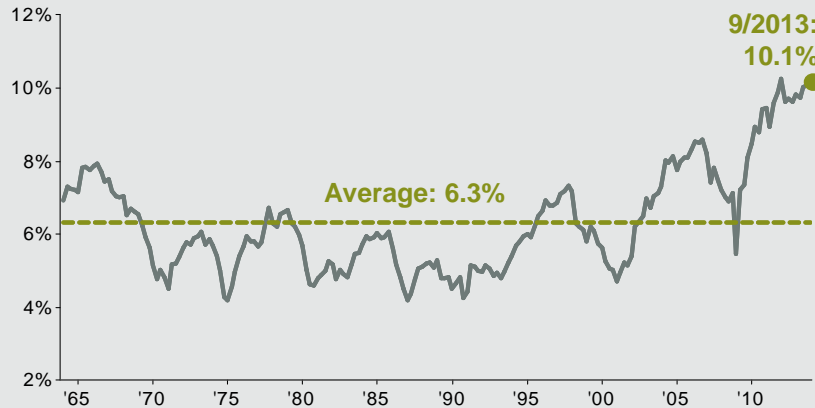
US GDP and S&P 500 Year-over-Year EPS Growth

Growth broken into revenue growth and margin expansion, quarterly



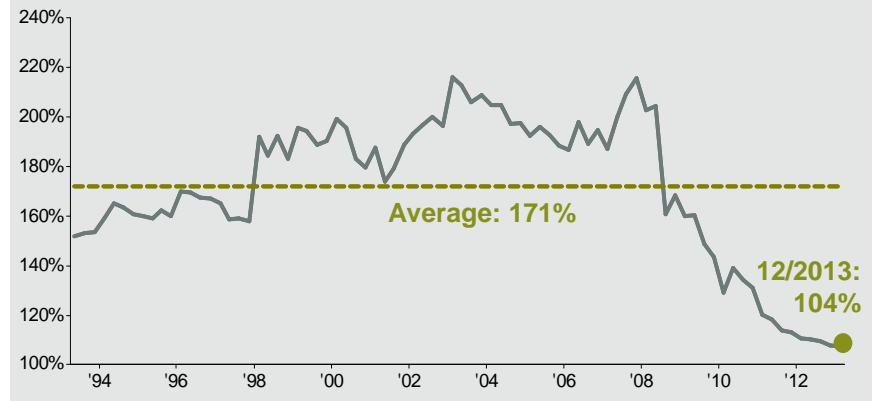
Adjusted After-Tax Corporate Profits (% of GDP)

Includes inventory and capital consumption adjustments



Total Leverage

S&P 500, ratio of total debt to total equity, quarterly



Source: FactSet, Standard & Poor's, BEA, J.P. Morgan Asset Management "Guide to the Markets – Asia."
 (Top) EPS based on operating earnings per share. 3Q13 figures are Standard & Poor's estimates and based on company filings as of 26/12/13. 1Q2009, 1Q2010 and 2Q2010 reflect -101%, 92% and 51% growth, respectively, in operating earnings and are cut off to maintain a more reasonable scale. Data reflect most recently available as of 31/12/13.

United States: S&P 500 Index at Inflection Points

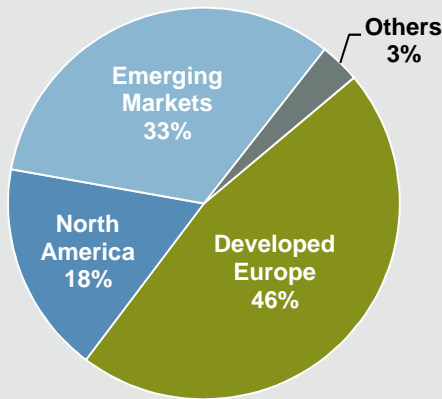
S&P 500 Index



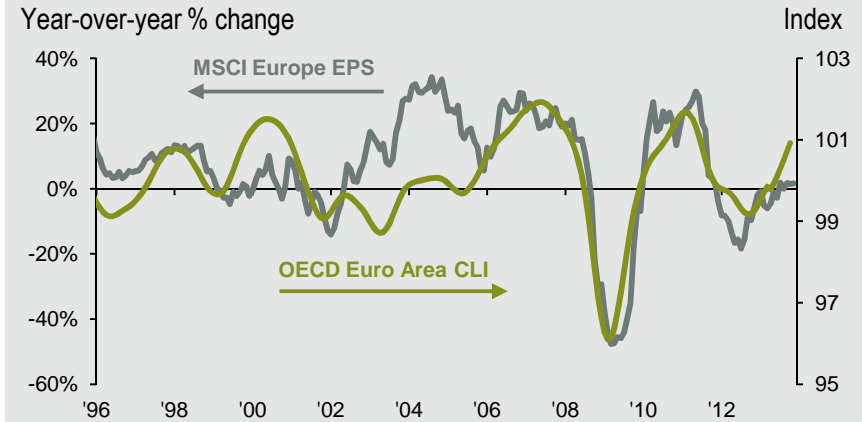
Source: Standard & Poor's, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."
Data reflect most recently available as of 31/12/13.

Europe: Earnings and Valuations

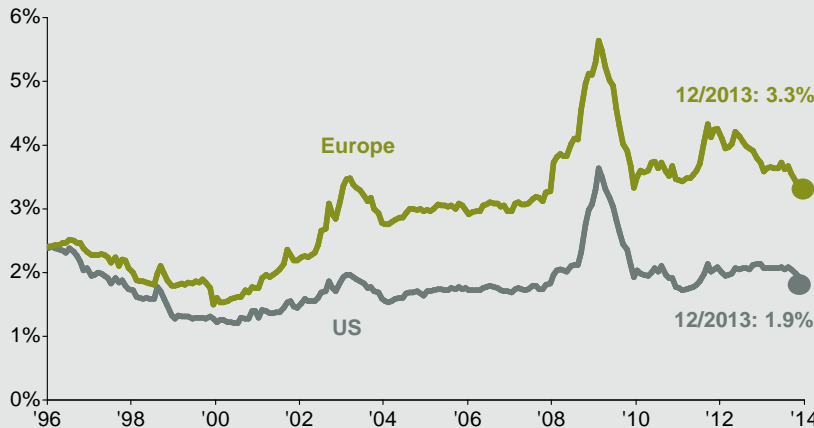
MSCI Europe: Geographical Source of Revenues



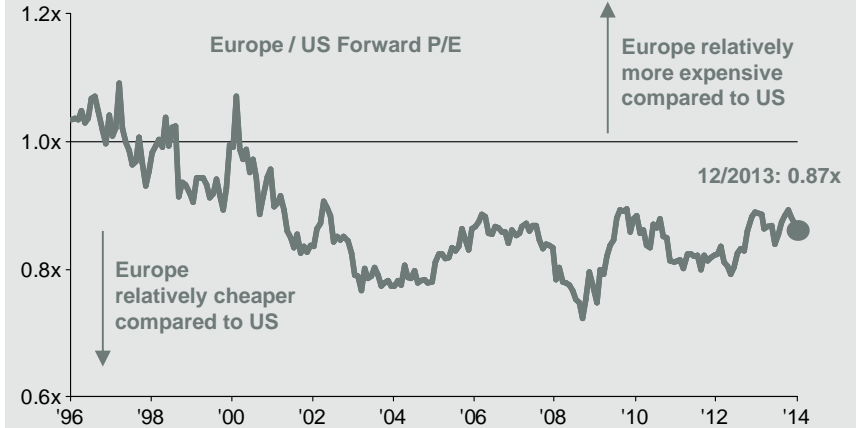
MSCI Europe EPS and OECD Euro Area CLI*



MSCI Europe and US: Dividend Yields



MSCI Europe and US: Relative Valuations



Source: MSCI, OECD, Morgan Stanley, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

* The OECD Composite Leading Indicators (CLI) are designed to anticipate turning points in economic activity relative to trend and continue to signal diverging growth patterns across major economies.

Total may not sum to 100% due to rounding. Data reflect most recently available as of 31/12/13.

Europe: MSCI Europe at Inflection Points

Equities

MSCI Europe Index



Source: MSCI, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."
10-year bond yield is the German benchmark 10-year government bond index provided by FactSet.
Data reflect most recently available as of 31/12/13.

Japan: TOPIX at Inflection Points

Equities

TOPIX Index and Japanese Yen

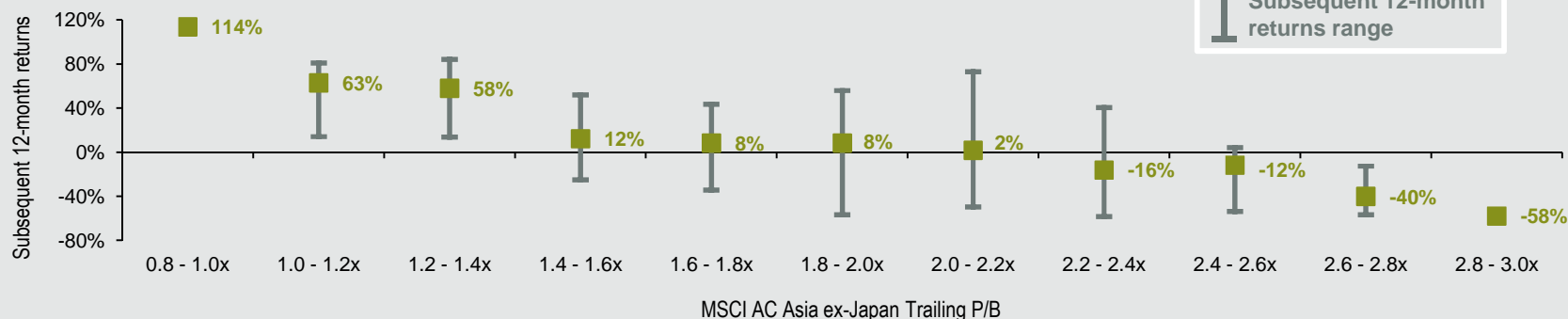


Source: FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."
Data reflect most recently available as of 31/12/13.

Asia: Valuation Analysis

MSCI AC Asia ex-Japan Trailing P/B Valuation Analysis

Trailing P/B ratios since January 1996



Asian Equities Trailing P/B Valuation Analysis

	Asia ex-Japan	Australia	China	Hong Kong	India	Japan	Korea	Taiwan
Latest P/B*	1.5x	2.0x	1.5x	1.3x	2.7x	1.4x	1.1x	1.8x
Average P/B	1.8x	2.2x	1.9x	1.6x	3.1x	1.6x	1.3x	2.2x
Range*	1.4 – 1.7x	1.8 – 2.2x	1.3 – 1.6x	1.2 – 1.4x	2.4 – 2.9x	1.3 – 1.6x	1.0 – 1.3x	1.7 – 2.0x
Total # of times**	44	81	31	46	45	29	41	76
Average return	10%	10%	21%	13%	7%	-1%	14%	10%
% of times positive	73%	86%	77%	67%	64%	41%	71%	80%
Average return (+)	18%	13%	32%	24%	20%	25%	28%	15%
% of times negative	27%	14%	23%	33%	36%	59%	29%	20%
Average return (-)	-10%	-6%	-18%	-12%	-16%	-20%	-19%	-14%

Source: MSCI, Bloomberg, J.P. Morgan Asset Management "Guide to the Markets – Asia."

* Each range is estimated based on +/-10% from the latest P/B ratio of individual Asian equity indices using MSCI data from January 1996.

** The number of times the P/B ratio of an individual Asian equity index has fallen within the +/- 10% range (i.e. sampling size). The total sampling size since January 1996 included in the valuation analysis is 204 months.

Data reflect most recently available as of 31/12/13.

Emerging Markets: Returns

Equities

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	4Q '13	10-yrs ('04 - '13) Ann. Ret.	Ann. Vol.
Turkey	Indonesia	Russia	China	Brazil	South Africa	Brazil	South Africa	Indonesia	Turkey	China	India	Indonesia	Turkey	
125.3%	50.6%	73.1%	82.9%	79.6%	-37.9%	128.1%	34.2%	6.0%	64.2%	3.6%	10.3%	17.9%	38.8%	
Brazil	Mexico	Brazil	Indonesia	Turkey	Mexico	Indonesia	Indonesia	Mexico	Mexico	Asia ex-Japan	Mexico	Mexico	Russia	
114.4%	48.3%	56.4%	73.8%	74.1%	-42.9%	126.2%	33.9%	-12.1%	29.1%	3.1%	8.2%	16.4%	35.9%	
China	South Africa	Turkey	Russia	India	China	Russia	Mexico	South Africa	India	Russia	China	Brazil	Brazil	
87.6%	44.9%	56.1%	55.6%	73.1%	-50.8%	104.2%	27.6%	-14.4%	26.0%	0.8%	3.8%	14.5%	32.3%	
India	Turkey	Mexico	India	China	Asia ex-Japan	India	India	Asia ex-Japan	China	Mexico	Asia ex-Japan	South Africa	Indonesia	
78.3%	41.4%	49.1%	51.0%	66.2%	-52.4%	102.8%	20.9%	-17.3%	22.7%	0.2%	3.4%	12.8%	32.1%	
Indonesia	Brazil	India	Brazil	Indonesia	EME	Turkey	Turkey	China	Asia ex-Japan	EME	South Africa	China	India	
76.5%	35.9%	37.6%	45.3%	54.2%	-53.3%	97.5%	20.8%	-18.4%	22.4%	-2.6%	2.3%	12.4%	32.0%	
Russia	EME	EME	Mexico	Asia ex-Japan	Brazil	EME	Asia ex-Japan	EME	South Africa	India	EME	EME	China	
75.1%	25.6%	34.0%	41.4%	40.1%	-56.2%	78.5%	19.6%	-18.4%	18.7%	-3.8%	1.8%	11.2%	27.5%	
EME	India	South Africa	Asia ex-Japan	EME	Indonesia	Asia ex-Japan	Russia	Russia	EME	South Africa	Russia	India	South Africa	
55.8%	19.1%	28.3%	33.3%	39.4%	-56.5%	72.1%	19.1%	-19.6%	18.2%	-6.2%	0.3%	11.0%	26.7%	
Asia ex-Japan	Asia ex-Japan	Asia ex-Japan	EME	Russia	Turkey	China	EME	Brazil	Russia	Brazil	Indonesia	Asia ex-Japan	EME	
46.6%	17.3%	22.7%	32.1%	24.5%	-62.3%	62.3%	18.9%	-21.8%	13.7%	-16.0%	-4.7%	10.6%	23.8%	
South Africa	Russia	China	South Africa	South Africa	India	South Africa	Brazil	Turkey	Indonesia	Indonesia	Brazil	Turkey	Mexico	
45.9%	5.5%	19.8%	20.5%	18.1%	-64.6%	57.8%	6.5%	-35.4%	4.6%	-23.5%	-5.6%	9.6%	23.8%	
Mexico	China	Indonesia	Turkey	Mexico	Russia	Mexico	China	India	Brazil	Turkey	Turkey	Russia	Asia ex-Japan	
32.8%	1.9%	15.1%	-7.2%	12.2%	-73.9%	56.6%	4.6%	-37.2%	0.0%	-26.8%	-14.1%	7.5%	22.7%	

Source: MSCI, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

Returns are total (net) returns based on MSCI indices in US dollar terms. 10-year total (net) return data are used to calculate annualized returns (Ann. Ret.) and 10-year price return data is used to calculate annualized volatility (Ann. Vol.) and reflect the period 31/12/03 – 31/12/13.

Data reflect most recently available as of 31/12/13.

