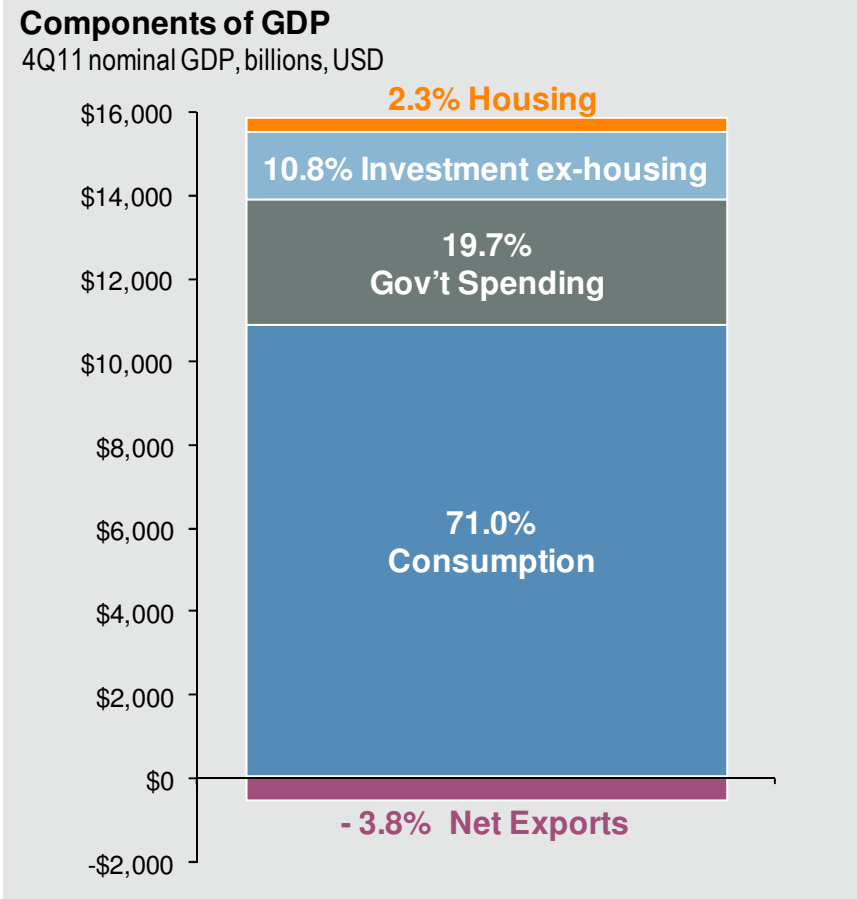
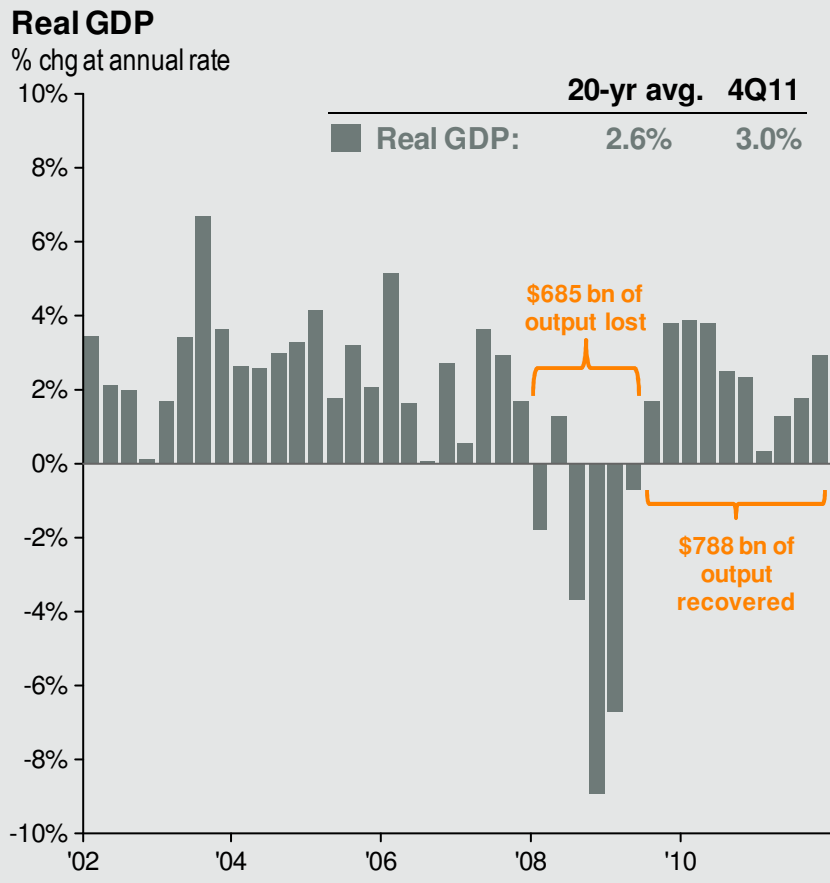


Economic Growth and the Composition of GDP

Economy

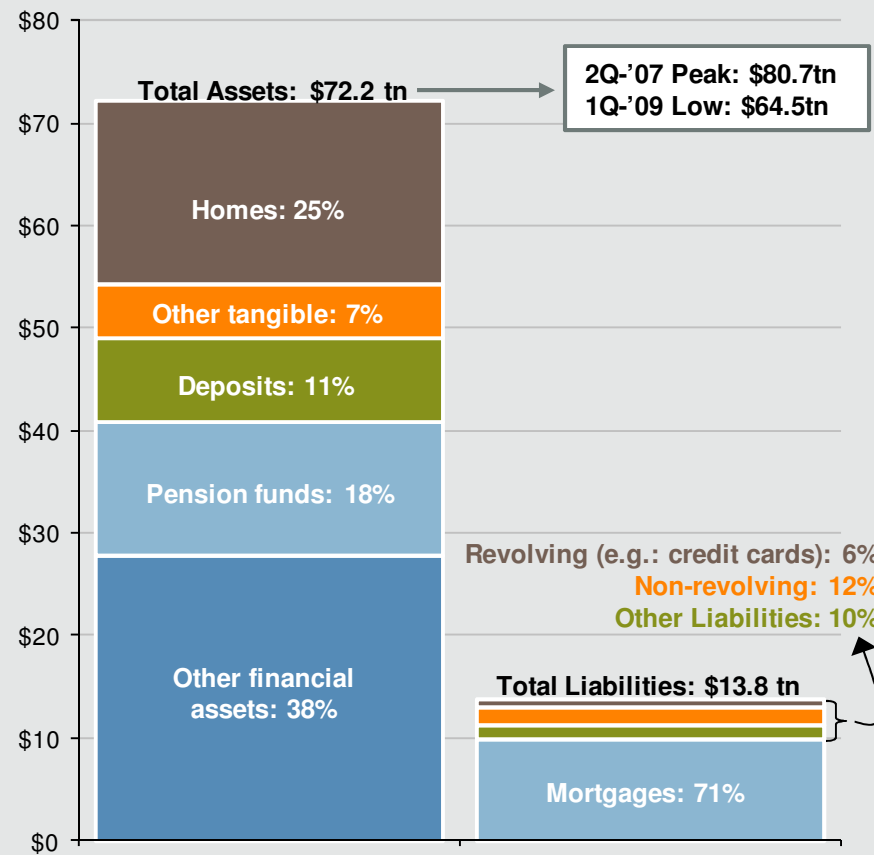


Source: BEA, FactSet, J.P. Morgan Asset Management.
 GDP values shown in legend are % change vs. prior quarter annualized and reflect revised 4Q11 GDP.
 Data reflect most recently available as of 3/31/12.