Emerging Markets: Index Composition

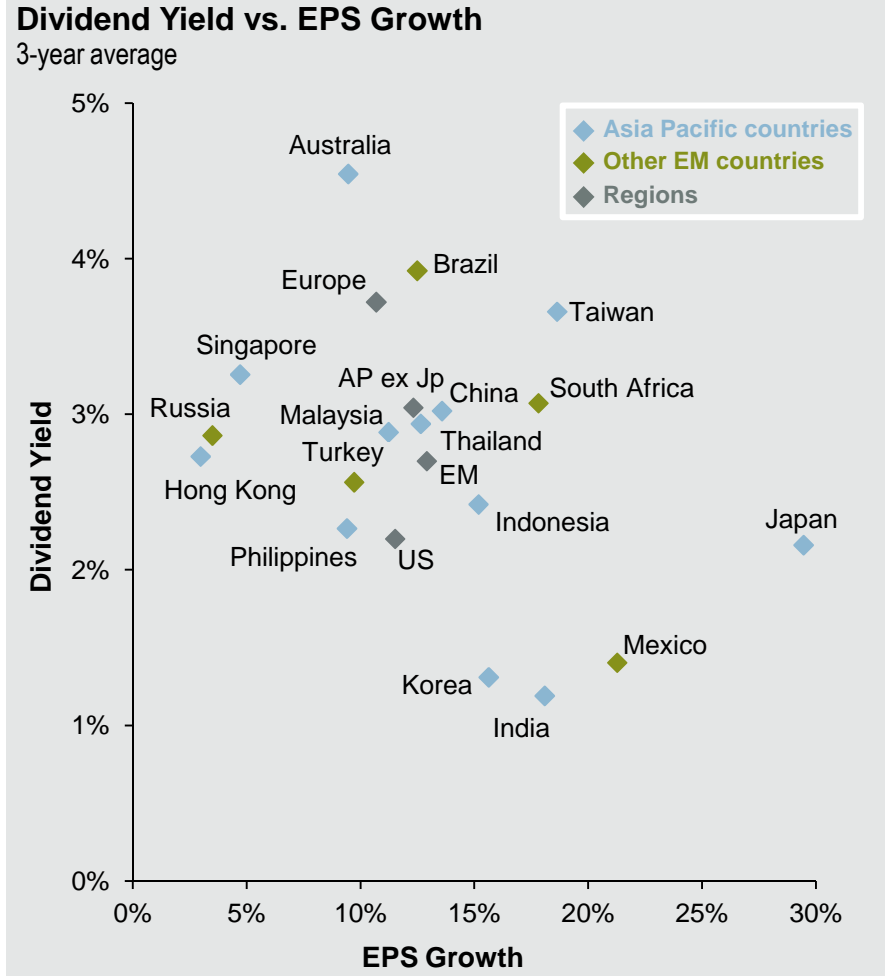
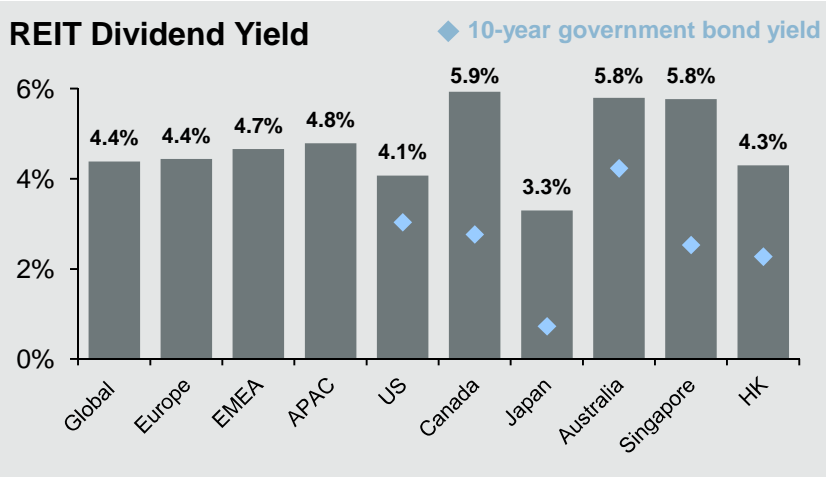
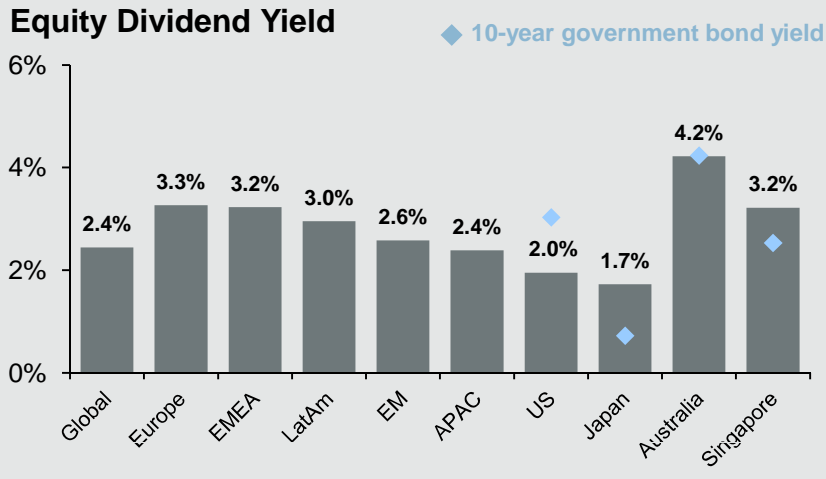
	Emerging Markets	Asia ex Japan	Brazil	China	China A	Russia	India	South Africa	Turkey	Indonesia	Mexico	Country
Cons. Discr.	8.9%	10.3%	4.8%	5.2%	12.4%	n/a	6.5%	22.9%	5.0%	18.7%	8.6%	
Cons. Staples	8.6%	5.5%	17.1%	6.0%	6.8%	7.4%	10.8%	5.5%	15.8%	13.4%	25.4%	
Energy	11.3%	6.3%	14.9%	13.9%	4.6%	55.0%	12.1%	10.3%	4.4%	3.5%	n/a	
Financials	26.7%	32.5%	28.8%	38.4%	32.8%	19.3%	23.3%	26.4%	49.2%	33.7%	17.2%	
Health Care	1.7%	1.3%	0.7%	1.5%	8.6%	n/a	6.7%	6.2%	n/a	2.8%	1.1%	
Industrials	6.5%	8.8%	4.8%	6.7%	16.2%	n/a	4.6%	3.8%	12.6%	4.1%	9.8%	
Technology	16.0%	19.3%	2.9%	11.1%	5.1%	n/a	23.0%	n/a	n/a	n/a	n/a	
Materials	9.7%	6.0%	18.2%	3.1%	9.4%	7.8%	6.7%	10.6%	3.8%	7.1%	17.6%	
Telecom	7.4%	6.5%	2.8%	10.4%	0.8%	9.3%	2.5%	14.1%	9.3%	11.9%	20.2%	
Utilities	3.4%	3.8%	5.1%	3.8%	3.4%	1.2%	3.7%	n/a	n/a	4.8%	n/a	
Forward P/E	10.5x	11.1x	10.4x	8.9x	9.5x	5.5x	14.7x	14.4x	8.9x	12.8x	18.4x	P/E
Dividend Yield	2.6%	2.4%	3.8%	3.0%	2.1%	3.5%	1.4%	3.0%	2.4%	2.7%	1.4%	Div
Trailing P/B	1.5x	1.5x	1.4x	1.5x	1.7x	0.7x	2.7x	2.5x	1.4x	3.0x	2.8x	P/B
ROE	12.8%	12.2%	10.5%	15.1%	13.5%	14.5%	15.9%	14.3%	16.8%	23.1%	12.7%	ROE
β	1.3	1.2	1.5	1.3	0.8	1.6	1.5	1.3	1.6	1.4	1.2	β

Source: MSCI, FactSet, Bloomberg, J.P. Morgan Asset Management "Guide to the Markets – Asia."

Index weights are based on MSCI indices. Beta is calculated against MSCI AC World Index with a 10-year history.

Please see disclosure page at end for index definitions.

Data reflect most recently available as of 31/12/13.



Source: FactSet, NAREIT, Standard & Poor's, Ibbotson, J.P. Morgan Asset Management "Guide to the Markets – Asia."

(Top Left) Yields shown are for the corresponding MSCI index.

(Bottom Left) Yields shown are for the appropriate FTSE NAREIT REIT index, which excludes property development companies.

(Right) Yield and EPS growth are average values over the last 3 years from respective MSCI indices and S&P 500.

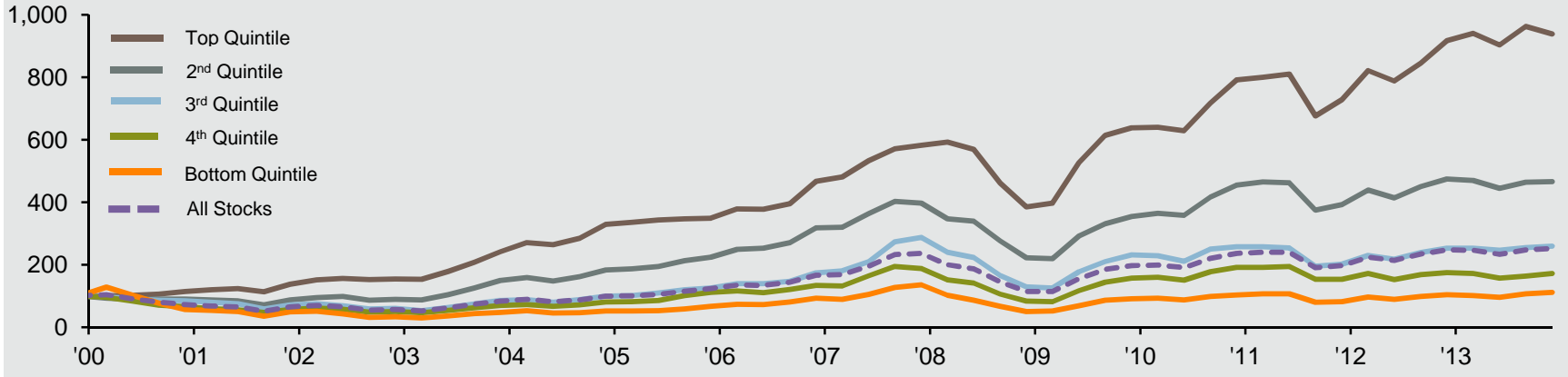
Data reflect most recently available as of 31/12/13.

Asia Dividend Income

Equities

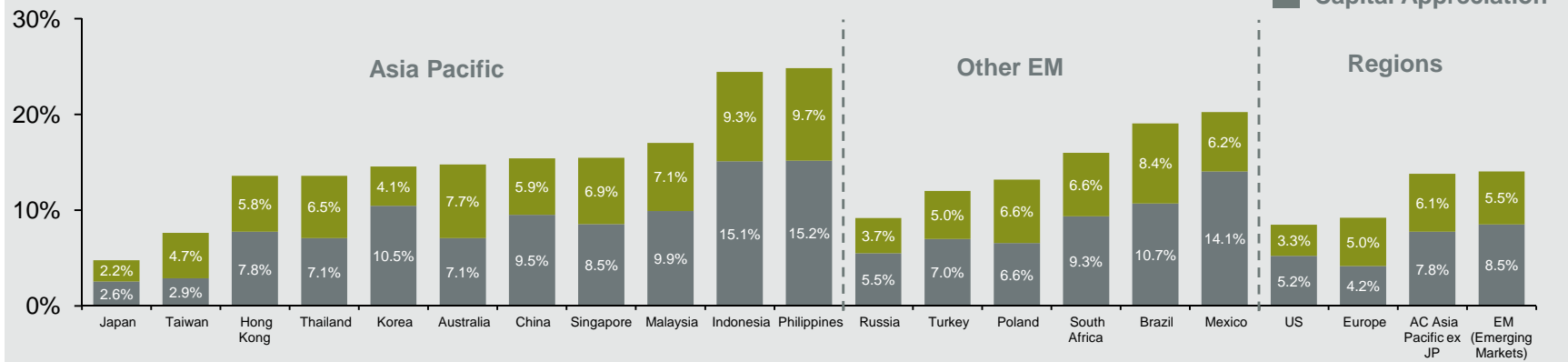
MSCI Asia ex-Japan: Performance by Dividend Yield

USD cumulative total return of quintiles with quarterly rebalancing (Jan. 2000 base = 100)



Total Return: Dividends vs. Capital Appreciation

Average annualized returns over 10 years



Source: FactSet, MSCI, CLSA, J.P. Morgan Asset Management "Guide to the Markets – Asia."

(Bottom) Returns are total (gross) returns based on MSCI indices in US dollar terms. Data reflect most recently available as of 31/12/13.

Global Fixed Income: Yields and Returns

Global Bond Opportunities	YTM	Duration* (Years)
Local CCY EMD	6.9%	4.5
US High Yield	6.4%	4.2
USD EMD	6.1%	6.8
EM Corporates	5.9%	5.8
USD Asian Bond	5.3%	5.2
Local CCY Asian Bond	4.3%	5.5
US IG Corporates	3.3%	6.9
US Aggregate	2.5%	5.6
US Treasury	1.4%	5.1
Cash	0.0%	0.2

Fixed Income Sector Returns							5-yrs ('09 - '13) Ann. Ret.
2008	2009	2010	2011	2012	2013	4Q '13	
US Treas 13.7%	US HY 58.2%	US HY 15.1%	US Treas 9.8%	Local EMD 19.9%	US HY 7.4%	US HY 3.6%	US HY 18.9%
US Agg 5.2%	EM Corp 41.7%	Local EMD 13.1%	USD EMD 8.5%	USD EMD 18.5%	Cash 0.0%	EM Corp 1.7%	EM Corp 13.6%
Cash 1.8%	USD Asian 28.3%	EM Corp 13.1%	US IG Corp 8.1%	EM Corp 16.7%	USD Asian -1.4%	USD Asian 1.5%	USD EMD 11.5%
Local Asian 1.0%	USD EMD 28.2%	Local Asian 12.2%	US Agg 7.8%	US HY 15.8%	US IG Corp -1.5%	US IG Corp 1.1%	USD Asian 10.7%
US IG Corp -4.9%	US IG Corp 18.7%	USD EMD 12.0%	Local Asian 5.0%	USD 14.3%	US Agg -2.0%	USD EMD 0.9%	US IG Corp 8.6%
Local EMD -6.9%	Local EMD 16.6%	USD Asian 10.6%	US HY 5.0%	US IG Corp 9.8%	EM Corp -2.4%	Cash 0.0%	Local EMD 7.0%
USD Asian -9.8%	Local Asian 6.3%	US IG Corp 9.0%	USD Asian 4.1%	Local Asian 8.9%	US Treas -2.7%	US Agg -0.1%	Local Asian 5.2%
USD EMD -10.9%	US Agg 5.9%	US Agg 6.5%	EM Corp 3.5%	US Agg 4.2%	Local EMD -5.4%	Local Asian -0.3%	US Agg 4.4%
EM Corp -16.2%	Cash 0.1%	US Treas 5.9%	Cash 0.1%	US Treas 2.0%	Local Asian -5.7%	Local EMD -0.6%	US Treas 2.1%
US HY -26.2%	US Treas -3.6%	Cash 0.1%	Local EMD -6.4%	Cash 0.1%	USD EMD -6.6%	US Treas -0.8%	Cash 0.1%

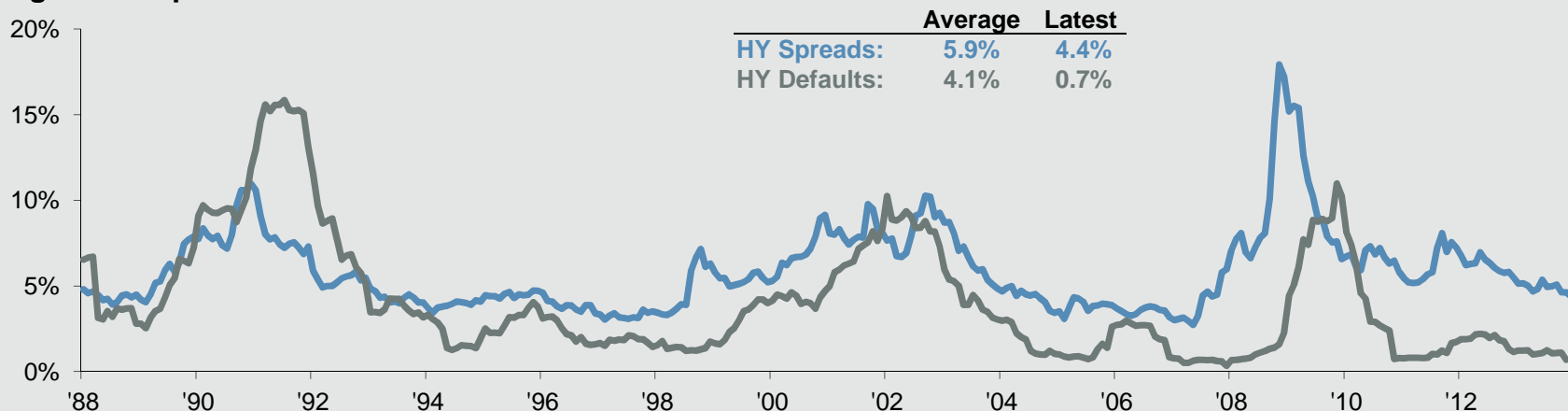
Source: Bloomberg, Barclays Capital, J.P. Morgan, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

Based on Barclays US Aggregate Credit - Corporate High Yield Index (US HY), J.P. Morgan Government Bond Index – EM Global (GBI-EM) (Local CCY EMD), J.P. Morgan Corporate Emerging Market Bond Index (CEMBI) (EM Corp), J.P. Morgan Emerging Market Bond Index Global (EMBIG) (USD EMD), J.P. Morgan Asia Credit Index (JACI) (USD Asian), HSBC Asian Local Bond Index (Local Asian), Barclays US Corporate Investment Grade (US IG Corp), Barclays Capital US Aggregate (US Agg), Barclays Global US Treasury – Bills (3-5 years) (US Treasury) and Barclays US Treasury – Bills (1-3 months) (Cash). 5-year data is used to calculate annualized returns (Ann.). Returns are in USD and reflect the period from 31/12/08 – 31/12/13.

* Duration is a measure of the sensitivity of the price (the value of the principal) of a fixed-income investment to a change in interest rates. Duration is expressed as number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices. Data reflect most recently available as of 31/12/13.

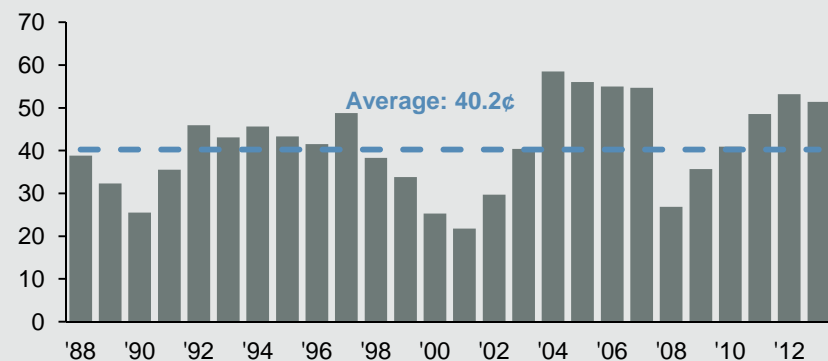
United States: High Yield Bonds

High Yield Spreads and Defaults



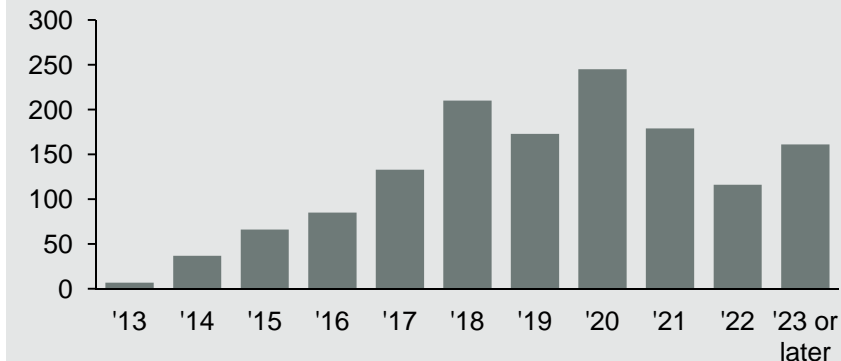
Historical High Yield Recovery Rates

Cents on the dollar



High Yield Maturity Profile

USD Billions

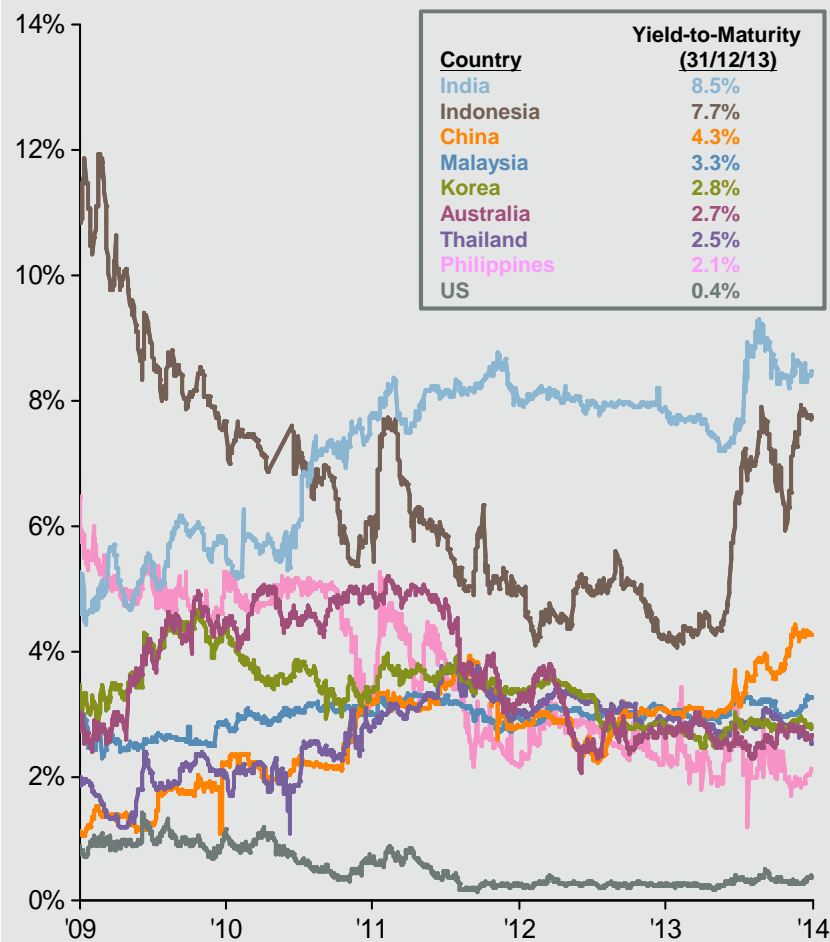


Source: US Treasury, Moody's, J.P. Morgan Economics, J.P. Morgan Asset Management "Guide to the Markets – Asia."

(Top) Default rates are defined as the par value percentage of the total market trading at or below 50% of par value and include any Chapter 11 filing, prepackaged filing or missed interest payments as of 2/12/13. Spreads indicated are benchmark yield-to-worst less comparable maturity Treasury yields. Yield-to-worst is defined as the lowest potential yield that can be received on a bond without the issuer actually defaulting and reflects the possibility of the bond being called at an unfavorable time for the holder. Data reflect most recently available as of 31/12/13.

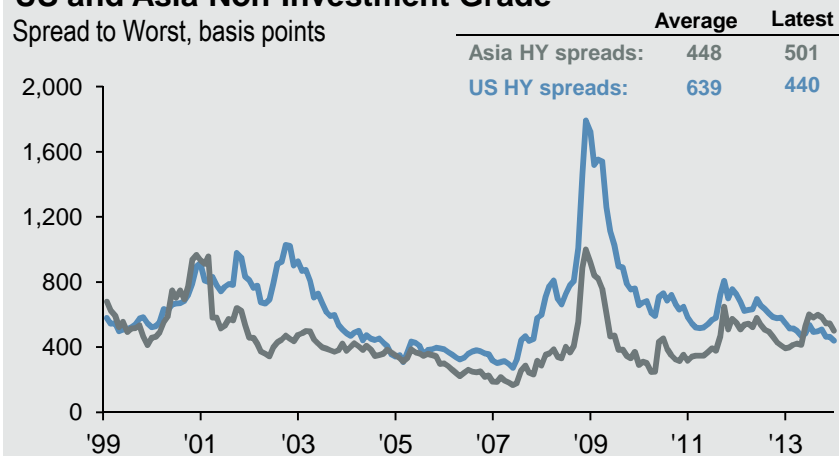
Asia: Sovereign Debt and Credit Markets

2-year Government Bond Yields

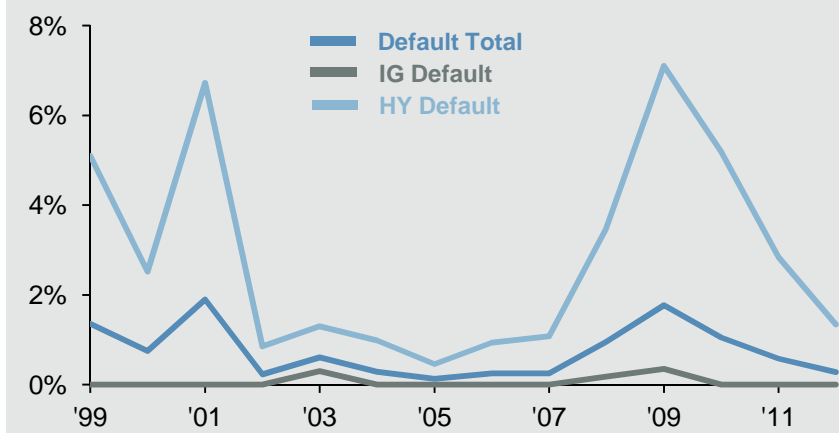


US and Asia Non-Investment Grade

Spread to Worst, basis points



Asia Pacific Corporate Default Summary



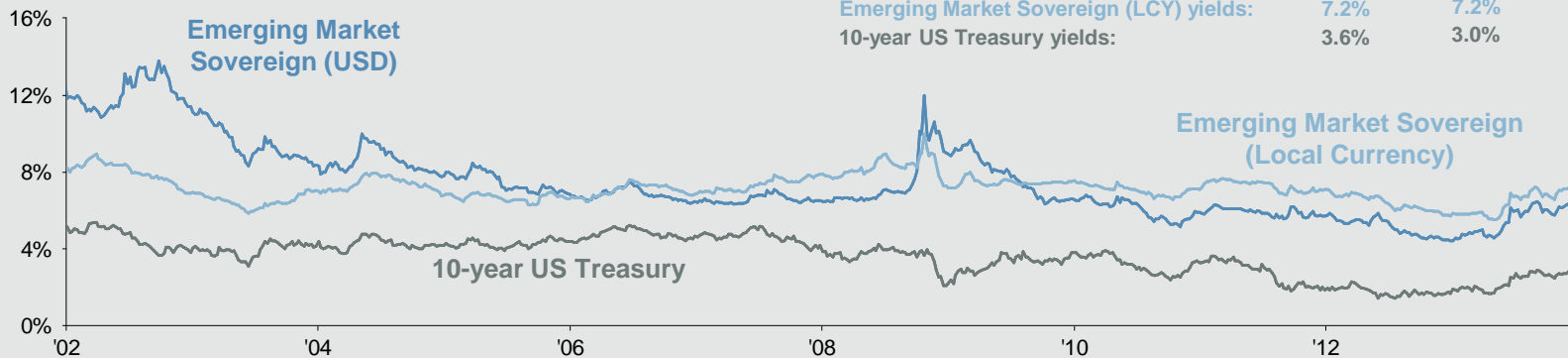
Source: Bond Radar, FactSet, Bloomberg, J.P. Morgan Economics, J.P. Morgan Asset Management "Guide to the Markets – Asia."

(Top Right) Spreads indicated are benchmark yield-to-worst less comparable maturity Treasury yields. Asia high yield is represented by combining the J.P. Morgan Asia Credit Index (JACI). The new JACI Index replaced the old JACI Index in January 2006 after it was discontinued. US high yield is represented by the J.P. Morgan Domestic High Yield Index. Data reflect most recently available as of 31/12/13.

Emerging Markets and Asia: Sovereign Debt

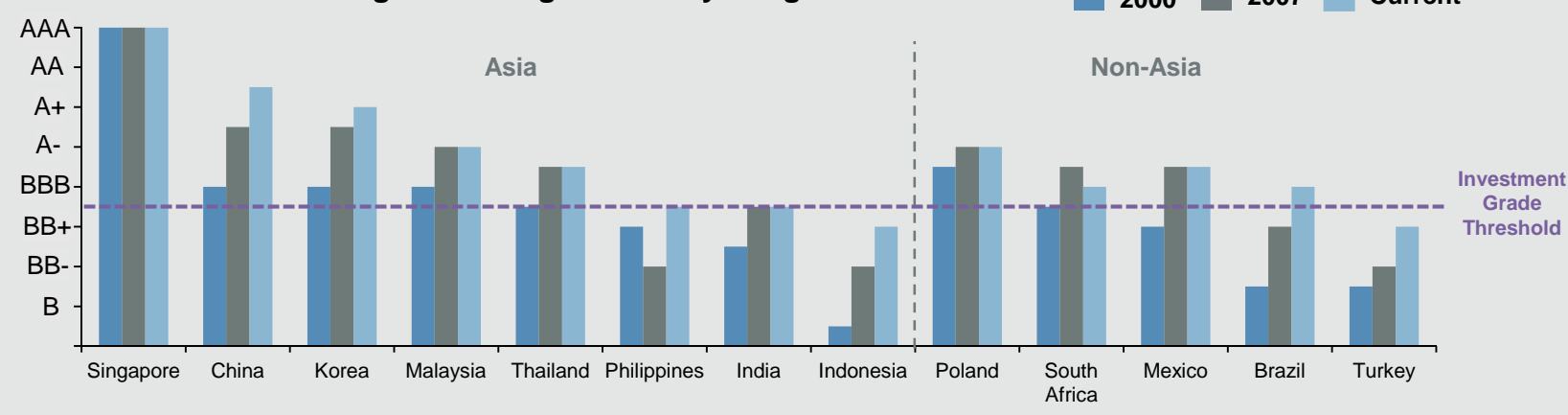
US and Emerging Markets Sovereign Debt Yields

Yield to maturity



	Average Since 2002	Latest
Emerging Market Sovereign (USD) yields:	7.4%	6.3%
Emerging Market Sovereign (LCY) yields:	7.2%	7.2%
10-year US Treasury yields:	3.6%	3.0%

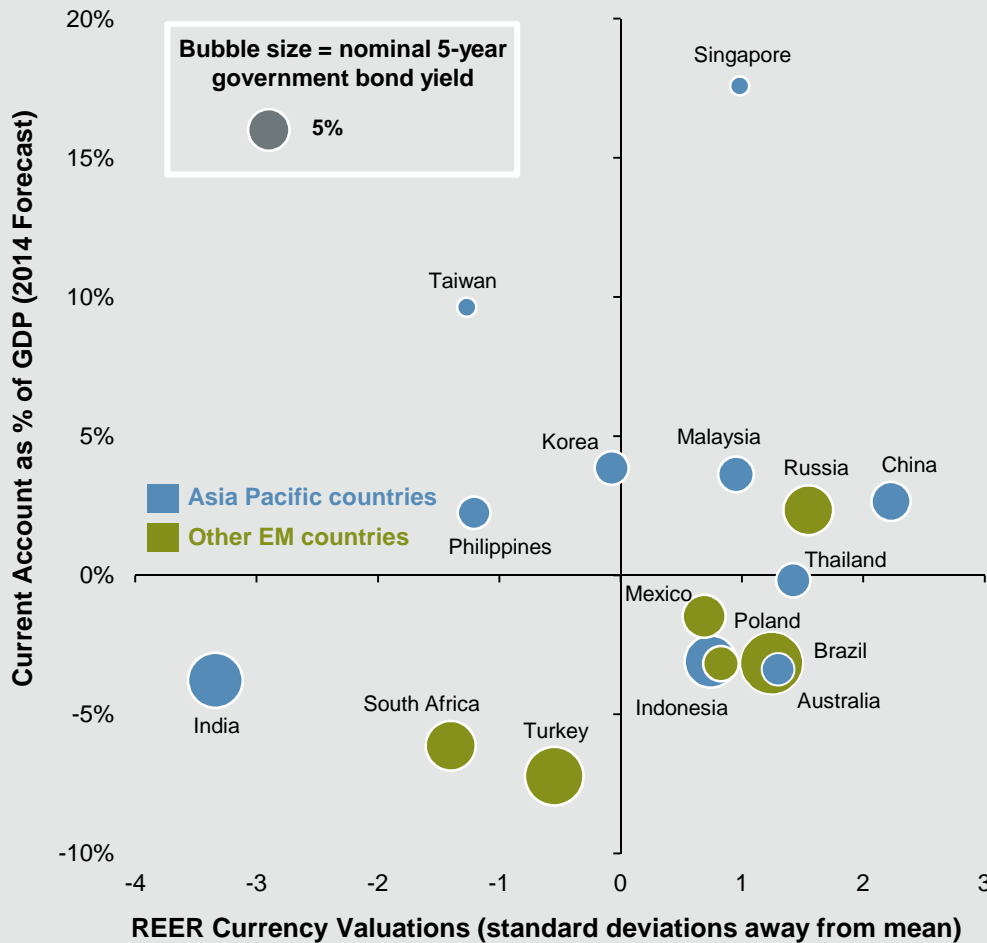
EM and Asia Credit Ratings on Foreign Currency Long-Term Debt



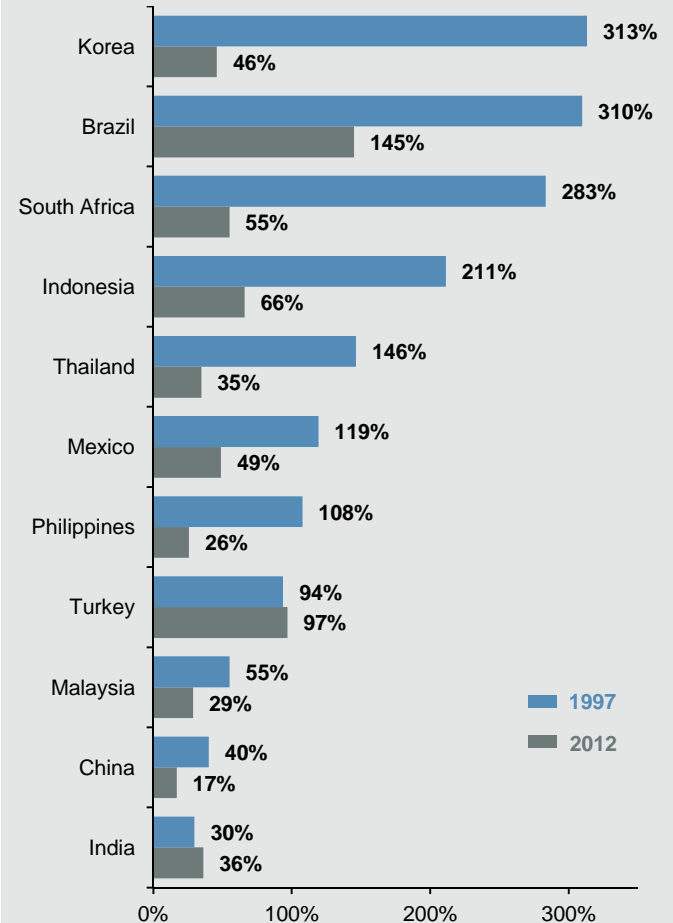
Source: Standard & Poor's, J.P. Morgan Economics, US Federal Reserve, Bloomberg, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

(Top) The J.P. Morgan EMBI Plus (EMBI+) is used to represent EM sovereign (USD) yields. The J.P. Morgan GBI-EM Global Composite is used to represent EM sovereign local currency yields. Data reflect most recently available as of 31/12/13.

Currency Valuation, Current Account and Nominal Yields



Short-term External Debt as % of Foreign Reserves (Excluding Gold)



Source: IMF, Reserve Bank of India, Turkish Undersecretariat of Treasury, Bloomberg, J.P. Morgan Asset Management "Guide to the Markets – Asia." Current account forecasts are provided by IMF, based on the October 2013 World Economic Outlook. REER is the real effective exchange rate of a currency against a basket of its main trading partners' currencies adjusted for inflation. Data reflect most recently available as of 31/12/13.