Economy

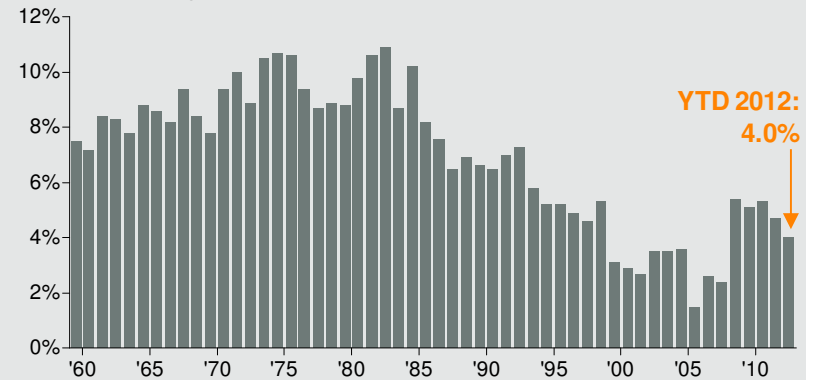
Consumer Balance Sheet

Trillions of dollars outstanding, not seasonally adjusted



Personal Savings Rate

Annual, % of disposable income



Household Debt Service Ratio

Debt payments as % of disposable personal income, seasonally adjusted

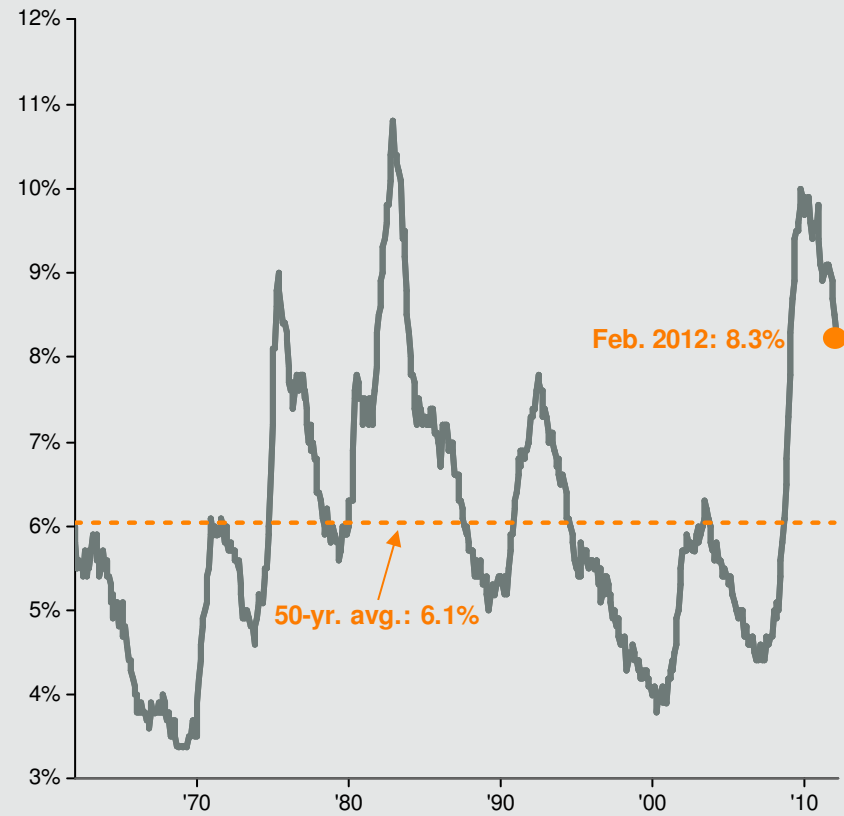


Source: (Left) FRB, J.P. Morgan Asset Management. Data includes households and nonprofit organizations. (Right) BEA, FRB, J.P. Morgan Asset Management. Personal savings rate is calculated as personal savings (after-tax income – personal outlays) divided by after-tax income. Employer and employee contributions to retirement funds are included in after-tax income but not in personal outlays, and thus are implicitly included in personal savings. Savings rate data as of February 2012. *1Q12 Household Debt Service Ratio is J.P. Morgan Asset Management estimate. All other data are as of 4Q11.

Data reflect most recently available as of 3/31/12.

Civilian Unemployment Rate

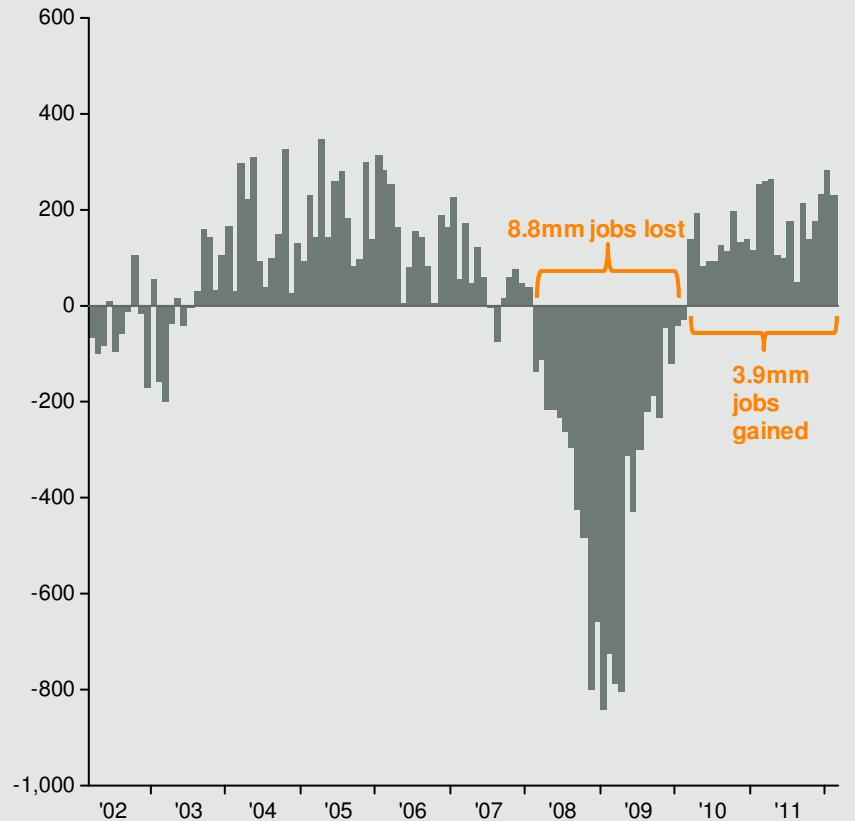
Seasonally adjusted



Source: BLS, FactSet, J.P. Morgan Asset Management.
Data reflect most recently available as of 3/31/12.