Asset Class Returns

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	4Q '13	10-yrs ('04 - '13) Ann. Ret.	10-yrs ('04 - '13) Ann. Vol.
Asia ex-Japan 47.0%	US REITs 31.5%	Asia ex-Japan 23.2%	US REITs 35.9%	Asia ex-Japan 40.5%	US Bonds 5.2%	Asia ex-Japan 72.5%	US REITs 28.5%	US REITs 8.7%	Asia ex-Japan 22.7%	US Equities 32.4%	US Equities 10.5%	Asia ex-Japan 11.0%	US REITs 26.4%
US REITs 36.7%	Asia ex-Japan 17.7%	Cmdty 17.5%	Asia ex-Japan 33.7%	Cmdty 11.1%	Cash 1.8%	US High Yield 58.2%	Asia ex-Japan 19.9%	EMD 8.5%	EMD 18.5%	US High Yield 7.4%	US High Yield 3.6%	US High Yield 8.6%	Asia ex-Japan 22.7%
US High Yield 29.0%	Diversified 13.2%	US REITs 12.1%	Diversified 17.3%	Diversified 10.2%	EMD -10.9%	Diversified 37.2%	Cmdty 16.7%	US Bonds 7.8%	US REITs 17.8%	Diversified 6.8%	Asia ex-Japan 3.4%	US REITs 8.4%	Cmdty 18.0%
US Equities 28.7%	EMD 11.7%	EMD 10.7%	US Equities 15.8%	US Bonds 7.0%	US High Yield -26.2%	US REITs 28.6%	Diversified 15.4%	US High Yield 5.0%	US Equities 16.0%	Asia ex-Japan 3.3%	Diversified 3.3%	EMD 8.3%	US Equities 14.6%
Diversified 28.6%	US High Yield 11.1%	Diversified 10.1%	US High Yield 11.8%	EMD 6.3%	Diversified -28.4%	EMD 28.2%	US High Yield 15.1%	US Equities 2.1%	US High Yield 15.8%	US REITs 2.5%	EMD 0.9%	Diversified 7.9%	Diversified 12.1%
EMD 25.7%	US Equities 10.9%	US Equities 4.9%	EMD 9.9%	US Equities 5.5%	Cmdty -36.6%	US Equities 26.5%	US Equities 15.1%	Cash 0.1%	Diversified 15.0%	Cash 0.0%	Cash 0.0%	US Equities 7.4%	US High Yield 11.2%
Cmdty 22.7%	Cmdty 7.6%	Cash 3.0%	Cash 4.8%	Cash 4.8%	US Equities -37.0%	Cmdty 18.7%	EMD 12.0%	Diversified 0.0%	US Bonds 4.2%	US Bonds -2.0%	US Bonds -0.1%	US Bonds 4.5%	EMD 9.0%
US Bonds 4.1%	US Bonds 4.3%	US High Yield 2.7%	US Bonds 4.3%	US High Yield 1.9%	US REITs -38.0%	US Bonds 5.9%	US Bonds 6.5%	Cmdty -13.4%	Cash 0.1%	EMD -6.6%	US REITs -0.7%	Cash 1.6%	US Bonds 3.4%
Cash 1.0%	Cash 1.2%	US Bonds 2.4%	Cmdty -2.7%	US REITs -16.8%	Asia ex-Japan -52.2%	Cash 0.1%	Cash 0.1%	Asia ex-Japan -17.1%	Cmdty -1.1%	Cmdty -9.6%	Cmdty -1.1%	Cmdty -0.7%	Cash 0.0%

Source: MSCI, Dow Jones, Standard and Poor's, Barclays Capital, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

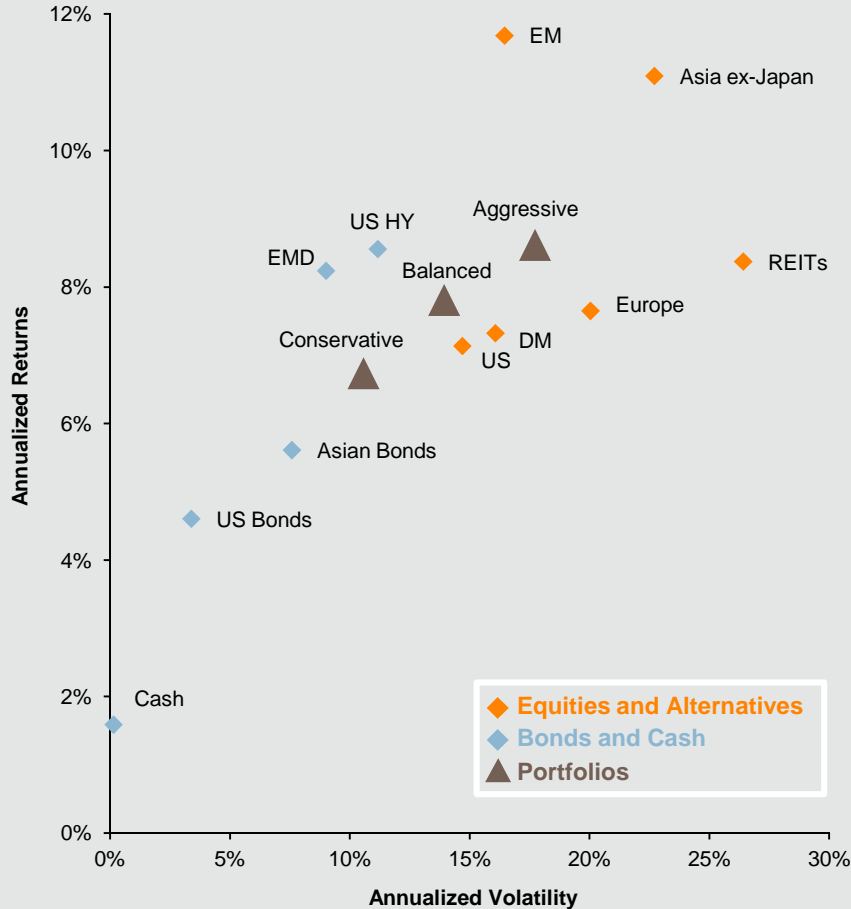
The "Diversified" portfolio assumes the following weights: 20% in the S&P 500 (*US Equities*), 20% in the MSCI Asia ex Japan (*Asia ex Japan*), 15% in the J.P. Morgan EMBIG Index (*EMD*), 10% in the Barclays Capital Aggregate (*US Bonds*), 15% in the Barclays US Corporate High Yield Index (*US High Yield*), 5% in the DJ UBS Commodity Index (*Cmdty*), 10% in MSCI US REITs Index (*US REITs*) and 5% in Barclays US Treasury – Bills (1-3 months) (*Cash*). Diversified portfolio assumes annual rebalancing. All data except commodities represent total return in US dollar terms for the stated period. 10-year total return data is used to calculate annualized returns (Ann. Ret.) and 10-year price return data is used to calculate annualized volatility (Ann. Vol.) and reflects the period 31/12/03 – 31/12/13. Please see disclosure page at end for index definitions.

Data reflect most recently available as of 31/12/13.

Portfolio Construction, Asset Class Returns and Volatility

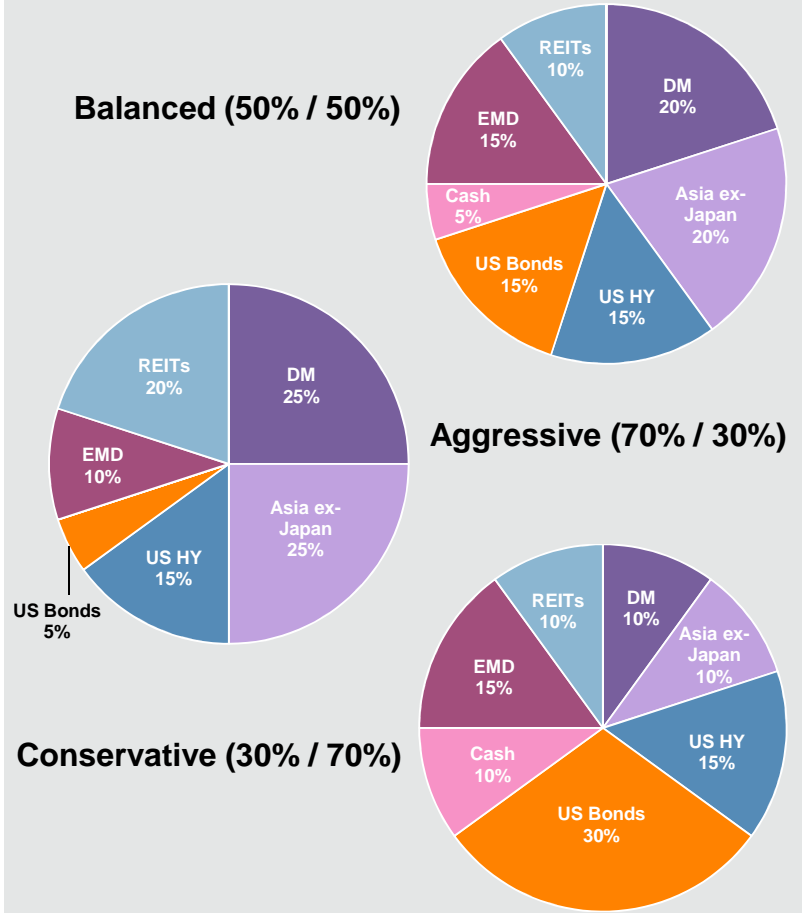
Annualized Returns and Volatility

Total returns in USD, 2004 - 2013



Hypothetical Portfolio Construction

(Breakdown of Equities and Alternatives / Bonds and Cash)



Source: MSCI, Dow Jones, Standard and Poor's, Barclays Capital, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia." Hypothetical portfolios were created to illustrate different risk/return profiles and are not meant to represent actual asset allocation. USD total return calculations are based on MSCI Total Return, Barclays and J.P. Morgan indices. Data reflect most recently available as of 31/12/13.

Asset Class Correlations

	10-year Correlations												
	Asia ex-Japan	EM Equities	US Equities	Local CCY Asian Bond	USD Asian Bond	Local CCY EMD	USD EMD	EM Corp	US High Yield	US IG Corp	US Agg	Cmdty	Global REITs
Asia ex-Japan	1.00	0.97	0.76	0.57	0.63	0.37	0.64	0.65	0.72	0.48	0.16	0.55	0.66
EM Equities	0.97	1.00	0.77	0.55	0.62	0.36	0.66	0.64	0.71	0.44	0.15	0.61	0.68
US Equities	0.76	0.80	1.00	0.51	0.53	0.31	0.56	0.56	0.73	0.35	0.05	0.50	0.85
Local CCY Asian Bond	0.68	0.68	0.47	1.00	0.60	0.71	0.68	0.56	0.54	0.55	0.46	0.38	0.64
USD Asian Bond	0.69	0.67	0.56	0.85	1.00	0.64	0.94	0.97	0.73	0.81	0.65	0.42	0.65
Local CCY EMD	0.37	0.38	0.22	0.79	0.74	1.00	0.70	0.59	0.36	0.56	0.60	0.10	0.50
USD EMD	0.60	0.60	0.45	0.86	0.93	0.84	1.00	0.92	0.74	0.80	0.65	0.42	0.71
EM Corp	0.78	0.78	0.64	0.86	0.97	0.70	0.90	1.00	0.75	0.83	0.61	0.45	0.63
US High Yield	0.84	0.82	0.80	0.66	0.79	0.44	0.69	0.87	1.00	0.62	0.24	0.45	0.80
US IG Corp	0.37	0.31	0.12	0.64	0.70	0.64	0.69	0.67	0.58	1.00	0.82	0.28	0.50
US Agg	-0.02	-0.08	-0.25	0.47	0.48	0.65	0.55	0.38	0.15	0.84	1.00	0.07	0.26
Cmdty	0.61	0.62	0.64	0.57	0.52	0.34	0.46	0.58	0.56	0.16	-0.09	1.00	0.48
Global REITs	0.68	0.68	0.77	0.76	0.77	0.67	0.74	0.83	0.83	0.48	0.21	0.57	1.00
	3-year Correlations												

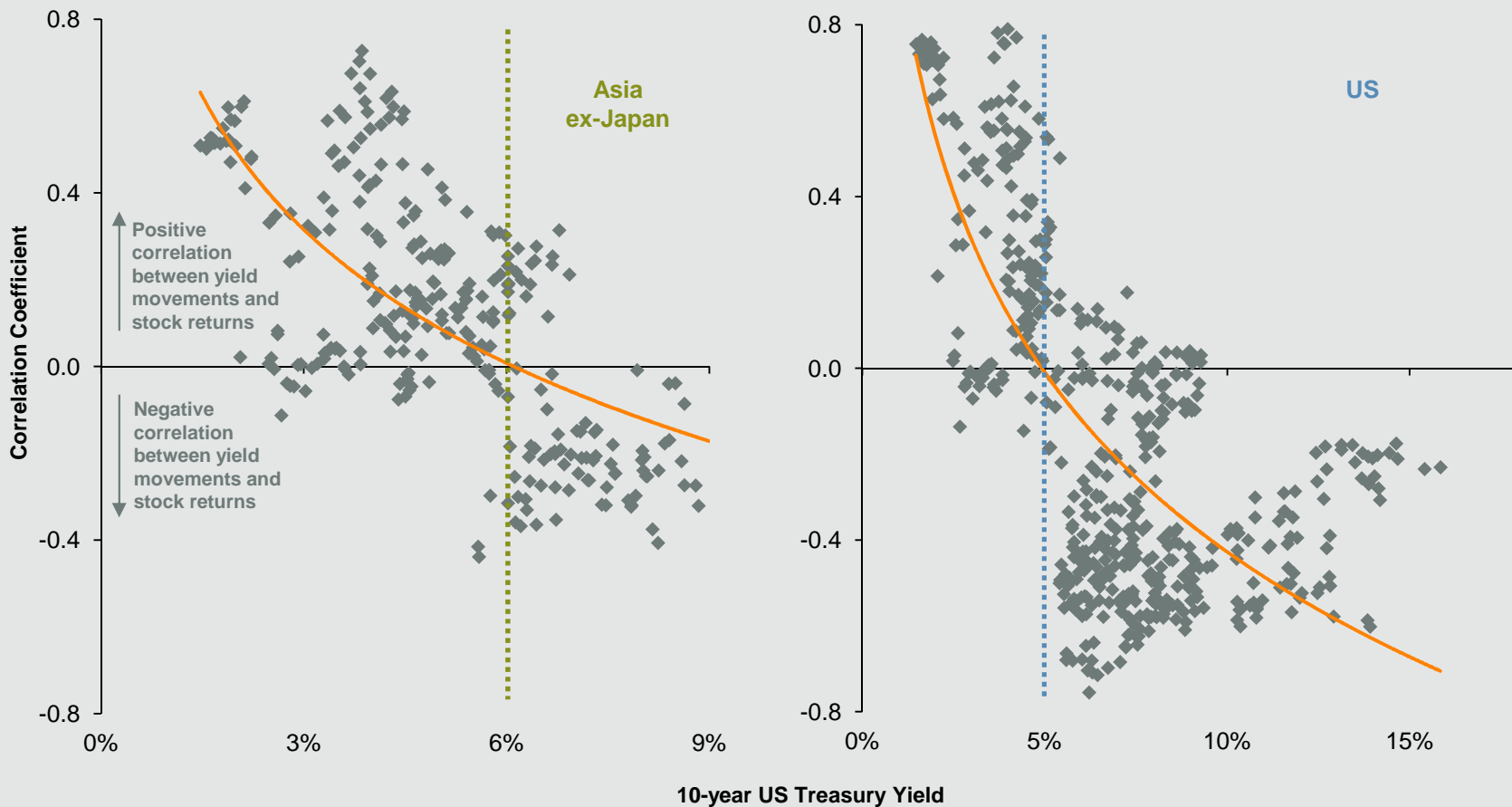
Other Assets and
Investor Behavior

Source: FactSet, Bloomberg, MSCI, Standard & Poor's, Barclays Capital, DJ UBS, J.P. Morgan Economics, J.P. Morgan Asset Management "Guide to the Markets – Asia." Correlations based on MSCI AC Asia ex-Japan (*Asia ex-Japan*), MSCI Emerging Markets (*EM Equities*), S&P 500 (*US Equities*), HSBC Asian Local Bond Index (*Local CCY Asian Bond*), J.P. Morgan Asia Credit Index (JACI) (*USD Asian Bond*), J.P. Morgan Government Bond Index – EM Global (GBI-EM) (*Local CCY EMD*), J.P. Morgan Emerging Market Bond Index Global (EMBIG) (*USD EMD*), J.P. Morgan Corporate Emerging Market Bond Index (CEMBI) (*EM Corp*), Barclays US Corporate High Yield Index (*US High Yield*), Barclays US Corporate Investment Grade (*US IG Corp*), Barclays US Capital Aggregate (*US Agg*), Dow Jones UBS Commodity Index (*Cmdty*) and FTSE EPRA/NAREIT Developed REITs Index (*Global REITs*). 10-year correlations are based on monthly returns from 31/12/03 – 31/12/13, except for REITs as data were unavailable prior to April 2006 and 3-year correlations from 31/12/10 – 31/12/13. Data reflect most recently available as of 31/12/13.

Interest Rates and Equities Correlation

Correlations Between Monthly Stock Returns and Interest Rate Movements

Monthly MSCI AC Asia ex-Japan and S&P 500 returns, change in monthly 10-year US Treasury yield, rolling 2-year correlation

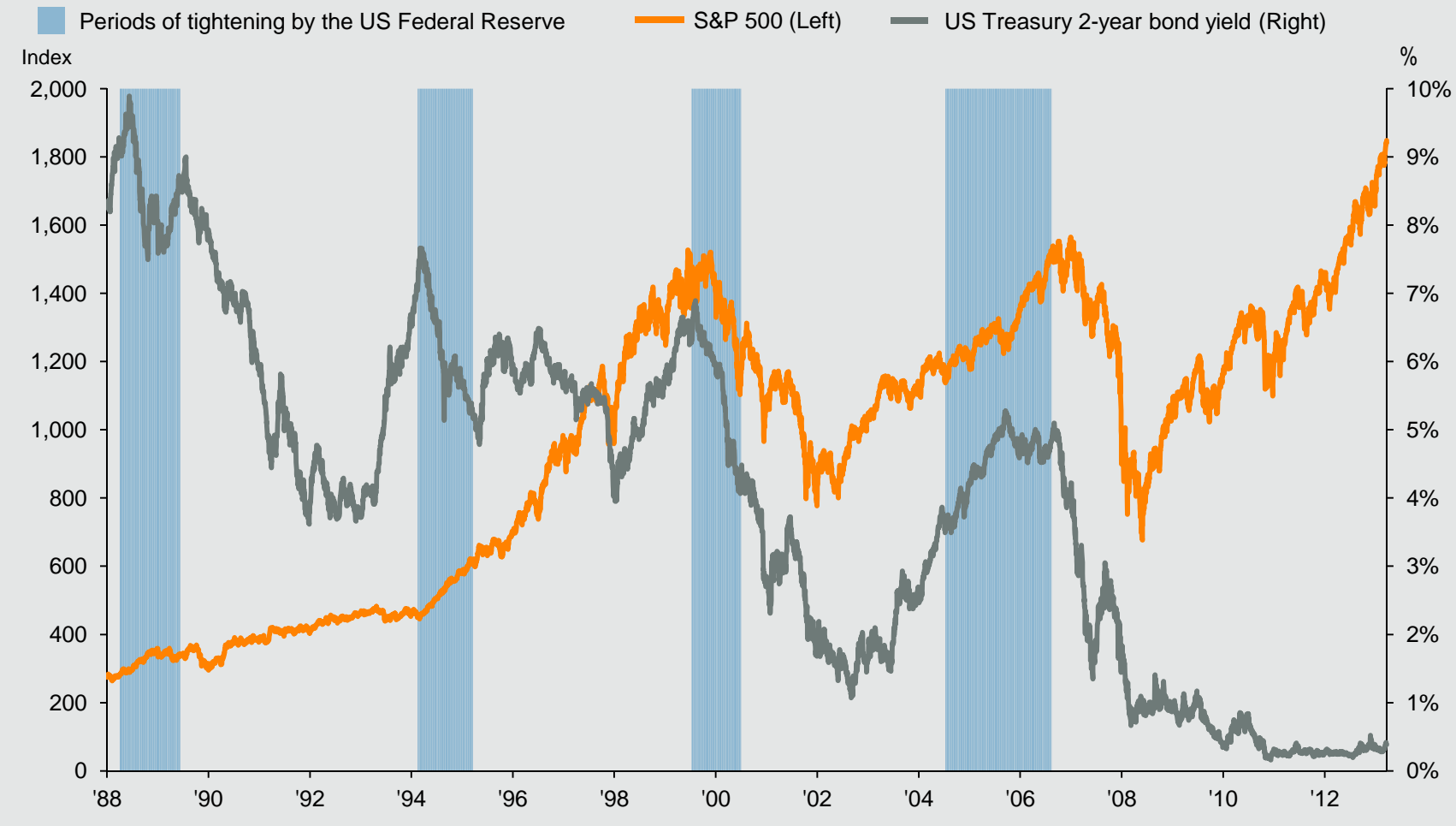


Source: MSCI, US Federal Reserve, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

Returns are based on price index in USD terms only and do not include dividends. Data available since 1970 for S&P 500 and 1988 for MSCI AC Asia ex-Japan. Data reflect most recently available as of 31/12/13.

United States: Treasury Yields and S&P 500

S&P 500 and Benchmark US 2-year yields



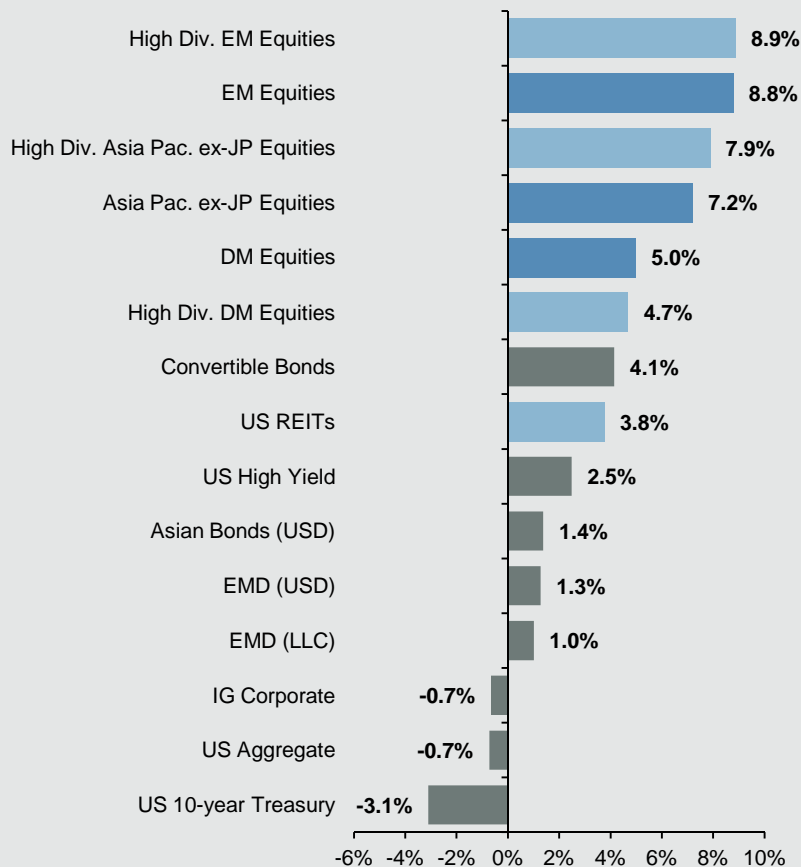
Source: US Federal Reserve, Standard and Poor's, Bloomberg, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

Data reflect most recently available as of 31/12/13.

Rate Rise Impact on Different Asset Classes

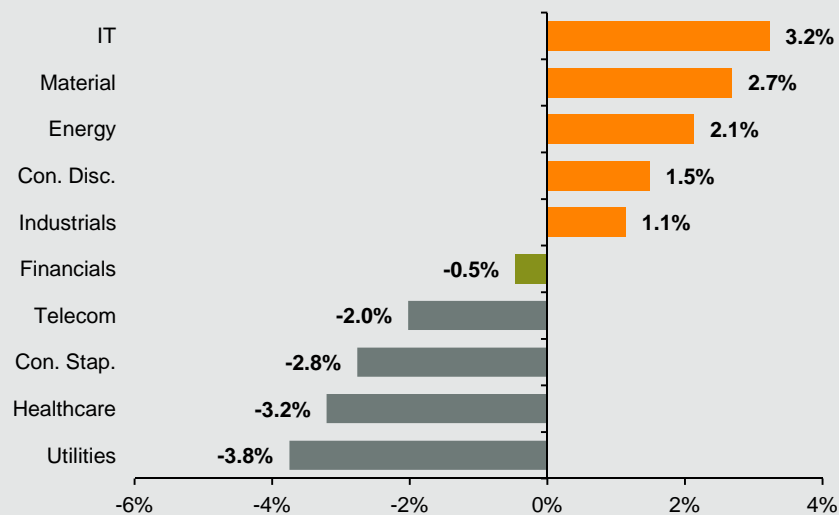
Total Return Impact in a Rising Yield Environment

Asset classes, rolling 3-month average total return (USD), 1994-2013



Sectors' Relative Total Return Impact in a Rising Rates Environment

Rolling 3-month average total return (USD) relative to MSCI AC World broad index, 1994-2013



Composition of MSCI High Dividend Equity Indices

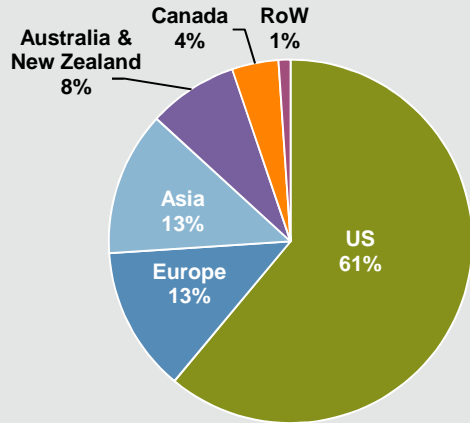
	Defensives	Cyclicals	Financials
MSCI AC World	45.8%	37.8%	16.4%
MSCI World (DM)	51.8%	36.5%	11.7%
MSCI EM	22.9%	47.7%	29.4%
MSCI Asia Pacific ex-Japan	22.0%	37.6%	40.4%

Source: Barclays, MSCI, J.P. Morgan, BoA Merrill Lynch, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."

(Left) Periods of rising US yields are defined as rolling 3-month periods when the US 10-year Treasury yields increased more than 25bps from January 1994 to December 2013, data permitting. Returns are total returns in US dollar terms. Asset classes shown above include MSCI Emerging Markets High Dividend Index (Data since 2001), MSCI World High Dividend Index (Data since 1996), MSCI AC Asia Pacific ex-Japan High Dividend Index (Data since 1999), MSCI World Index, MSCI Emerging Market Index, MSCI AC Asia Pacific ex-Japan Index, MSCI US REIT Index (Data since 1996), Barclays US Treasury (10-year) Bellwethers Index, Barclays US Corporate High Yield Index (Data since 2002), Barclays US Investment Grade Credit Index, Barclays US Aggregate Index, J.P. Morgan EMBI Global Index, J.P. Morgan GBI-EM Broad Composite Index, J.P. Morgan Asia Credit Index (Data since 1999) and BofA Merrill Lynch US Convertibles Index. Data reflect most recently available as of 31/12/13.

REITs and Convertibles

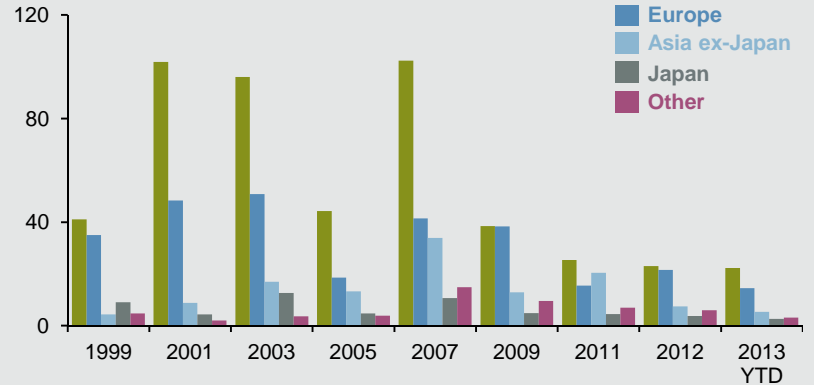
REITs' Market Composition



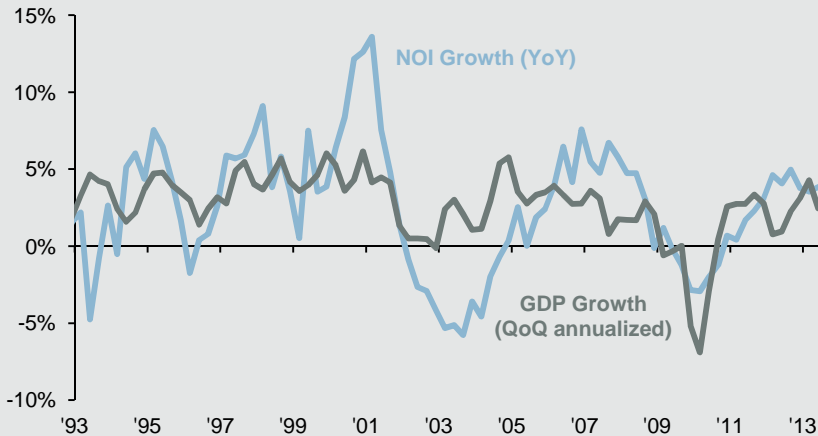
	Market Cap (USD Billions)
US	680
Europe	144
Asia	143
Australia & New Zealand	89
Canada	46
Rest of World (RoW)	12

Global Convertible Bonds Issuance

USD Billions

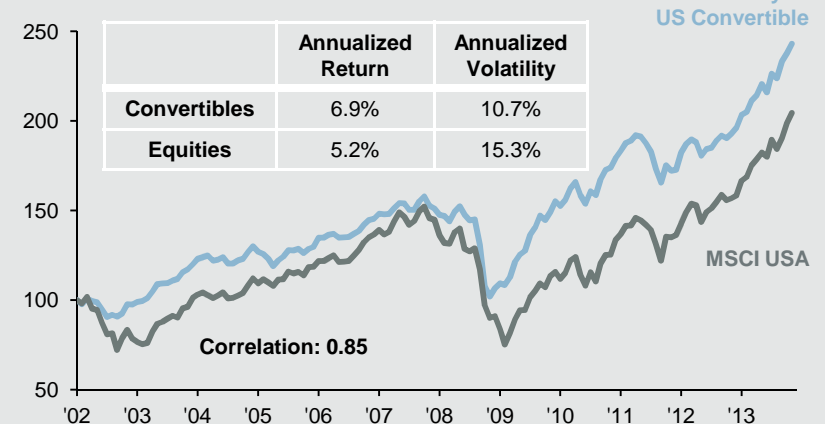


Real Estate Net Operating Income (NOI) and US GDP



US Convertible Bonds and US Equities

Index, total return in USD, rebased 2002 = 100



Source: BCA, BoA Merrill Lynch, MSCI, Bloomberg, FactSet, MacData, NCREIF, J.P. Morgan Asset Management "Guide to the Markets – Asia." (Top Right) Issuance data as of July 2013. (Bottom Left) NOI is lagged four quarters. GDP is smoothed using a two-quarter average. Total may not sum to 100% due to rounding. Data reflect most recently available as of 31/12/13.

Other Assets and Investor Behavior

Alternatives Returns

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	4Q13	10-yrs ('04 - '13)	
												Ann. Return	Ann. Volatility
MLPs 44.5%	Real Estate 35.0%	Private Equity 28.3%	Real Estate 35.6%	Private Equity 19.7%	Glb. Macro 4.7%	MLPs 76.4%	MLPs 35.9%	MLPs 13.9%	Real Estate 18.0%	MLPs 27.6%	Global Equity 7.6%	Private Equity 15.1%	Real Estate 25.4%
Real Estate 36.3%	Private Equity 25.9%	Global Equity 17.4%	Private Equity 28.7%	MLPs 12.7%	Eq. Mkt. Ntrl. -3.0%	Global Equity 30.0%	Real Estate 26.7%	Private Equity 10.5%	Global Equity 16.5%	Global Equity 26.2%	MLPs 4.8%	MLPs 15.0%	MLPs 18.2%
Distrsd. 30.4%	Distrsd. 18.1%	Real Estate 13.7%	MLPs 26.1%	Glb. Macro 11.4%	Mrgr. Arb. -6.7%	Real Estate 27.6%	Private Equity 21.0%	Real Estate 9.4%	Private Equity 13.8%	Distrsd. 15.0%	Distrsd. 4.5%	Real Estate 8.5%	Private Equity 10.3%
Global Equity 26.4%	MLPs 16.7%	Distrsd. 10.4%	Global Equity 17.0%	HF Agg. 11.0%	Rel. Val. -17.3%	Rel. Val. 23.0%	Rel. Val. 12.5%	Mrgr. Arb. 2.3%	Rel. Val. 9.7%	HF Agg. 9.8%	HF Agg. 4.3%	Distrsd. 7.7%	Distrsd. 9.6%
Private Equity 22.3%	Global Equity 12.0%	HF Agg. 9.1%	Distrsd. 15.3%	Rel. Val. 10.0%	HF Agg. -18.7%	Distrsd. 20.2%	Distrsd. 12.2%	Rel. Val. 0.8%	Distrsd. 8.5%	Rel. Val. 7.4%	Eq. Mkt. Ntrl. 2.7%	Global Equity 7.3%	Global Equity 9.3%
Glb. Macro 21.5%	HF Agg. 9.3%	MLPs 6.3%	Mrgr. Arb. 14.6%	Mrgr. Arb. 8.9%	Distrsd. -22.3%	HF Agg. 18.6%	Global Equity 11.1%	Distrsd. 0.0%	MLPs 4.8%	Eq. Mkt. Ntrl. 6.4%	Rel. Val. 2.6%	Rel. Val. 6.5%	HF Agg. 7.9%
HF Agg. 17.1%	Glb. Macro 7.5%	Eq. Mkt. Ntrl. 6.1%	HF Agg. 13.3%	Global Equity 7.7%	Private Equity -22.4%	Private Equity 13.4%	HF Agg. 8.5%	Glb. Macro -0.7%	HF Agg. 4.4%	Mrgr. Arb. 5.4%	Mrgr. Arb. 1.8%	HF Agg. 5.8%	Rel. Val. 6.7%
Rel. Val. 9.1%	Rel. Val. 6.1%	Glb. Macro 6.1%	Rel. Val. 12.2%	Distrsd. 6.8%	MLPs -36.9%	Mrgr. Arb. 11.9%	Mrgr. Arb. 4.6%	Eq. Mkt. Ntrl. -1.5%	Eq. Mkt. Ntrl. 3.1%	Glb. Macro 0.6%	Glb. Macro 1.6%	Mrgr. Arb. 5.1%	Glb. Macro 4.9%
Mrgr. Arb. 7.3%	Mrgr. Arb. 3.7%	Mrgr. Arb. 5.5%	Glb. Macro 8.2%	Eq. Mkt. Ntrl. 5.7%	Real Estate -37.3%	Glb. Macro 6.9%	Glb. Macro 3.2%	HF Agg. -2.0%	Mrgr. Arb. 1.8%	Real Estate -0.5%	Real Estate -1.0%	Glb. Macro 4.6%	Eq. Mkt. Ntrl. 3.7%
Eq. Mkt. Ntrl. 3.3%	Eq. Mkt. Ntrl. 3.4%	Rel. Val. 5.3%	Eq. Mkt. Ntrl. 7.0%	Real Estate -16.3%	Global Equity -39.2%	Eq. Mkt. Ntrl. -1.7%	Eq. Mkt. Ntrl. 2.5%	Global Equity -6.0%	Glb. Macro -1.3%	Private Equity -	Private Equity -	Eq. Mkt. Ntrl. 2.7%	Mrgr. Arb. 3.6%

Source: Standard & Poor's, Alerian, HFRI, MSCI, Cambridge Associates, NAREIT, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia." Hedge fund indices include distressed and restructuring (Distrsd.), relative value (Rel. Val.), global macro (Glb. Macro), merger arbitrage (Mrgr. Arb.), equity market neutral (Eq. Mkt. Ntrl.) and the aggregate (HF Agg.). MLPs stand for Master Limited Partnerships. 4Q13 and YTD private equity data is unavailable and provided by Cambridge Associates. Real estate returns reflect the NAREIT Real Estate 50 Index and global equity returns reflect the MSCI AC World Index. Annualized volatility is calculated from quarterly data between 31/12/03 and 31/12/13, except for private equity which reflect the period from 31/12/03 – 30/9/13 due to data availability. Data reflect most recently available as of 31/12/13.