Employment – Total Private Payroll

Total job gain/loss (thousands)

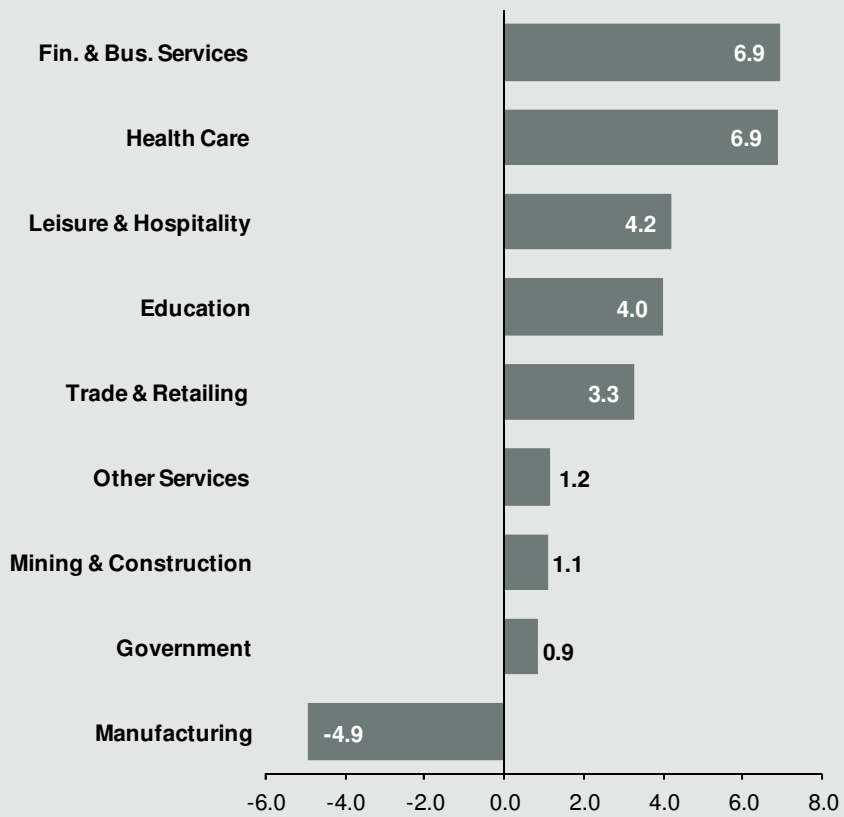


Source: BLS, FactSet, J.P. Morgan Asset Management.

Employment by Sector and Education

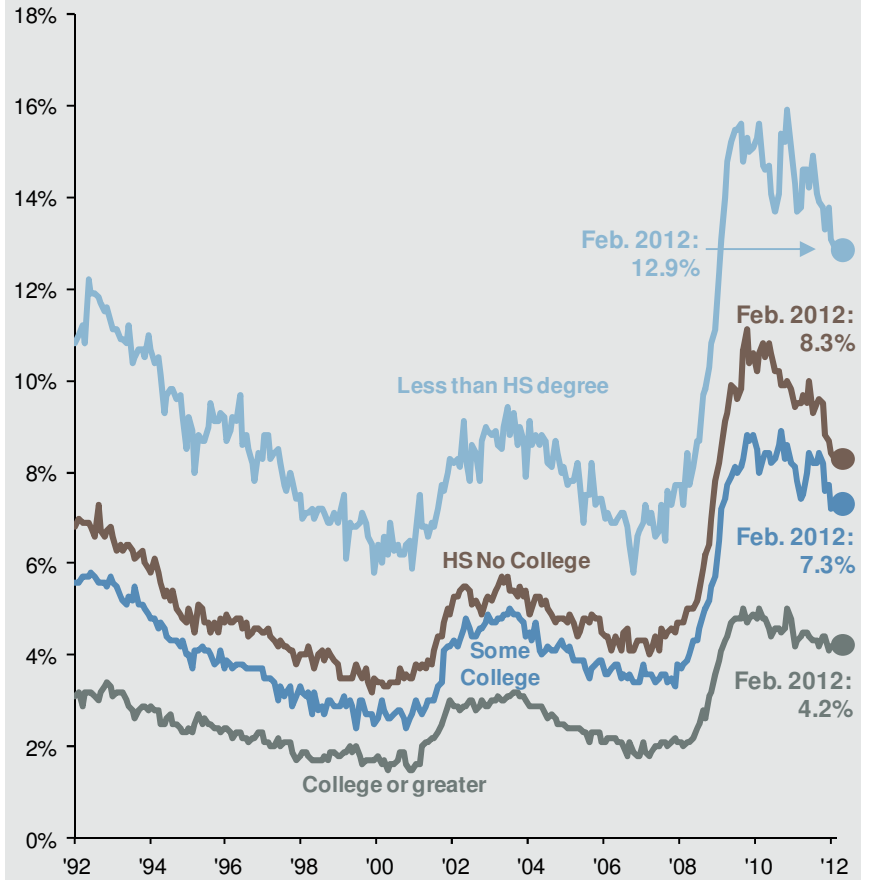
Economy

20 Years – Net Job Creation
Net change in millions of payroll jobs, sa



Source: BLS, FactSet, J.P. Morgan Asset Management.
Data reflect most recently available as of 3/31/12.