Commodities: Returns

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	4Q '13	10-yrs (04 - '13) Ann. Ret.
Metals & Mining	67.8%	Copper	Crude Oil	Metals	Crude Oil	Gold	Copper	Iron Ore	Gold	Gold	Energy (E)	Energy (E)	Iron Ore
		36.9%	40.5%	53.9%	57.2%	5.8%	140.2%	42.8%	10.1%	7.1%	10.8%	5.1%	13.3%
Copper	47.5%	Crude Oil	Copper	Copper	Metals & Mining (E)	Gold (E)	Metals	Gold (E)	Crude Oil	Iron Ore	Crude Oil	Iron Ore	Copper
		33.6%	39.5%	44.0%	50.5%	-24.6%	97.5%	32.7%	8.2%	4.6%	7.2%	2.1%	12.3%
Metals	44.0%	Energy (E)	Metals & Mining (E)	Metals & Mining (E)	Energy (E)	Cmdty.	Metals & Mining (E)	Copper	Energy (E)	Metals	Copper	Copper	Crude Oil
		25.0%	36.8%	41.0%	31.2%	-36.6%	90.2%	30.2%	-5.0%	4.5%	-7.2%	0.8%	11.7%
Gold (E)	43.3%	Metals	Gold (E)	Gold	Gold	Energy (E)	Crude Oil	Gold	Cmdty.	Copper	Iron Ore	Metals & Mining (E)	Gold
		23.7%	29.3%	23.2%	30.9%	-43.4%	77.9%	29.6%	-13.4%	4.4%	-7.4%	0.8%	11.2%
Energy (E)	25.6%	Metals & Mining (E)	Energy (E)	Energy (E)	Gold (E)	Metals	Iron Ore	Metals	Gold (E)	Metals & Mining (E)	Metals	Metals	Metals & Mining (E)
		16.5%	28.6%	18.2%	19.7%	-49.2%	65.9%	23.8%	-17.4%	2.3%	-8.5%	0.6%	7.7%
Cmdty.	22.7%	Cmdty.	Metals	Gold (E)	Cmdty.	Crude Oil	Gold (E)	Metals & Mining (E)	Iron Ore	Energy (E)	Cmdty.	Cmdty.	Energy (E)
		7.6%	24.0%	16.6%	11.1%	-53.5%	32.5%	22.4%	-18.6%	-0.1%	-9.6%	-1.1%	7.7%
Gold	19.4%	Gold	Gold	Crude Oil	Copper	Copper	Energy (E)	Cmdty.	Copper	Cmdty.	Metals & Mining (E)	Crude Oil	Metals
		5.5%	17.9%	0.0%	5.5%	-54.0%	29.9%	16.7%	-20.8%	-1.1%	-17.0%	-3.8%	7.2%
Crude Oil	4.2%	Gold (E)	Cmdty.	Cmdty.	Metals	Metals & Mining (E)	Gold	Crude Oil	Metals	Crude Oil	Gold	Gold	Cmdty.
		-9.5%	17.5%	-2.7%	-8.3%	-56.1%	24.4%	15.1%	-21.5%	-7.1%	-28.3%	-9.6%	-0.7%
							Cmdty.	Energy (E)	Metals & Mining (E)	Gold (E)	Gold (E)	Gold (E)	Gold (E)
							18.7%	9.1%	-28.3%	-13.2%	-51.6%	-16.2%	-2.8%

Note: Iron Ore data unavailable prior to 2009.

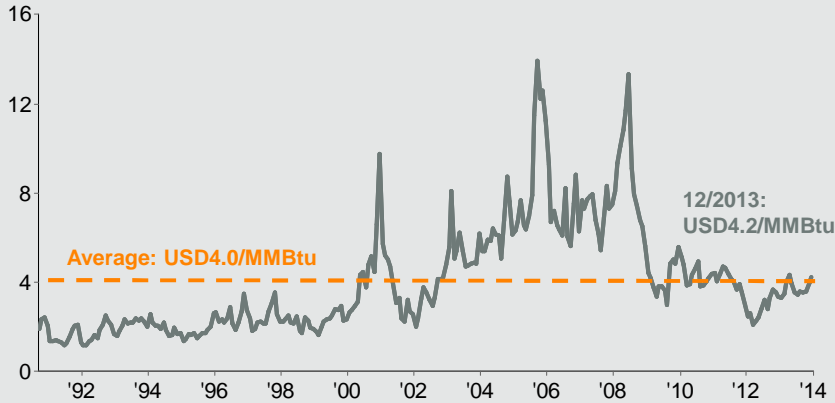
Source: Bloomberg, MSCI, Dow Jones, Standard and Poor's, J.P. Morgan Asset Management "Guide to the Markets – Asia."

(E) represents equity indices, while the rest represent spot price indices. Based on Crude Spot (WTI Cushing) (*Crude Oil*), LME Copper 3-Month Futures (*Copper*), Iron Ore Spot (*Iron Ore*), Gold Spot (*Gold*), London Metal Exchange (LME) LME X Metals Index (*Metals*), MSCI AC Metals and Mining Index (*Metals & Mining (E)*), MSCI AC Energy (*Energy (E)*), HSBC Global Mines Gold Mines Index (*Gold (E)*), and DJ UBS Commodity Index (*Cmdty.*). 10-yr data are used to calculate annualized returns (Ann.). These returns reflect the period from 31/12/03 – 31/12/13, except for Iron Ore where returns reflect the period from 31/12/08 – 31/12/13 due to data availability.

Data reflect most recently available as of 31/12/13.

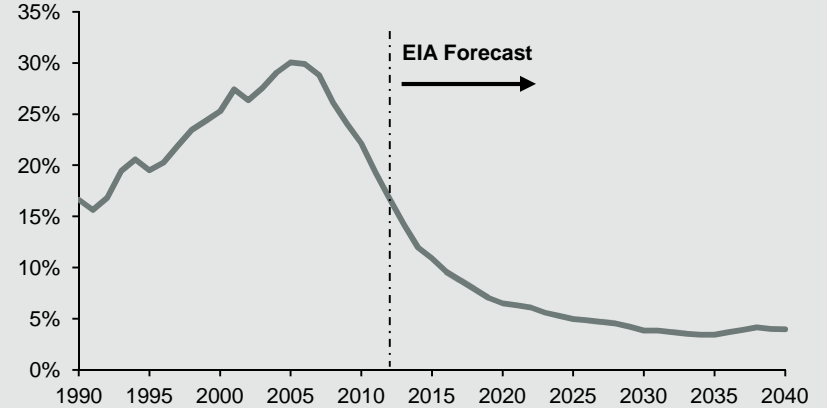
Natural Gas Price

USD / MMBtu (One million British thermal units)

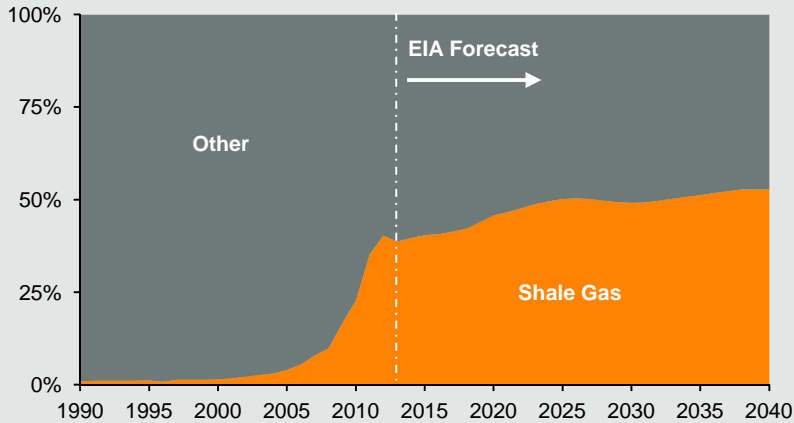


Net Imports as % of Total US Energy Consumption

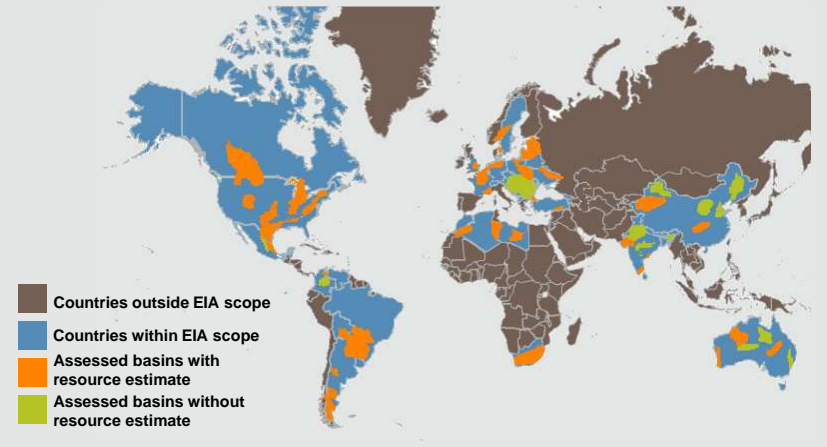
% of total energy consumption



Shale Gas as % of Total US Natural Gas Production



Major Shale Gas Basins by Country

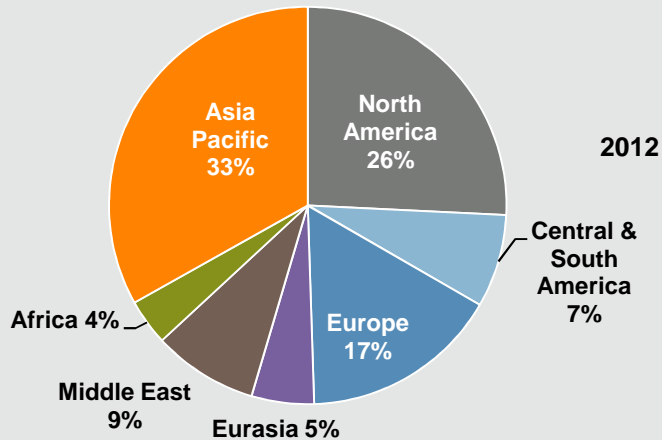
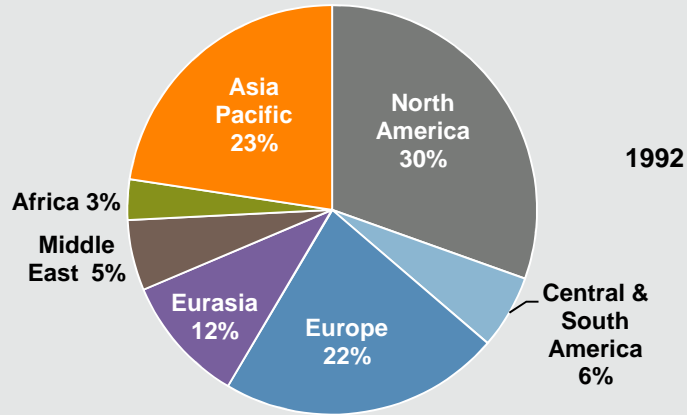


Source: EIA, FactSet, J.P. Morgan Asset Management "Guide to the Markets – Asia."
 (Top Left) Gas price based on NYMEX Natural Gas Futures: One million British thermal units (MMBtu).
 Data reflect most recently available as of 31/12/13.

Commodities: Oil Demand

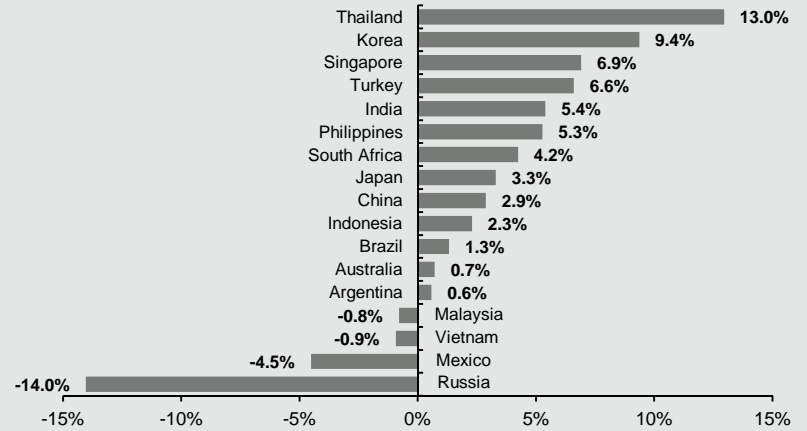
Share of Total Petroleum Consumption

% of global consumption in 1992 and 2012



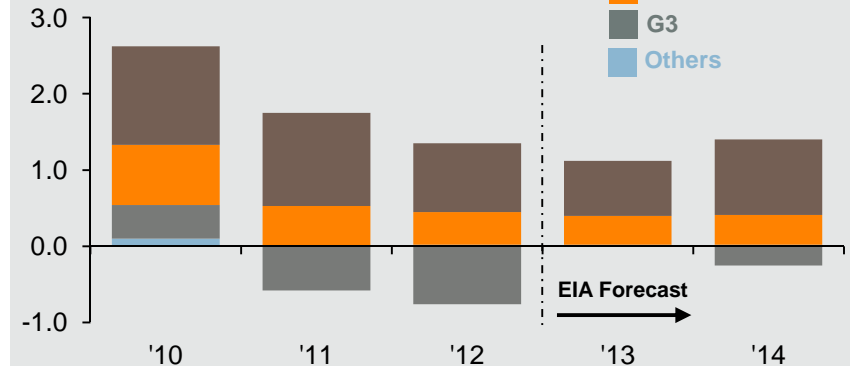
Oil Imports

Net imports (imports minus exports) as % of GDP, 2012



Annual Change in Oil Consumption

Million barrels per day

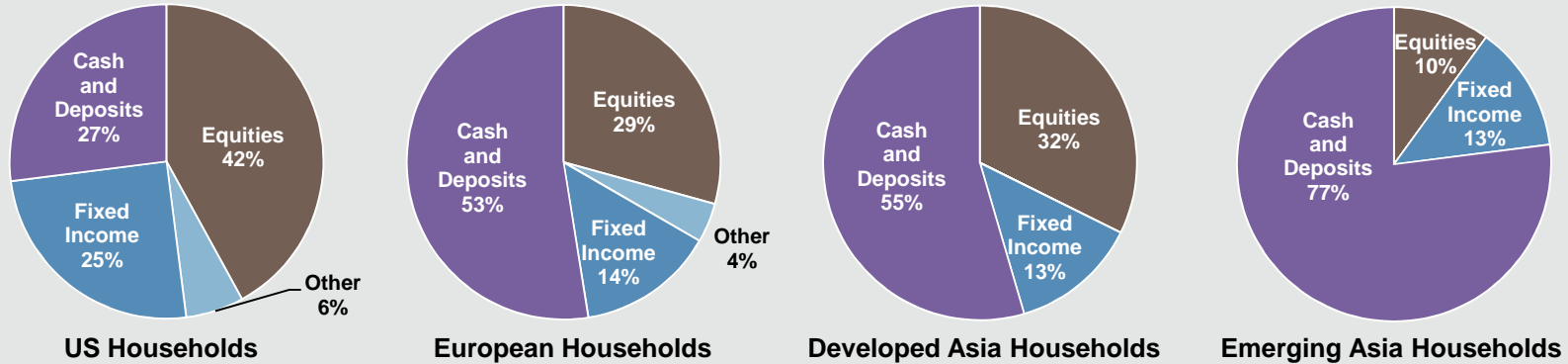


Source: EIA, IMF, J.P. Morgan Asset Management "Guide to the Markets – Asia."

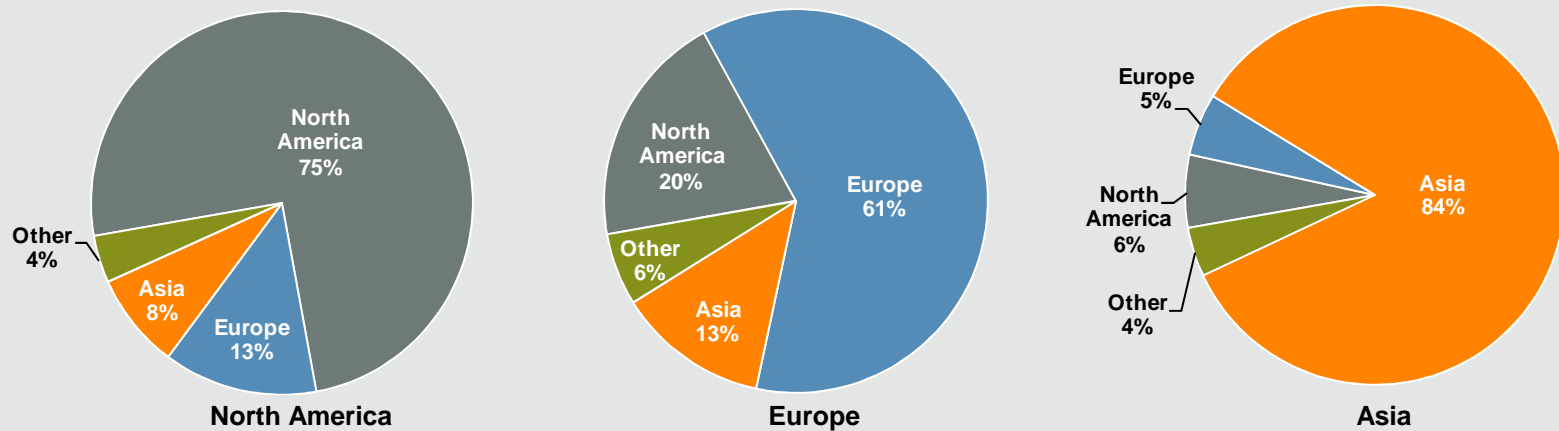
(Left) Eurasia includes Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. (Bottom Right) EIA annual forecasts for 2013 and 2014 are as of 10/12/13. Total may not sum to 100% due to rounding. Data reflect most recently available as of 31/12/13.