Unemployment Rate by Education Level

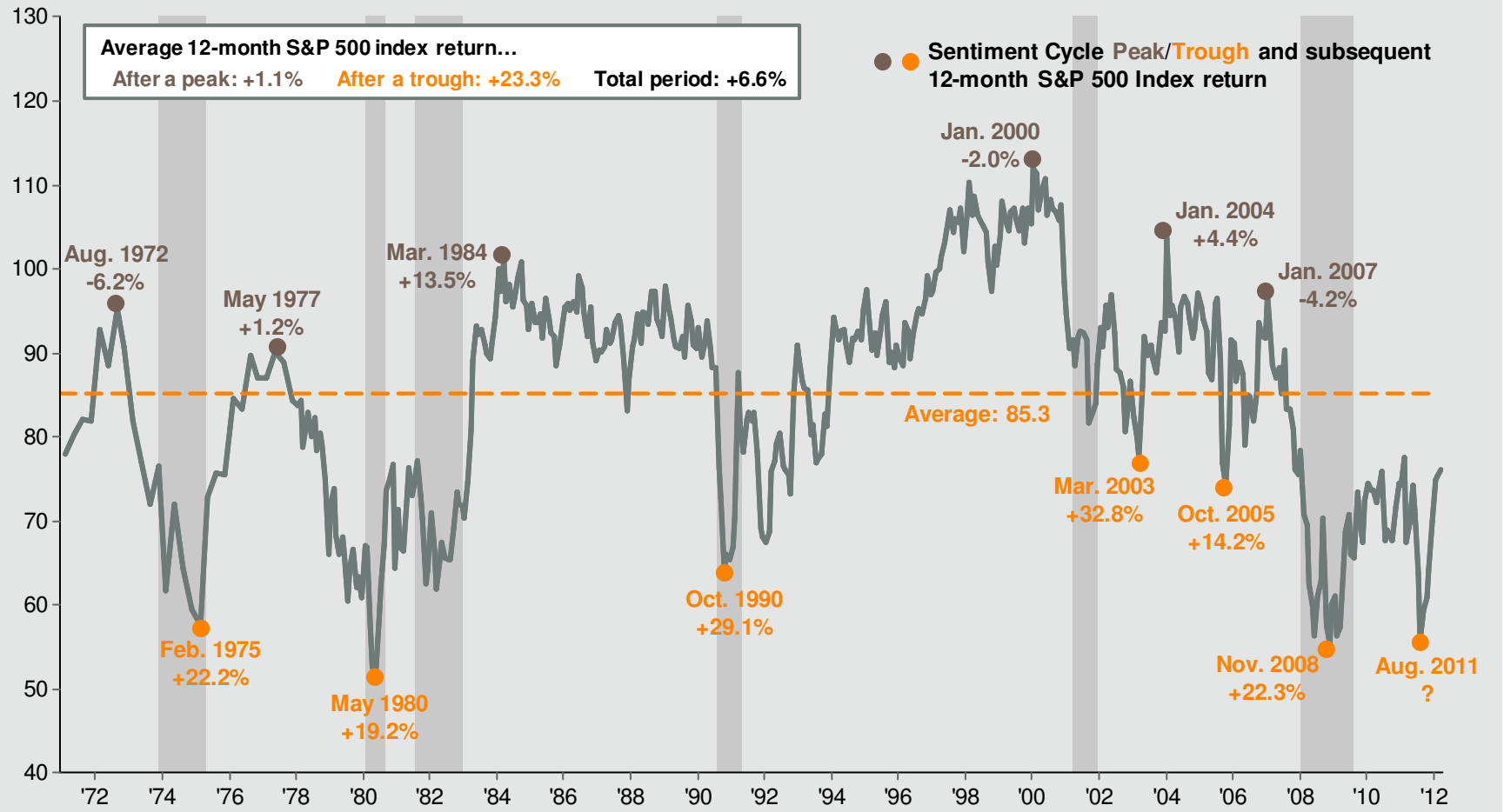


Source: BLS, FactSet, J.P. Morgan Asset Management.

Consumer Confidence and the Stock Market

Economy

Consumer Sentiment Index – University of Michigan



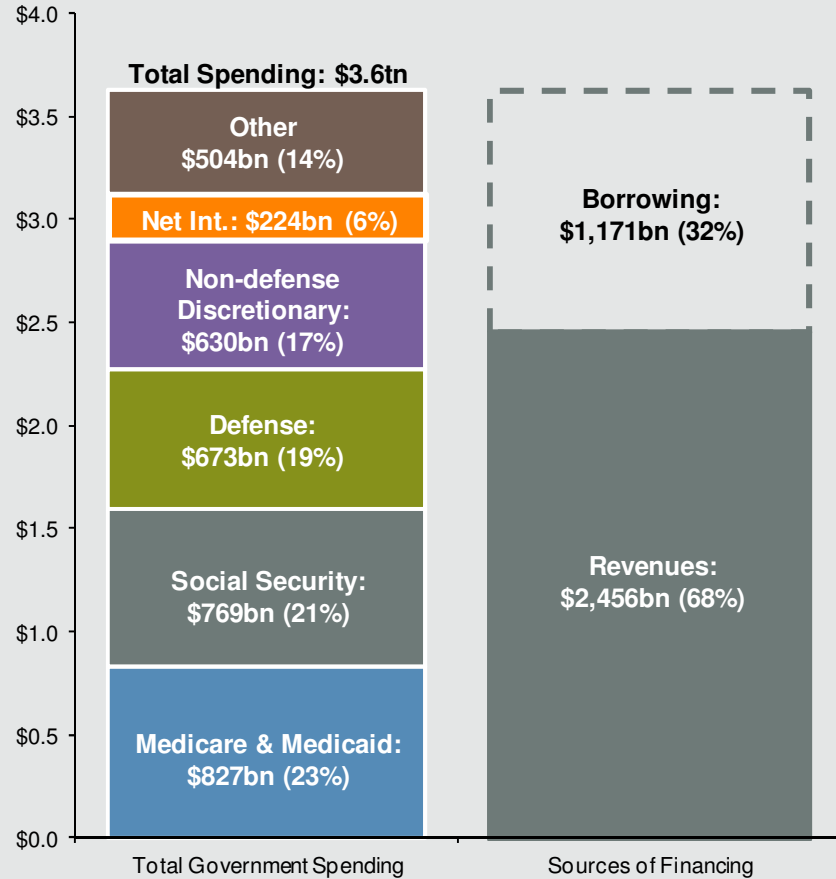
Source: University of Michigan, FactSet, J.P. Morgan Asset Management.

Peak is defined as the highest index value before a series of lower lows, while a trough is defined as the lowest index value before a series of higher highs. Subsequent 12-month S&P 500 returns are price returns only, which excludes dividends.

Data reflect most recently available as of 3/31/12.

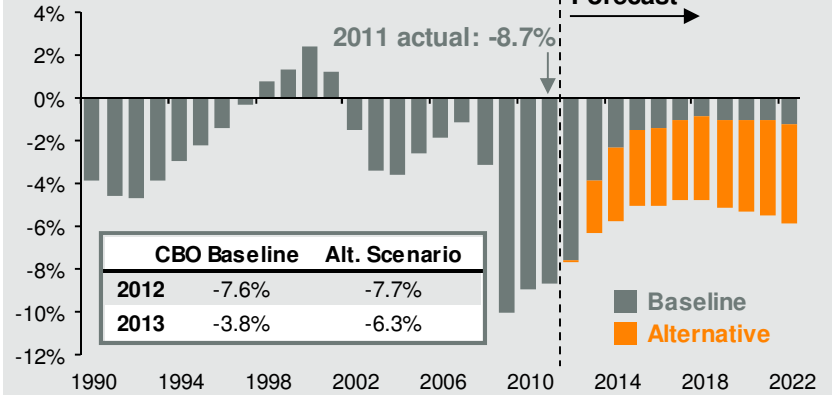
The 2012 Federal Budget

CBO Baseline forecast, trillions USD



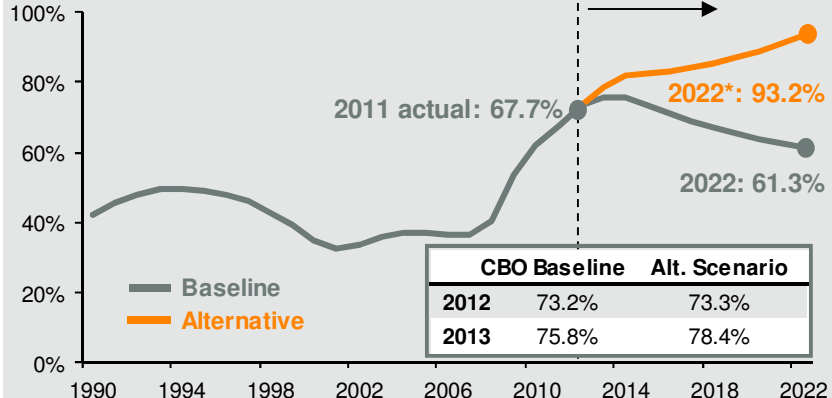
Federal Budget Surplus/Deficit

% of GDP, 1990 – 2022*



Federal Debt (Accumulated Deficits)

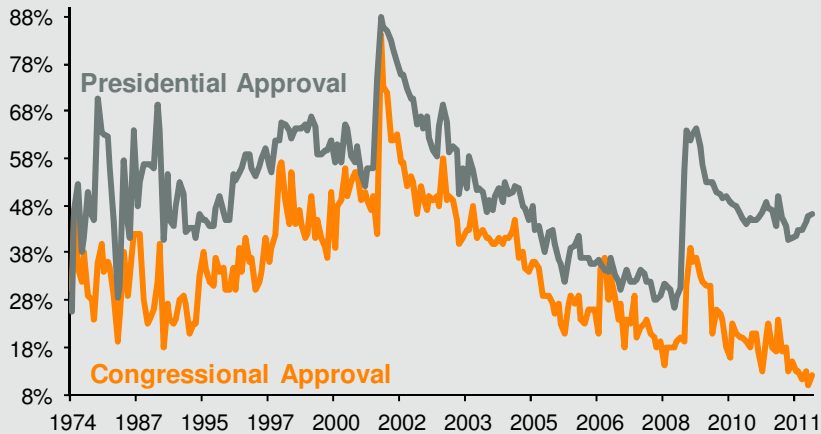
Net debt % of GDP, 1990 – 2022*



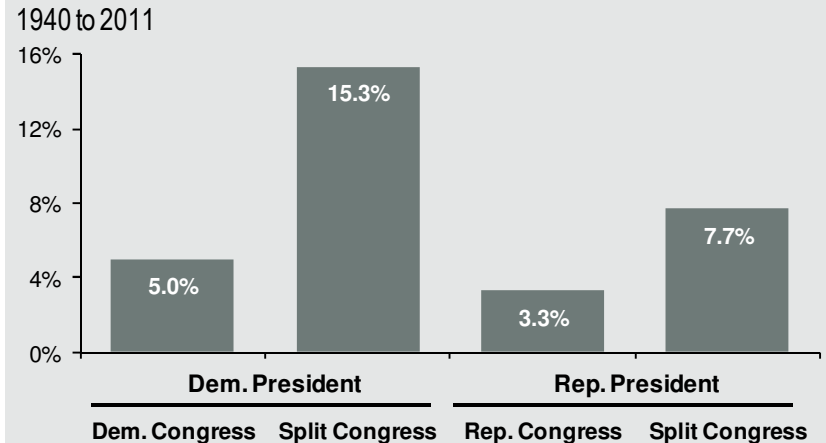
Source: U.S. Treasury, BEA, CBO, J.P. Morgan Asset Management.

2011 numbers are actuals. 2012 Federal Budget is based on the CBO's March 2012 Baseline Scenario. *The CBO's Alternative Scenario as shown in the deficit and debt charts assumes that expiring tax provisions (other than the payroll tax cut) are extended, the AMT is indexed for inflation after 2011, Medicare's payment rates for physicians' services are held constant at their current level and the automatic spending cuts required by the Budget Control Act, which are set to take effect in January 2013, do not occur (but discretionary appropriation caps stay in place). Note: Years shown are fiscal years (Oct. 1 through Sep. 30). Top right chart displays federal surplus/deficit (revenues – outlays). Data reflect most recently available as of 3/31/12.

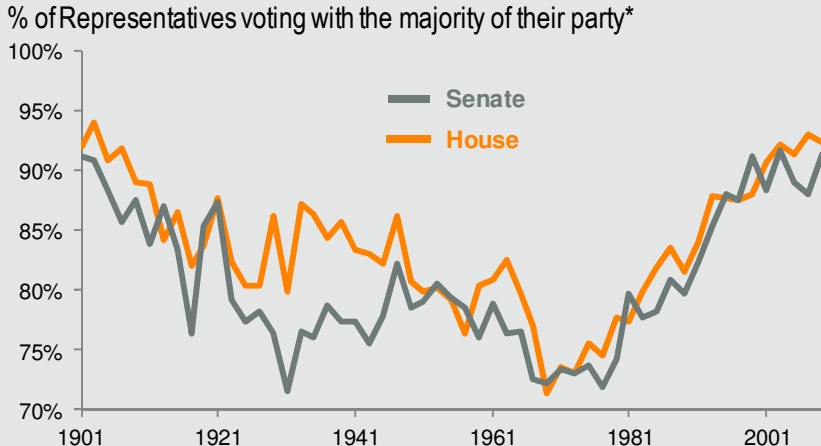
Presidential and Congressional Approval Ratings



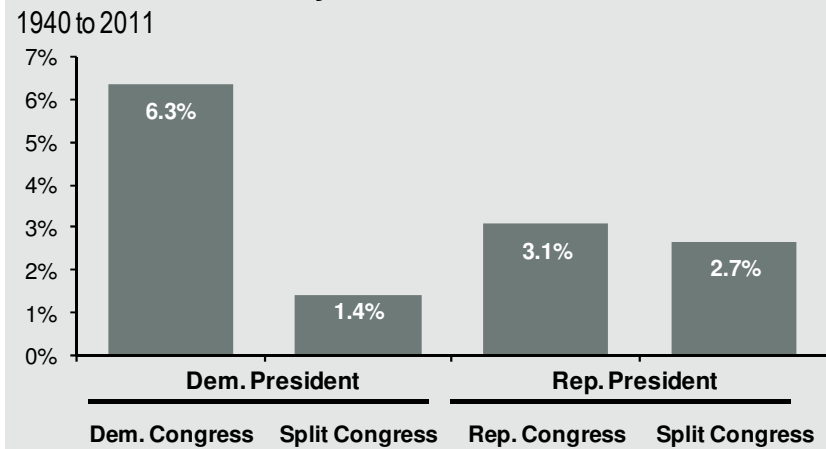
S&P 500 Return by Political Control



Political Polarization



Real GDP Growth by Political Control

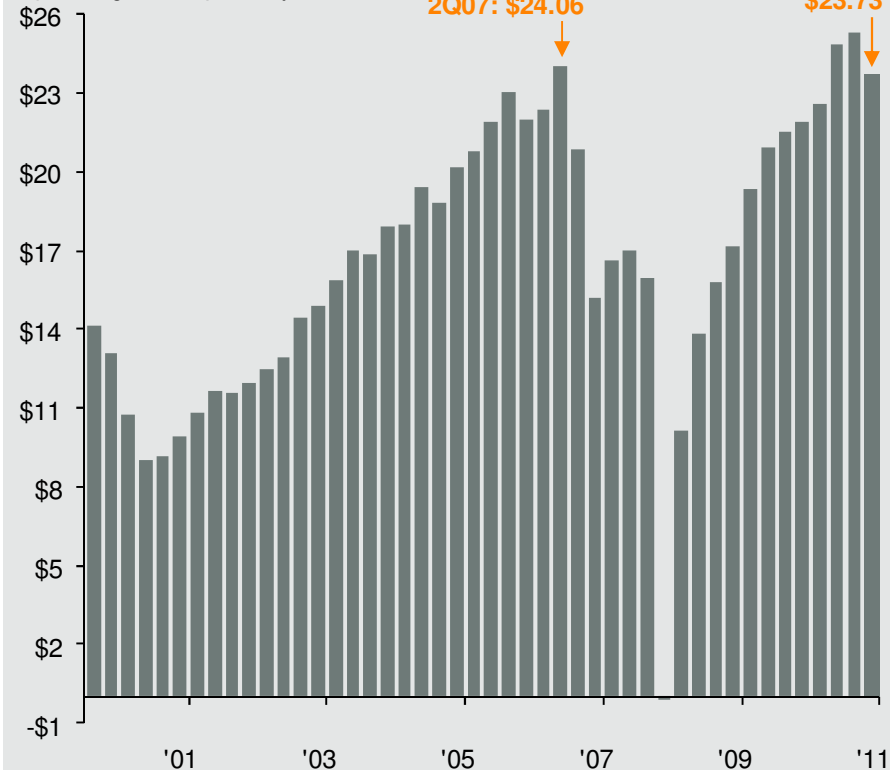


Source: (Top) Gallup Inc., J.P. Morgan Asset Management. (Bottom left) Gallup Inc., J.P. Morgan Asset Management. (Bottom right) Keith T. Poole, J.P. Morgan Asset Management.

*In roll call votes where the majority in one party voted the opposite way to the majority in the other. Data compiled by Professors Keith T. Poole and Howard Rosenthal available at www.voteview.com. Data are most recent as of 3/31/12.

S&P 500 Earnings Per Share

Operating basis, quarterly



Source: Standard & Poor's, J.P. Morgan Asset Management.

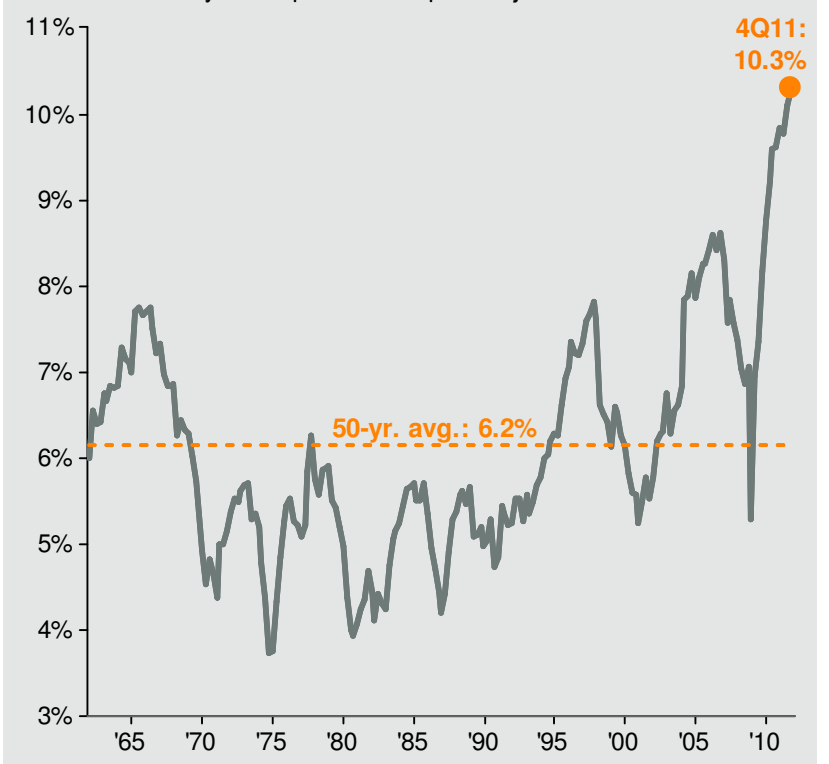
EPS levels are based on operating earnings per share.

Most recently available is a 4Q11 99% complete estimate.

Data reflect most recently available as of 3/31/12.

Adjusted After-Tax Corporate Profits (% of GDP)

Includes inventory and capital consumption adjustments



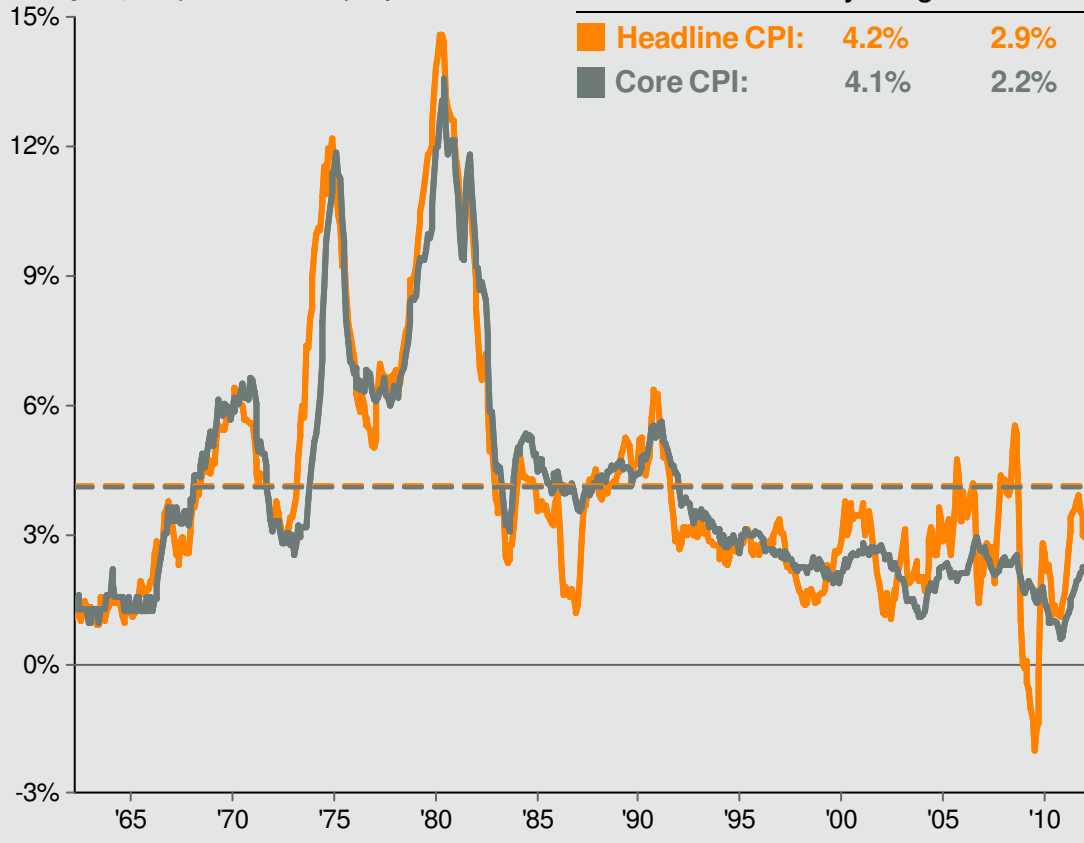
Source: BEA, FactSet, J.P. Morgan Asset Management.

Consumer Price Index

Economy

CPI and Core CPI

% chg vs. prior year, seasonally adjusted

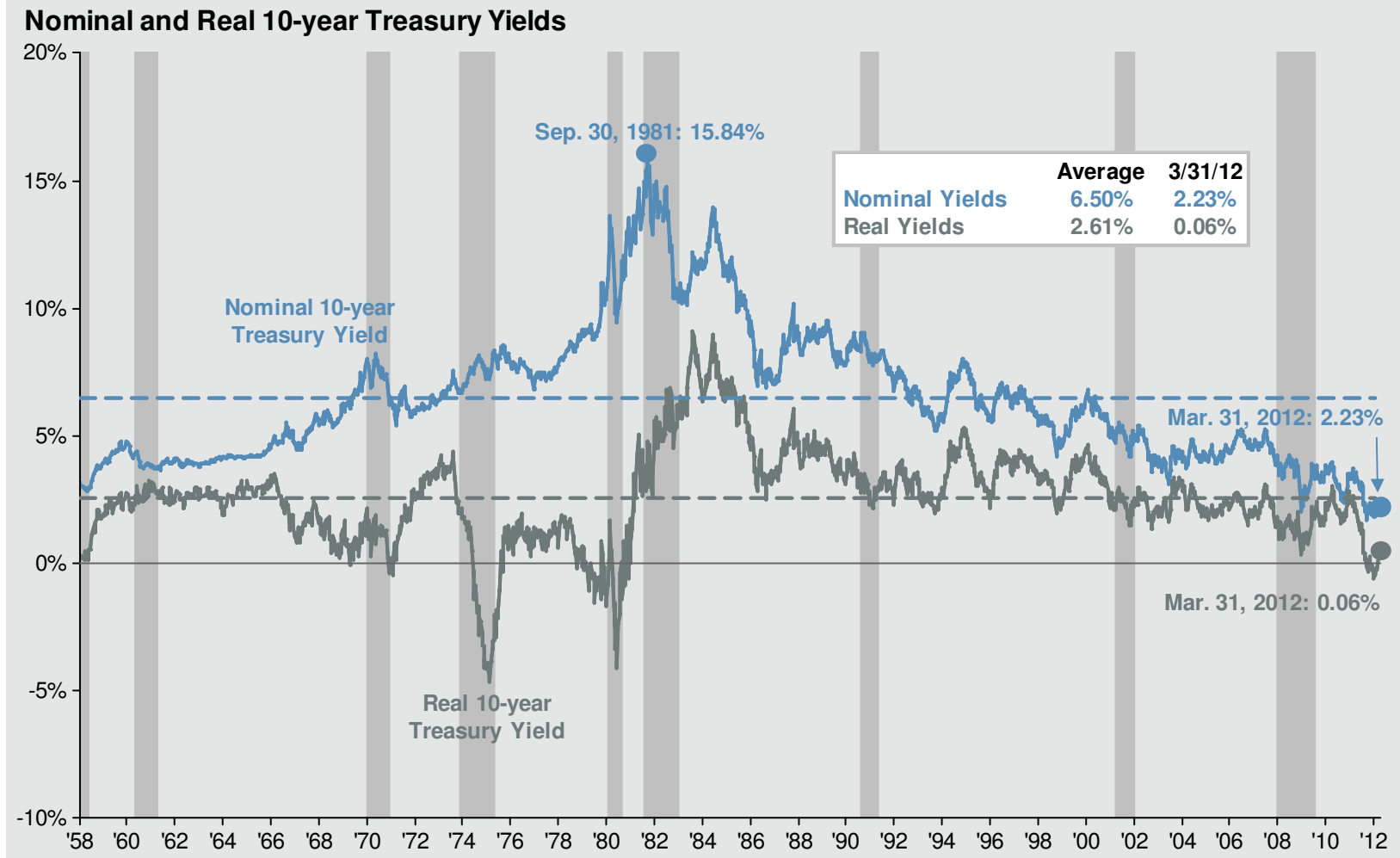


| CPI Components | Weight in CPI | 12-month Change |
|---------------------|---------------|-----------------|
| Food & Bev. | 15.3% | 3.8% |
| Housing | 41.0% | 1.8% |
| Apparel | 3.6% | 4.2% |
| Transportation | 16.9% | 5.8% |
| Medical Care | 7.1% | 3.4% |
| Recreation | 6.0% | 1.0% |
| Educ. & Comm. | 6.8% | 1.9% |
| Other | 3.4% | 1.5% |
| Headline CPI | 100.0% | 2.9% |
| Less: | | |
| Energy | 9.7% | 7.0% |
| Food | 13.7% | 3.9% |
| Core CPI | 76.6% | 2.2% |

Source: BLS, FactSet, J.P. Morgan Asset Management.

CPI values shown are % change vs. 1 year ago and reflect February 2012 CPI data. CPI component weights are as of December 2011 and 12-month change reflects non-seasonally adjusted data through February 2012. Core CPI is defined as CPI excluding food and energy prices.

Data reflect most recently available as of 3/31/12.



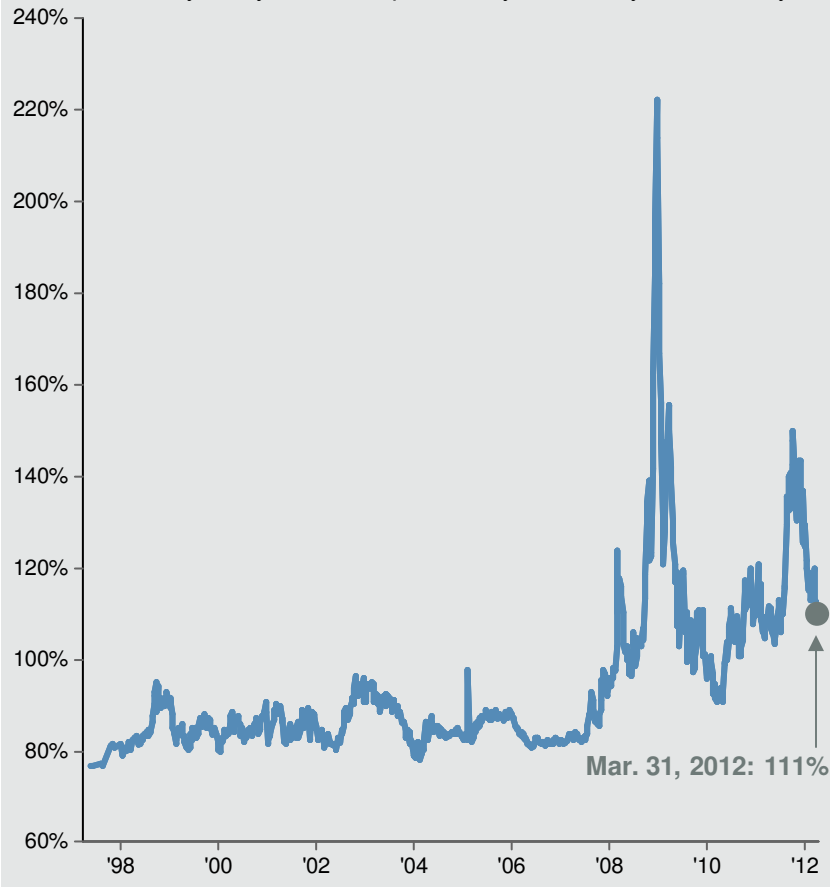
Source: Federal Reserve, BLS, J.P. Morgan Asset Management.

Real 10-year Treasury yields are calculated as the daily Treasury yield less year-over-year core inflation for that month except for March 2012, where real yields are calculated by subtracting out February 2012 year-over-year core inflation.

Data are as of 3/31/12.

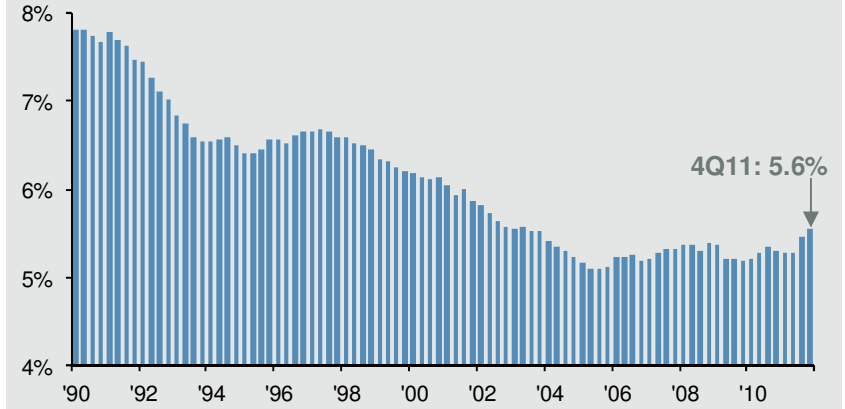
Muni/Treasury Ratio

Ratio of Barclays 10-year Municipal Bond yield to 10-year Treasury



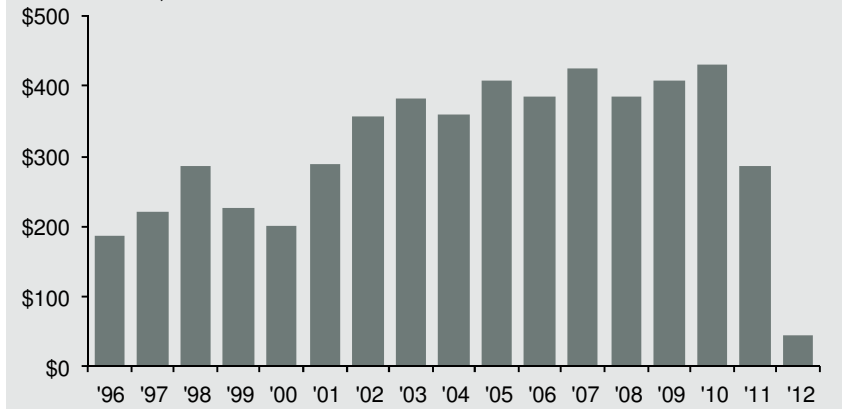
State & Local Government Debt Service

Percent of current expenditures



Municipal Bond Issuance*

Billions USD, revenue and GO issues



Source (Left chart): Barclays Capital, U.S. Treasury, FactSet, J.P. Morgan Asset Management. (Top right) BEA, J.P. Morgan Asset Management. (Bottom Right) SIFMA, J.P. Morgan Asset Management.

*Excludes maturities of 13 months or less and private placements. 2012 issuance data is as of February 2012.

Data are as of 3/31/12.

Performance as of April 4, 2012

| As of April 4, 2012 | 7 Day SEC Yield | 1 Month | 3 Months | 6 Months | 9 Months | 1 Year | 2 Years | 3 Years | 5 Years |
|--|-----------------|---------|----------|----------|----------|--------|---------|---------|---------|
| Prime Money Market Fund (Cap Shrs)* | 0.21 | | | | | | | | |
| US Government MMF (Cap Shrs)* | 0.01 | | | | | | | | |
| Tax Free Money Market Fund (Inst Shrs)* | 0.04 | | | | | | | | |
| AAA-GO's** | | | | | | 0.31 | 0.55 | 0.86 | 1.60 |
| AA-GO's** | | | | | | 0.60 | 0.88 | 1.23 | 2.00 |
| Pre-Refunded Securities** | | | | | | 0.34 | 0.55 | 0.85 | |
| Treasuries | | 0.06 | 0.07 | 0.14 | 0.16 | 0.18 | 0.35 | 0.50 | 1.02 |
| TLGP Paper | | | | | | | 0.36 | | |
| Agencies | 0.01 | 0.09 | 0.11 | 0.15 | 0.17 | 0.21 | 0.39 | 0.61 | 1.20 |
| Commercial Paper (A-1/P-1) ABCP | 0.13 | 0.22 | 0.28 | 0.35 | 0.45 | | | | |
| Commercial Paper (A-1/P-1) Financials | 0.10 | 0.15 | 0.25 | 0.40 | 0.50 | | | | |
| Commercial Paper (A-1/P-1) Industrials | 0.05 | 0.10 | 0.15 | 0.24 | 0.40 | | | | |
| Certificates of Deposit (A-1) | 0.11 | 0.15 | 0.38 | 0.40 | 0.50 | 0.50 | | | |
| Time Deposits | 0.18 | | | | | | | | |
| AA Corporate Industrials | | | | 0.24 | 0.31 | 0.38 | 0.59 | 0.94 | 1.95 |
| AA Corporate Financials | | | | 0.56 | 0.60 | 0.75 | 0.99 | 1.39 | 2.30 |
| A Corporate Industrials | | | | 0.29 | 0.36 | 0.43 | 0.69 | 1.09 | 2.15 |
| A Corporate Financials | | | | 0.57 | 0.66 | 0.84 | 1.09 | 1.44 | 2.60 |
| BBB Corporate Industrials | | | | 0.44 | 0.51 | 0.58 | 1.04 | 1.39 | 2.35 |
| BBB Corporate Financials | | | | 1.04 | 1.16 | 1.43 | 2.09 | 2.99 | 4.00 |
| AAA-Rated Credit Card Receivables (WAL) | | | | | | 0.56 | 0.76 | 0.98 | |

** Muni Yields grossed up at a 35% tax rate

* The yield shown is the 7 day SEC yield on the stated as-of-date

The performance quoted is past performance and is not a guarantee of future results. Current performance may be higher or lower than the performance data shown. For performance current to the most recent month-end please call 1-800-766-7722.

Money market fund performance may reflect the waiver of a portion of the fund's fees.

The unsubsidized 7-day SEC yield shows the fund's performance if fees had not been waived. Performance may reflect the waiver of a portion of the fund's fees. If fees had not been waived, the 7-day SEC yield would have JPMorgan Prime Money market Fund, 0.02, JPMorgan U.S. Government Money market Fund -0.15, JPMorgan 100% Treasury Securities Money Market Fund -0.22.

Past performance is no guarantee of comparable future results.

Diversification does not guarantee investment returns and does not eliminate the risk of loss.

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 outside the U.S. can raise or lower returns. Also, some overseas markets may not be as politically and economically stable as the United States and other nations. Investments in **emerging markets** can be more volatile. As mentioned above, the normal risks of investing in foreign countries 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.

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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.

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.

Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The views and strategies described may not be suitable for all investors. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for accounting, legal or tax advice. References to future returns are not promises or even estimates of actual returns a client portfolio may achieve. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation.

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Unless otherwise stated, all data are as of March 31, 2012 or most recently available.

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JP-LITTLEBOOK