Global Investors' Asset Allocation by Region

Surveyed Retail Investors' Portfolio



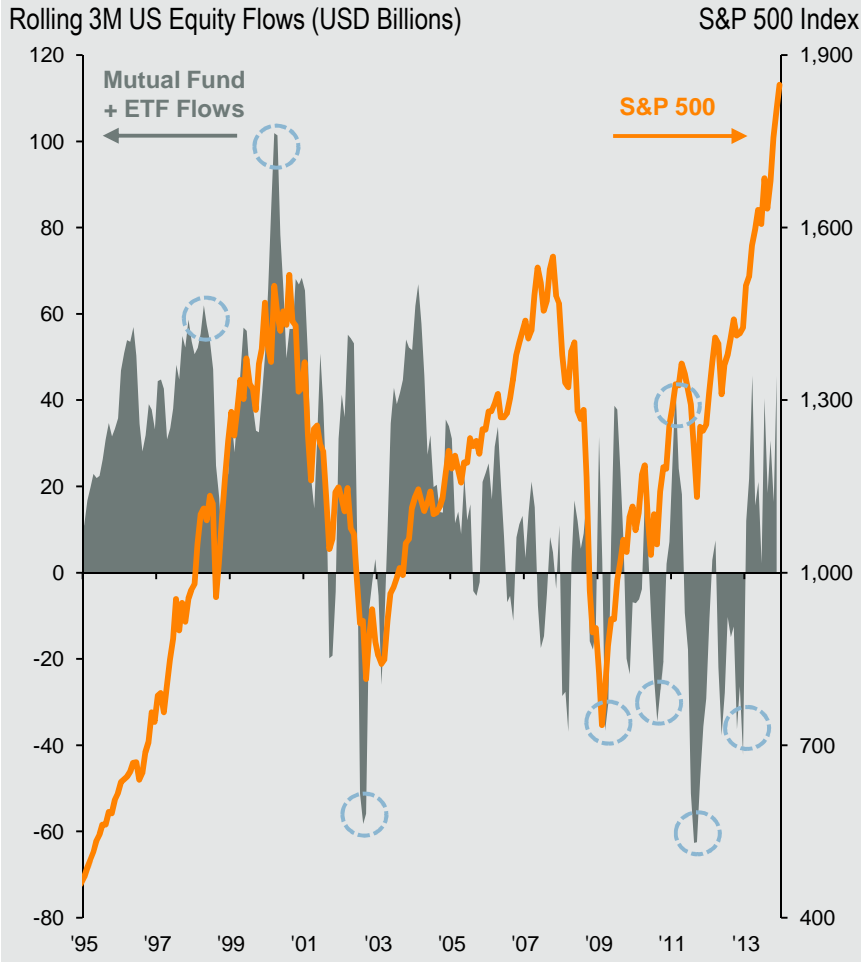
Institutional Investors' Asset Allocation by Geography



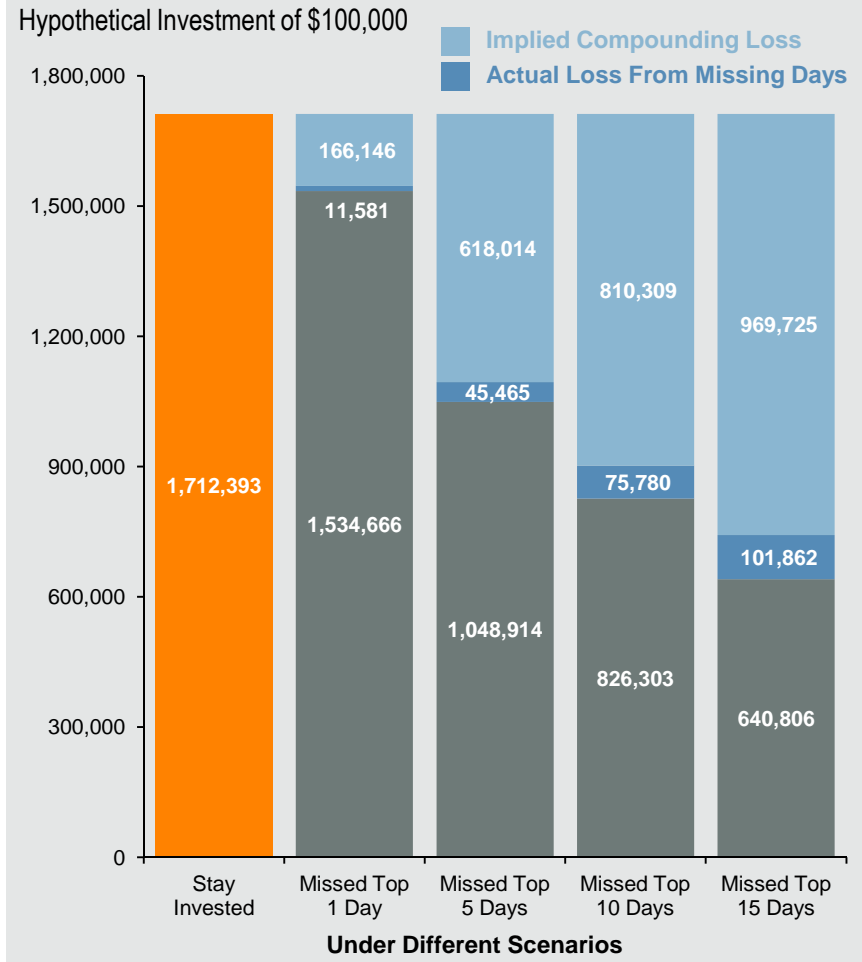
Source: Ipreo, BNY Mellon, McKinsey Global Institute, J.P. Morgan Asset Management "Guide to the Markets – Asia."

(Top) Surveyed retail investors' portfolio is based on McKinsey Global Institute's "The emerging equity gap: Growth and stability in the new investor landscape" survey. Developed Asia includes Singapore, Hong Kong, Korea and Taiwan. Emerging Asia includes India, Indonesia, Malaysia, Philippines, Thailand and Vietnam. (Bottom) Institutional Investors' Asset Allocation by Geography is based on BNY Mellon's "Asia's Evolving Investment Landscape – Considering Hong Kong, Mainland China and Singapore as Investment Sources" survey, which depicts the asset allocation pattern of institutional clients around the world. Asian investor portfolio covers only Hong Kong, Singapore and Mainland China institutional investors. Total may not sum to 100% due to rounding. Data reflect most recently available as of 31/12/13.

Market Timing of Retail Investors



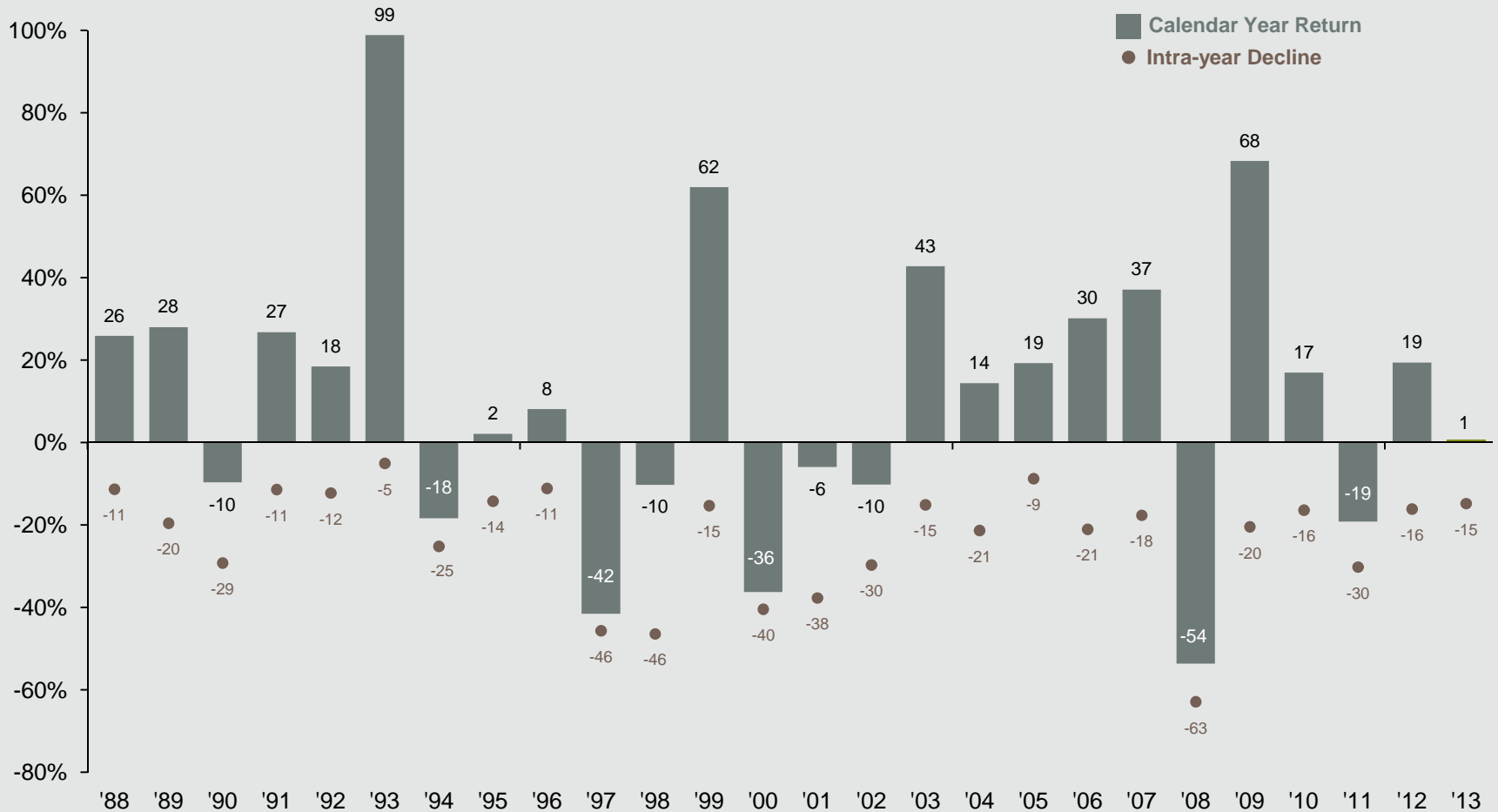
S&P 500 Cumulative Price Return Since 1980*



Source: FactSet, Standard & Poor's, Investment Company Institute, Lipper, J.P. Morgan Asset Management "Guide to the Markets – Asia."
 * A total of 8,871 trading days used to calculate the total cumulative price return of the S&P 500 index since 1/1/1980.
 Data reflect most recently available as of 31/12/13.

Annual Returns and Intra-Year Declines

MSCI AC Asia ex Japan Intra-year Declines vs. Calendar Year Returns



Source: FactSet, MSCI, J.P. Morgan Asset Management "Guide to the Markets – Asia."

Returns are price returns based on MSCI AC Asia ex-Japan Index in US dollar terms. Intra-year decline is the largest peak to trough decline during the respective year. Data reflect most recently available as of 31/12/13.

Equity Performance under Different Holding Periods

Average Annualized Return

S&P 500 since 1928



Long-term Equity Performance

S&P 500 since 1928

	S&P 500	1YR Ret.	3YR Ret.	5YR Ret.	10YR Ret.
Average Rolling Cumulative Return		7%	23%	42%	106%
# of years with (+) annual returns		56 / 85	65 / 83	60 / 81	65 / 76
# of years with (-) annual returns		29 / 85	18 / 83	21 / 81	11 / 76
Average Rolling Cumulative Return (+)		18%	36%	63%	127%
Average Rolling Cumulative Return (-)		-14%	-25%	-17%	-20%

Average Annualized Return

MSCI AC Asia ex-Japan since 1987



Long-term Equity Performance

MSCI AC Asia ex-Japan since 1987

	MSCI AC Asia ex-Japan	1YR Ret.	3YR Ret.	5YR Ret.	10YR Ret.
Average Rolling Cumulative Return		12%	30%	56%	79%
# of years with (+) annual returns		17 / 26	17 / 24	16 / 22	15 / 17
# of years with (-) annual returns		9 / 26	7 / 24	6 / 22	2 / 17
Average Rolling Cumulative Return (+)		29%	50%	86%	91%
Average Rolling Cumulative Return (-)		-21%	-18%	-24%	-14%

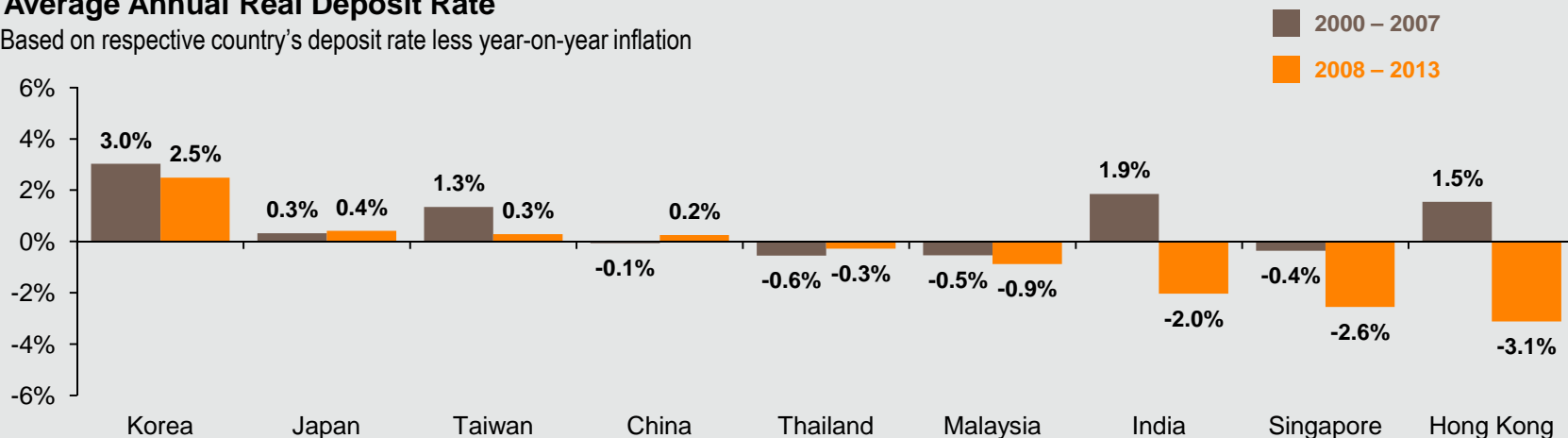
Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management "Guide to the Markets – Asia."

(Right) The plus sign represents the percentage of time that annualized returns were above 0% within the investment horizon based on historical data, while the minus sign represents the percentage of time that annualized returns were below 0%. Returns are price returns in local currencies. Data reflect most recently available as of 31/12/13.

Real Return on Cash and Retirement Trends in Asia

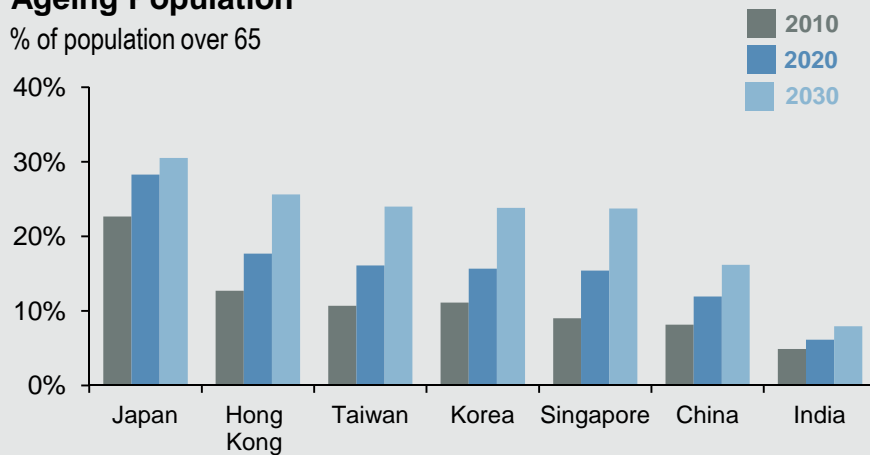
Average Annual Real Deposit Rate

Based on respective country's deposit rate less year-on-year inflation



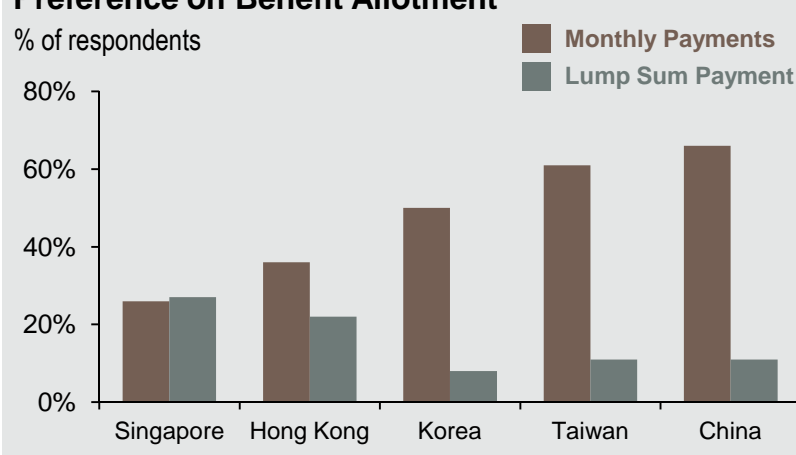
Ageing Population

% of population over 65



Preference on Benefit Allotment

% of respondents



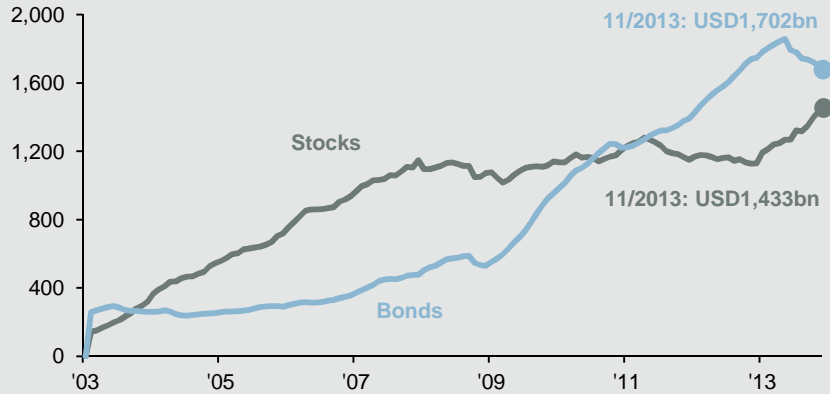
Source: UN, CSIS – “The Future of Retirement in East Asia,” IMF, FactSet, J.P. Morgan Asset Management “Guide to the Markets – Asia.”

(Top) Inflation based on the IMF's October 2013 World Economic Outlook. (Bottom Right) Response to the CSIS survey of non-retired respondents on their preference of how the benefit should be paid when they retire. Data reflect most recently available as of 31/12/13.

Fund Flows

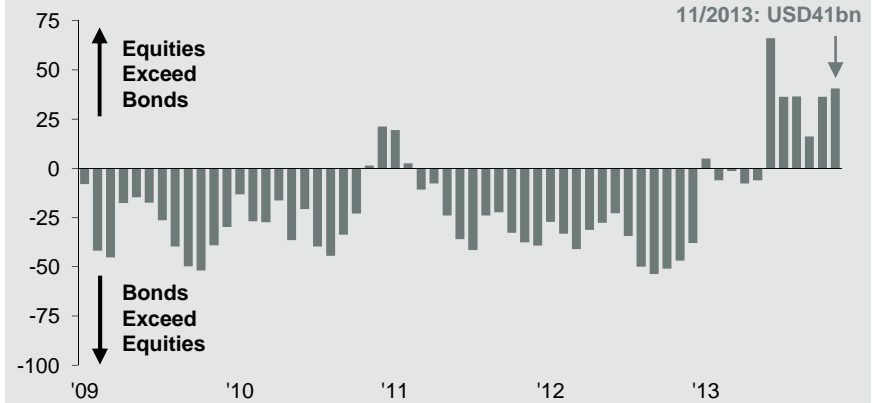
Cumulative Flows into Stock & Bond Funds

USD Billions, includes both mutual funds and ETFs since 2003



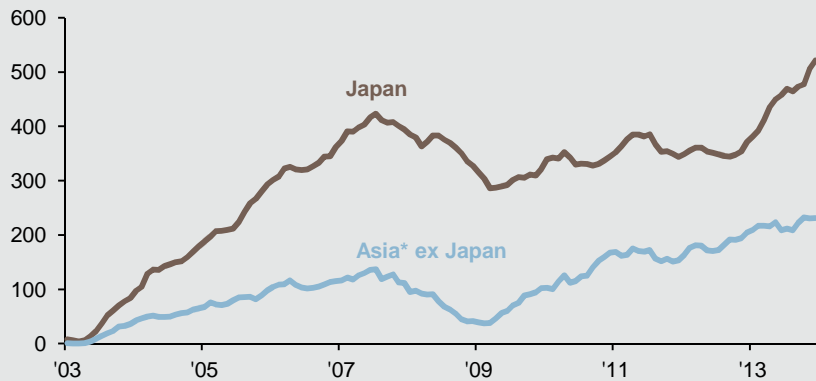
Monthly U.S. and International Fund Flows

USD Billions, difference between stock and bond mutual fund flows



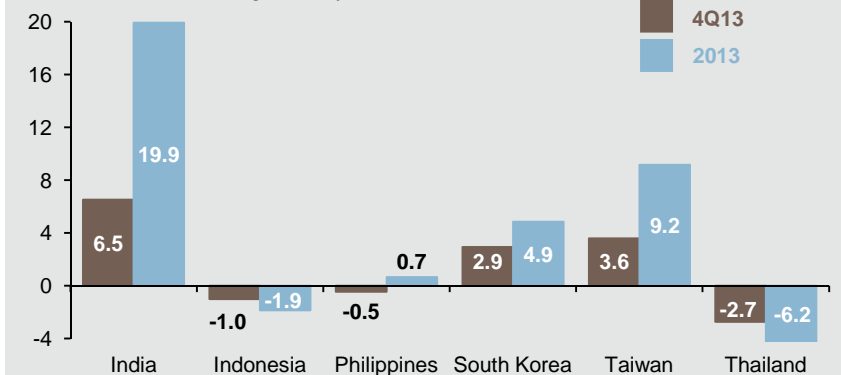
Cumulative Equity Flows into Asian Stock Market

USD Billions, monthly since 2003



Net Foreign Equity Flows into Asian Stock Market

USD Billions, net foreign equity flow



Source: Bloomberg, Investment Company Institute (ICI), Lipper, J.P. Morgan Asset Management "Guide to the Markets – Asia."

(Top Left) Data include both mutual fund and ETFs. (Top Right) Data include mutual funds but exclude ETFs. ICI data are subject to periodic revisions. (Bottom) Equity flows are defined as net equity purchase (non-derivatives, non-ETFs) by foreign investors registered in stock exchange in individual country, except for Taiwan which includes ETFs.

*Countries include India, Indonesia, Philippines, South Korea, Taiwan and Thailand. Data reflect most recently available as of 31/12/13.

All indexes are unmanaged and an individual cannot invest directly in an index. Index returns do not include fees or expenses.

The **S&P 500 Index** is widely regarded as the best single gauge of the US equities market. This world-renowned index includes a representative sample of 500 leading companies in leading industries of the US economy. Although the S&P 500 Index focuses on the large-cap segment of the market, with approximately 75% coverage of US equities, it is also an ideal proxy for the total market. An investor cannot invest directly in an index.

The **Tokyo Stock Price Index ("TOPIX")** is a composite index of all common stocks listed on the First Section of Tokyo Stock Exchange (TSE). The index is basically a measure of the changes in aggregate market value of TSE common stocks. The base for the index is the aggregate market value of its component stocks as of the close on January 4, 1968. The aggregate market value is calculated by multiplying the number of listed shares of each component stock by its price and totaling the products derived there from.

The **Bombay Exchange Sensitive Index ("SENSEX)**, first compiled in 1986, was calculated on a "Market Capitalization-Weighted" methodology of 30 component stocks representing large, well-established and financially sound companies across key sectors. The base year of SENSEX was taken as 1978-79. SENSEX today is widely reported in both domestic and international markets through print as well as electronic media. It is scientifically designed and is based on globally accepted construction and review methodology. Since September 1, 2003, SENSEX is being calculated on a free-float market capitalization methodology.

The **Korea Composite Stock Price Index ("KOSPI)** is market capitalization based index on all common stocks listed on the Stock Market Division of the Korea Exchange (KRX) and excludes preferred stocks. The stock price index is calculated using the actual price traded on the market and not the "base price" used for market management such as establishment of price change limits. When no market price is available for issues that are not being traded or have halted trading, the latest closing price is used. KOSPI was assigned a base index of 100 set to January 4, 1980.

The **China Shenzhen Composite Index** is an actual market-cap weighted index that tracks the stock performance of all the A-share and B-share lists on Shenzhen Stock Exchange. The index was developed on April 3, 1991 with a base price of 100.

The **MSCI® EAFE (Europe, Australia, Far East) Net Index** is recognized as the pre-eminent benchmark in the United States to measure international equity performance. It comprises 21 MSCI country indexes, representing the developed markets outside of North America.

The **MSCI Emerging Markets IndexSM** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of June 2007, the MSCI Emerging Markets Index consisted of the following 25 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

The **MSCI ACWI (All Country World Index) Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. As of June 2009 the **MSCI ACWI** consisted of 45 country indices comprising 23 developed and 22 emerging market country indices.

The following **MSCI Total Return IndicesSM** are calculated with gross dividends: This series approximates the maximum possible dividend reinvestment. The amount reinvested is the dividend distributed to individuals resident in the country of the company, but does not include tax credits.

The **MSCI Europe IndexSM** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe. As of June 2007, the MSCI Europe Index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The **MSCI Pacific IndexSM** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the Pacific region. As of June 2007, the MSCI Pacific Index consisted of the following 5 Developed Market countries: Australia, Hong Kong, Japan, New Zealand, and Singapore.

The **MSCI Europe ex UK IndexSM** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe, excluding the United Kingdom. The **MSCI Europe ex UK Index** consists of the following 15 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, and Switzerland.

The **MSCI Pacific ex Japan IndexSM** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the Pacific region, excluding Japan. As of June 2007, the MSCI Pacific Index consisted of the following 4 Developed Market countries: Australia, Hong Kong, New Zealand, and Singapore.

The **MSCI USA IndexSM** is designed to measure the performance of the large and mid cap segments of the US market. With 586 constituents, the index covers approximately 84% of the free float-adjusted market capitalization in the US. The MSCI USA Index was launched on December 31, 1969.

The **MSCI China IndexSM** captures large and mid cap representation across China H shares, B shares, Red chips and P chips. With 148 constituents, the index covers about 84% of this China equity universe. The MSCI China Index was launched on December 31, 1992.

The **MSCI Indonesia IndexSM** is designed to measure the performance of the large and mid cap segments of the Indonesian market. With 25 constituents, the index covers about 84% of the Indonesian equity universe. The MSCI Indonesia Index was launched on December 31, 1990.

The **MSCI Korea IndexSM** is designed to measure the performance of the large and mid cap segments of the South Korean market. With 105 constituents, the index covers about 84% of the Korean equity universe. The MSCI Korea Index was launched on December 31, 1989.

The **MSCI India IndexSM** is designed to measure the performance of the large and mid cap segments of the Indian market. With 71 constituents, the index covers about 84% of the Indian equity universe. The MSCI India Index was launched on December 31, 1993.

The **MSCI Japan IndexSM** is designed to measure the performance of the large and mid cap segments of the Japan market. With 315 constituents, the index covers approximately 84% of the free float-adjusted market capitalization in Japan. The MSCI Japan Index was launched on December 31, 1969.

The **MSCI Hong Kong IndexSM** is designed to measure the performance of the large and mid cap segments of the Hong Kong market. With 42 constituents, the index covers approximately 84% of the free float-adjusted market capitalization of the Hong Kong equity universe. The MSCI Hong Kong Index was launched on December 31, 1972.

The **MSCI Taiwan IndexSM** is designed to measure the performance of the large and mid cap segments of the Taiwan market. With 113 constituents, the index covers approximately 84% of the free float-adjusted market capitalization in Taiwan. The MSCI Taiwan Index was launched on December 31, 1989.

West Texas Intermediate (WTI) is the underlying commodity for the New York Mercantile Exchange's oil futures contracts.

The **Dow Jones-UBS Commodity Index** is composed of futures contracts on physical commodities and represents nineteen separate commodities traded on US exchanges, with the exception of aluminum, nickel, and zinc.

The **Dow Jones-UBS Commodity Subindexes** represent commodity groups and sectors, as well as single commodities, that make up the Dow Jones-UBS Commodity Index. The subindexes track exchange-traded futures of physical commodities, and the commodity groups and sectors, like in the case of the broad index, are weighted to account for economic significance and market liquidity. The different subindexes are Energy, Livestock, Grains, Industrial Metals, and Precious Metals.

Price to forward earnings is a measure of the price-to-earnings ratio (P/E) using forecasted earnings. **Price to book value** compares a stock's market value to its book value. **Price to cash flow** is a measure of the market's expectations of a firm's future financial health. **Price to dividends** is the ratio of the price of a share on a stock exchange to the dividends per share paid in the previous year, used as a measure of a company's potential as an investment.

Bonds are subject to interest rate risks. Bond prices generally fall when interest rates rise.

The price of **equity** securities may rise, or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries, or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to "stock market risk" meaning that stock prices in general may decline over short or extended periods of time.

Small-capitalization investing typically carries more risk than investing in well-established "blue-chip" companies since smaller companies generally have a higher risk of failure. Historically, smaller companies' stock has experienced a greater degree of market volatility than the average stock.

Mid-capitalization investing typically carries more risk than investing in well-established "blue-chip" companies. Historically, mid-cap companies' stock has experienced a greater degree of market volatility than the average stock.

Real estate investments may be subject to a higher degree of market risk because of concentration in a specific industry, sector or geographical sector. Real estate investments may be subject to risks including, but not limited to, declines in the value of real estate, risks related to general and economic conditions, changes in the value of the underlying property owned by the trust and defaults by borrower.

International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies can raise or lower returns. Also, some markets may not be as politically and economically stable as other nations. Investments in **emerging markets** can be more volatile. The normal risks of international investing are heightened when investing in emerging markets. In addition, the small size of securities markets and the low trading volume may lead to a lack of liquidity, which leads to increased volatility. Also, emerging markets may not provide adequate legal protection for private or foreign investment or private property.

Investments in **commodities** may have greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss.

Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the original investment. The use of derivatives may not be successful, resulting in investment losses, and the cost of such strategies may reduce investment returns.

There is no guarantee that the use of **long and short positions** will succeed in limiting an investor's exposure to domestic stock market movements, capitalization, sector swings or other risk factors. Investing using long and short selling strategies may have higher portfolio turnover rates. Short selling involves certain risks, including additional costs associated with covering short positions and a possibility of unlimited loss on certain short sale positions.

The Market Insights program provides comprehensive data and commentary on global markets without reference to products. Designed as a tool to help clients understand the markets and support investment decision-making, the program explores the implications of current economic data and changing market conditions.

The views contained herein are not to be taken as an advice or recommendation to buy or sell any investment in any jurisdiction, nor is it commitment from J.P. Morgan Asset Management or any of its subsidiaries (collectively identified as "JPMAM") to participate in any of the transactions mentioned herein. Any forecasts, figures, opinions or investment techniques and strategies set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without previous notice. All information presented herein is considered to be accurate at the time of writing, but no warranty of accuracy is given and no liability in respect of any error or omission is accepted. This material should not be relied upon by you in evaluating the merits of investing in any securities or products mentioned herein. In addition, the investor should make an independent assessment of the legal, regulatory, tax, credit, and accounting and determine, together with their own professional advisers if any of the investments mentioned herein are suitable to their personal goals. Investors should ensure that they obtain all available relevant information before making any investment. 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. Both past performance and yield may not be a reliable guide to future performance. Exchange rate variations may cause the value of investments to increase or decrease. Investments in smaller companies may involve a higher degree of risk as they are usually more sensitive to market movements. Investments in emerging markets may be more volatile and therefore the risk to your capital could be greater. Further, the economic and political situations in emerging markets may be more volatile than in established economies and these may adversely influence the value of investments made. The information presented herein is for the strict use of the recipient who have requested such information and it is not for dissemination to any other third parties without the explicit consent of J.P. Morgan Asset Management. These views do not necessarily reflect the opinions of any other firm or other division of the JPMorgan Chase & Co. group.

This communication is for intended recipients only and may only be forwarded or presented to other persons in compliance with local law and regulations which shall be the intended recipients' sole responsibility. Investment involves risks. The value of investments and the income from them may fall as well as rise and investors may not get back the full or any of the amount invested. Recipient of this communication should make their own investigation or evaluation or seek independent advice prior to making any investment. It shall be the recipient's sole responsibility to verify his / her eligibility and to comply with all requirements under applicable legal and regulatory regimes in receiving this communication and in making any investment. All cases studies shown for illustrative purposes only and should not be relied upon as advice or interpreted as a recommendation. Results shown are not meant to be representative of actual investment results.

J.P. Morgan Asset Management is the brand for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide. This communication is issued by the following entities: in Brazil by Banco J.P. Morgan S.A. (Brazil) which is regulated by The Brazilian Securities and Exchange Commission (CVM) and Brazilian Central Bank (Bacen); in the United Kingdom by JPMorgan Asset Management (UK) Limited, which is authorized and regulated by the Financial Conduct Authority (FCA); in other EU jurisdictions by JPMorgan Asset Management (Europe) S.à r.l.; in Switzerland by J.P. Morgan (Suisse) SA, which is regulated by the Swiss Financial Market Supervisory Authority FINMA; in Hong Kong by JF Asset Management Limited, JPMorgan Funds (Asia) Limited or JPMorgan Asset Management Real Assets (Asia) Limited, all of which are regulated by the Securities and Futures Commission; in India by JPMorgan Asset Management India Private Limited which is regulated by the Securities & Exchange Board of India; in Singapore by JPMorgan Asset Management (Singapore) Limited or JPMorgan Asset Management Real Assets (Singapore) Pte. Ltd., both are regulated by the Monetary Authority of Singapore; in Taiwan by JPMorgan Asset Management (Taiwan) Limited or JPMorgan Funds (Taiwan) Limited, both are regulated by the Financial Supervisory Commission; in Japan by JPMorgan Asset Management (Japan) Limited which is a member of the Investment Trusts Association, Japan, the Japan Investment Advisers Association and the Japan Securities Dealers Association, and is regulated by the Financial Services Agency (registration number "Kanto Local Finance Bureau (Financial Instruments Firm) No. 330"); in Korea by JPMorgan Asset Management (Korea) Company Limited which is regulated by the Financial Services Commission (without insurance by Korea Deposit Insurance Corporation) and in Australia to wholesale clients only as defined in section 761A and 761G of the Corporations Act 2001 (Cth) by JPMorgan Asset Management (Australia) Limited (ABN 55143832080) (AFSL 376919) which is regulated by the Australian Securities and Investments Commission; in Canada by JPMorgan Asset Management (Canada) Inc.; and in the United States by J.P. Morgan Investment Management Inc., or J.P. Morgan Distribution Services, Inc., member FINRA SIPC.

EMEA Recipients: You should note that if you contact J.P. Morgan Asset Management by telephone those lines may be recorded and monitored for legal, security and training purposes. You should also take note that information and data from communications with you will be collected, stored and processed by J.P. Morgan Asset Management in accordance with the EMEA Privacy Policy which can be accessed through the following website <http://www.jpmorgan.com/pages/privacy>.

© 2014 JPMorgan Chase & Co.

Unless otherwise stated, all data are as of December 31, 2013.

Prepared by: David Kelly, Tai Hui, Geoff Lewis, Yoshinori Shigemi, Grace Tam, Ian Hui, Ben Luk and Anthony Tsoi

MI-GTMASIA-E January 2014

Brazilian recipients:

