ASSET MANAGEMENT

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February 28, 2012

JPMorgan Chase & Co.

Asset Management: a very strong business even through the crisis

Record

($B, unless otherwise noted)

		2006	2011	2006 – 2011 CAGR
Solid financials through crisis	Revenue	$6.8	$9.5	7.1%
	Pretax margin	33%	26%	
	Net income	$1.4	$1.6	2.5%
	ROE	40%	25%	
Strong investment performance	Investment strategies (#)	254	369	7.8%
	4/5 star funds (#)	136	207	8.8
	AUM in 1st/2nd quartiles, 5 years (%)	79%	78%	
Gaining market share	Loans	$30	$58	14.2%
	Deposits	52	127	19.8
	Mortgages	5	15	23.6
	AUM	1,013	1,336	5.7
	AUS	1,347	1,921	7.4
	U.S. active mutual fund rank (by AUM)	19th	7th	
	U.S. active mutual fund flows rank	18th	2nd	
	Luxembourg/Dublin fund AUM share	6%	7%	
Investing for future	Private bankers (#)	1,506	2,444	10.2%
	International private bankers (#)	337	711	16.1
	JPMS brokers (#)	326[1]	439	6.1
	IM sales (#)	659	822	4.5
	International IM sales (#)	324	385	3.5

[1] Post Bear Stearns merger

Asset Management framework: designed for disciplined management and client focus in a complex and changing environment

Assets under supervision $1.92T	Global employees 18,000+	Investment professionals ~1,300	Investment strategies 350+
4%	7%	4%	13%

Investment Committee | **Global Asset Management** | **Risk Committee**

Across Products & Client Segments

Global Wealth Management Operating Committee	Highbridge Board	Global Investment Management Operating Committee
Global Private Bank	Hedge Funds	Global Institutional
Private Wealth Management	Principal Strategies	Global Retail
JPMorgan Securities	Gávea Investimentos	Investment Products

Support Functions

Finance	Human Resources	Risk	Audit	Legal	Compliance	Technology & Operations

J.P. Morgan Asset Management overview

Global Wealth Management

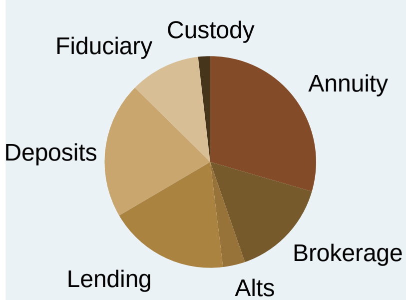
GWM: revenue up 5%

Channels	Revenue
PB U.S.	↑
PWM	→
PB International	↑
JPMS	↑

Observations

- 9 consecutive years of Private Banking revenue growth
- 8% front office growth (21% internationally)
- International revenue growth in Private Bank (11%) stronger than the U.S. (3%)
- *Euromoney* – #1 Global Private Bank UHNW, #1 U.S. HNW Private Bank
- *Financial Times* – Best Global Brand in Private Banking
- Growth agenda focused on international expansion and high net worth markets globally

Breakdown by product



Global Investment Management

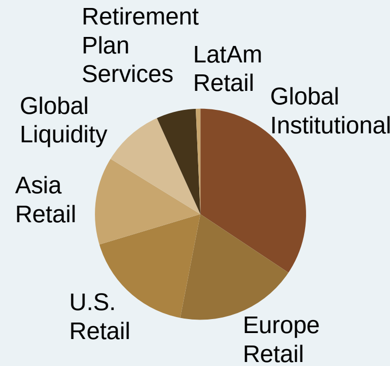
GIM: revenue up 4%

Products	Revenue
Equity	↑
Fixed Income	↑
Global Cash	↓
Global Real Assets	↑
PE / HF	↑
HB/Gávea	↑

Observations

- 15% U.S. active, long-term fund AUM growth
- Eleven consecutive quarters of positive long-term flows
- Positive flows into every asset class
- Alternatives revenue up 21%
- Largest Brazil focused private equity fund
- *European Pensions* – Institutional Hedge Fund Manager of the Year
- *The Asset* – Asia and Hong Kong – Best Asset Management Company of the Year
- Growth agenda focused on channel expansion across global retail, retirement, and insurance

Breakdown by channel



Note: Growth rates are year-over-year

ASSET MANAGEMENT

Power of the platform: our model fully leverages the firm's global platform and financial solutions

J.P. Morgan Asset Management

Synergies of over $1B across LOBs	Synergies account for over 10% of JPM AM revenue

Leveraging the JPMorgan Chase franchise

Treasury & Securities Services
- AM manages $90B of AUM for TSS clients
  - $140mm in 2011 firm revenue
- TSS provides custodial and transfer agency services to AM
- Referrals in both directions
  - $15mm in 2011 firm revenue

Investment Bank
- Securities offerings, structured products and trade execution offered to Private Banking clients
- $590mm in 2011 firm revenue
- IB referrals to AM: $80mm in 2011 revenue

Commercial Bank
- Investment Management products offered to Commercial Banking clients
  - AM manages $120B of AUA for CB clients
  - $370mm in 2011 firm revenue
- CB referrals to AM: $70mm in 2011 revenue

Retail Financial Services
- AM products offered to RFS clients through Chase branches
  - $40B in AUM
  - $510mm in 2011 firm revenue
- JPM is one of the fastest growing providers of unified managed accounts
- Banking to CB

Card Services & Auto
- Credit cards issued to Private Banking clients

Corporate/ Private Equity
- Corporate provides asset and liability management to AM

Drivers of our business: investment performance is first, everything else second

REVENUE

Investment performance
- Absolute
- Relative
- Risk-adjusted

+

Global markets
- Market levels/rates
- Banking/lending
- Brokerage activities

Net flows
- Outperformance
- Innovation
- Global presence

Revenue
Target flows +5%
- Actual average flows growth of 5% over 7 years
- Revenue CAGR of 9% since 2005

EXPENSE

Investing
- Portfolio managers
- Research analysts
- Traders

+

Distribution
- Metrics based sales coverage
- New markets/channels
- Solutions/advice

Platform
- Risk management
- T&O/efficiencies
- Controls

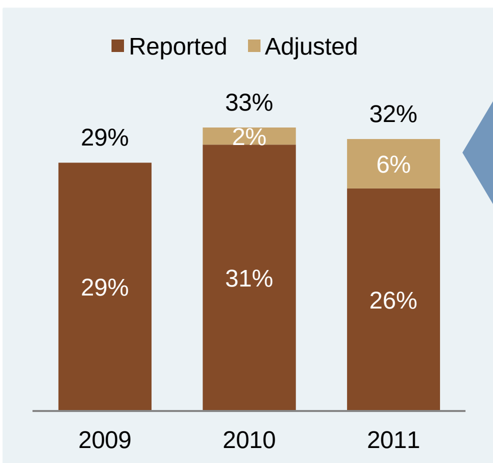
Expense
Managed to margin target over cycle
- Rigorous expense management
- Continuous reinvestment
- 6-year CAGR of 10%

Margin
Target of 35%
- 7-year average of 31%

Overall AM: adjusting margin exceeds target in most years; margin is at high end of peers

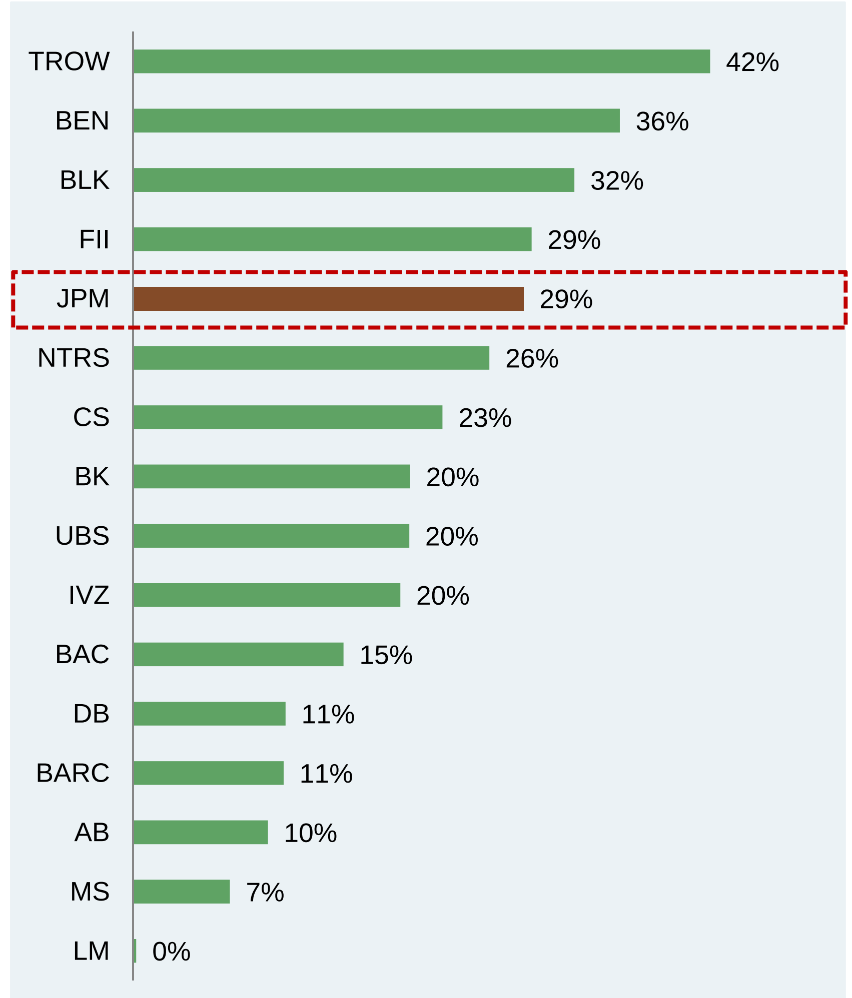
JPM AM pretax margin

Pretax margin: investments in people and technology



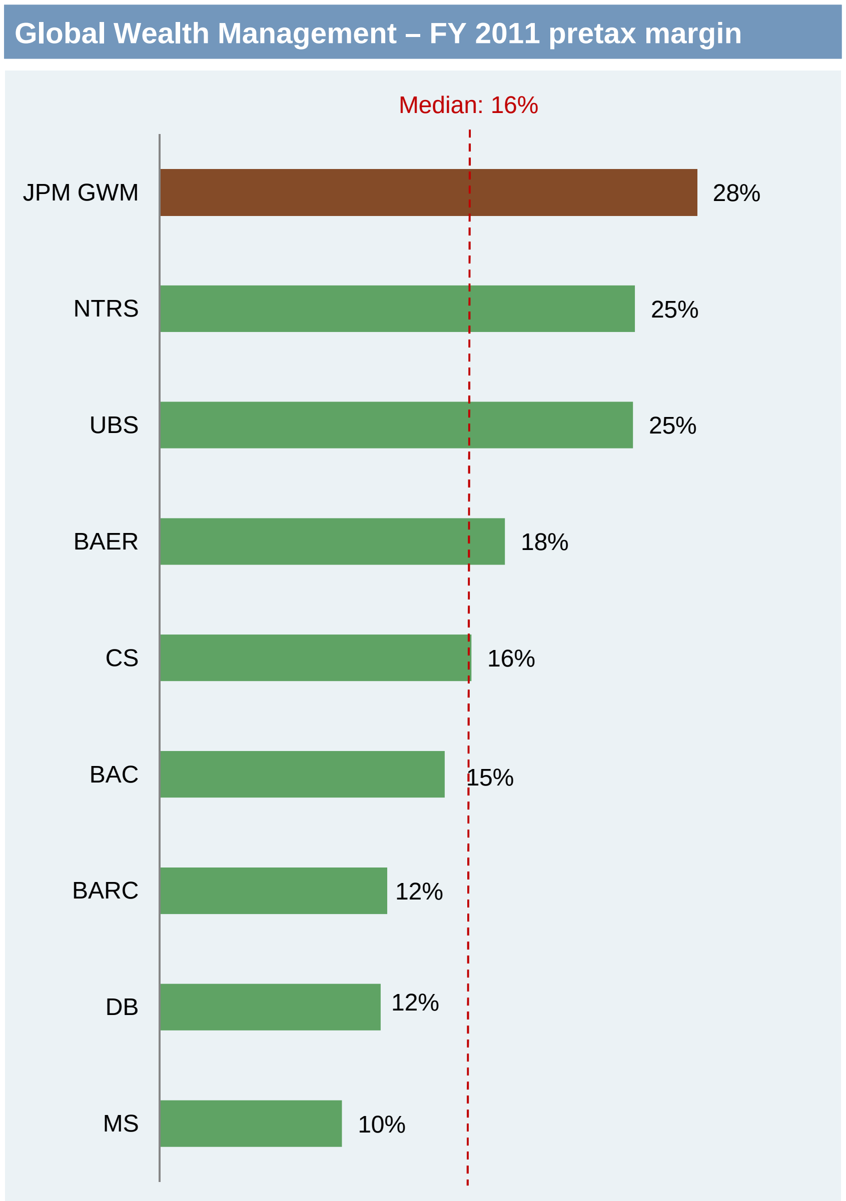
- Net new front office talent
- Net new technology initiatives
- Non-client litigation

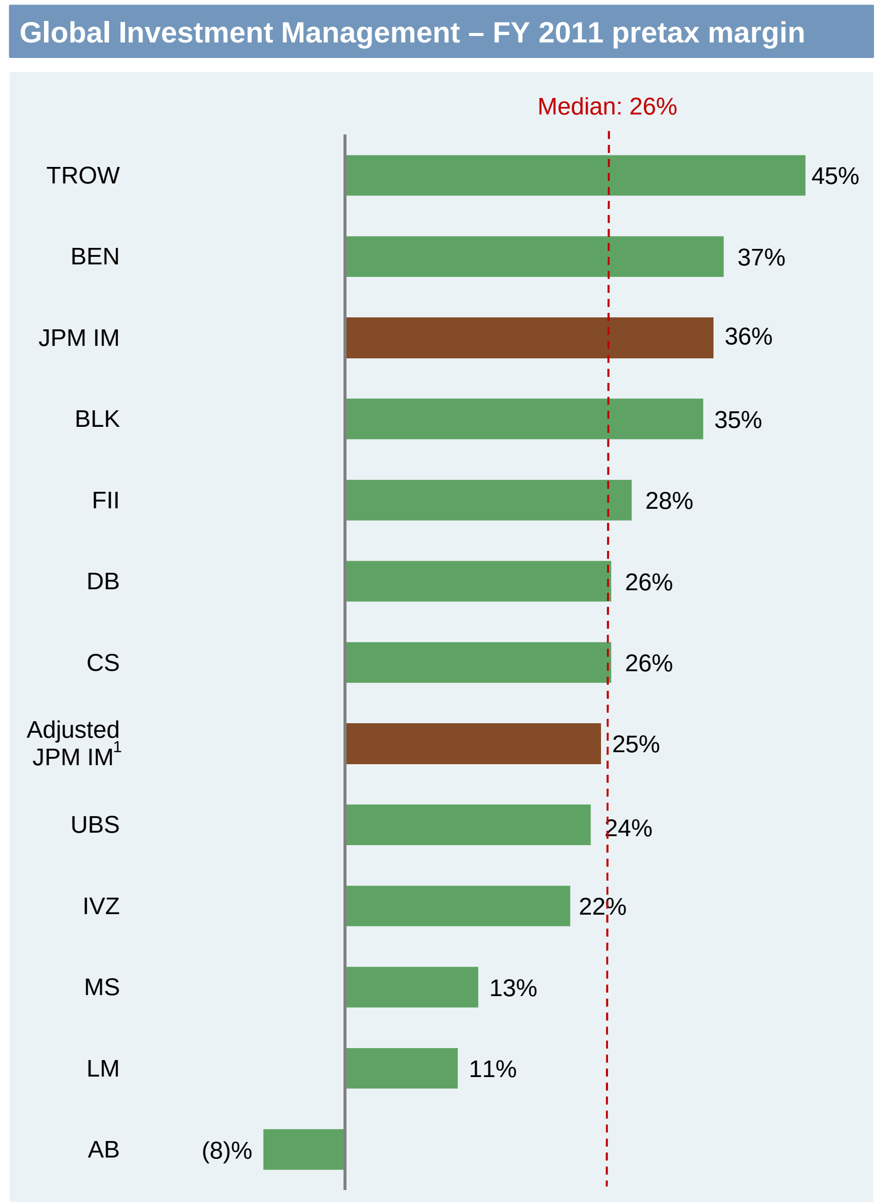
3-year average margins



Based on J.P. Morgan estimates

Overall AM: solid margin business



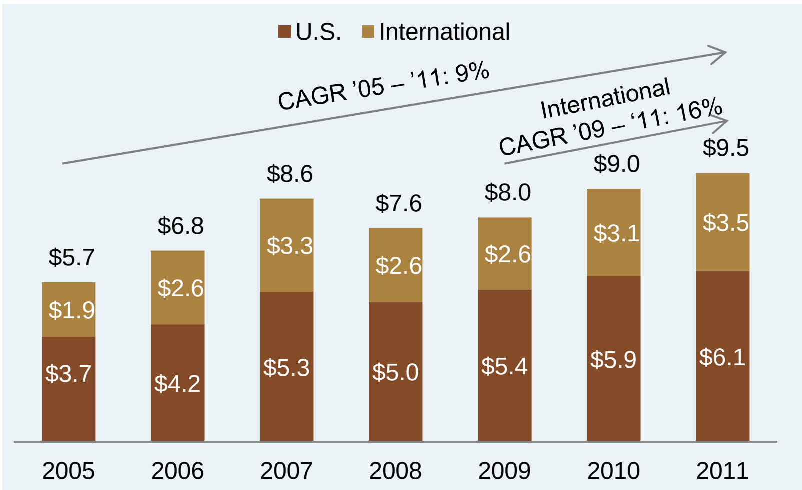


Based on J.P. Morgan estimates

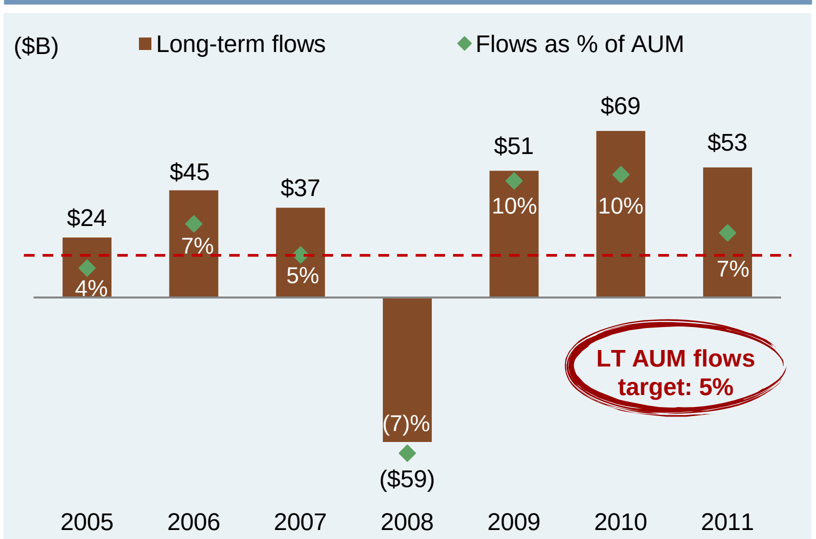
[1] Adjusted JPM IM margin includes Highbridge, Gávea and one-time items

Overall AM: flows very strong, revenue growth in top half of competitors

Revenue trend ($B)

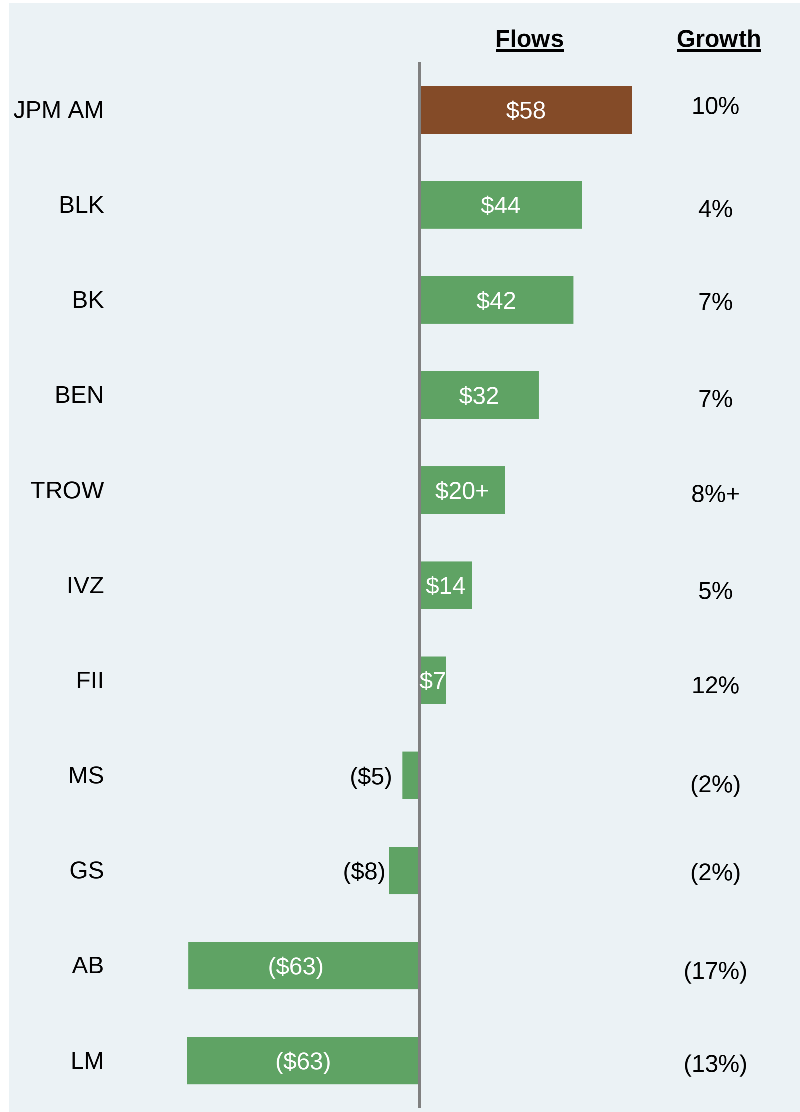


Long-term flows & flows as % AUM



Based on J.P. Morgan estimates

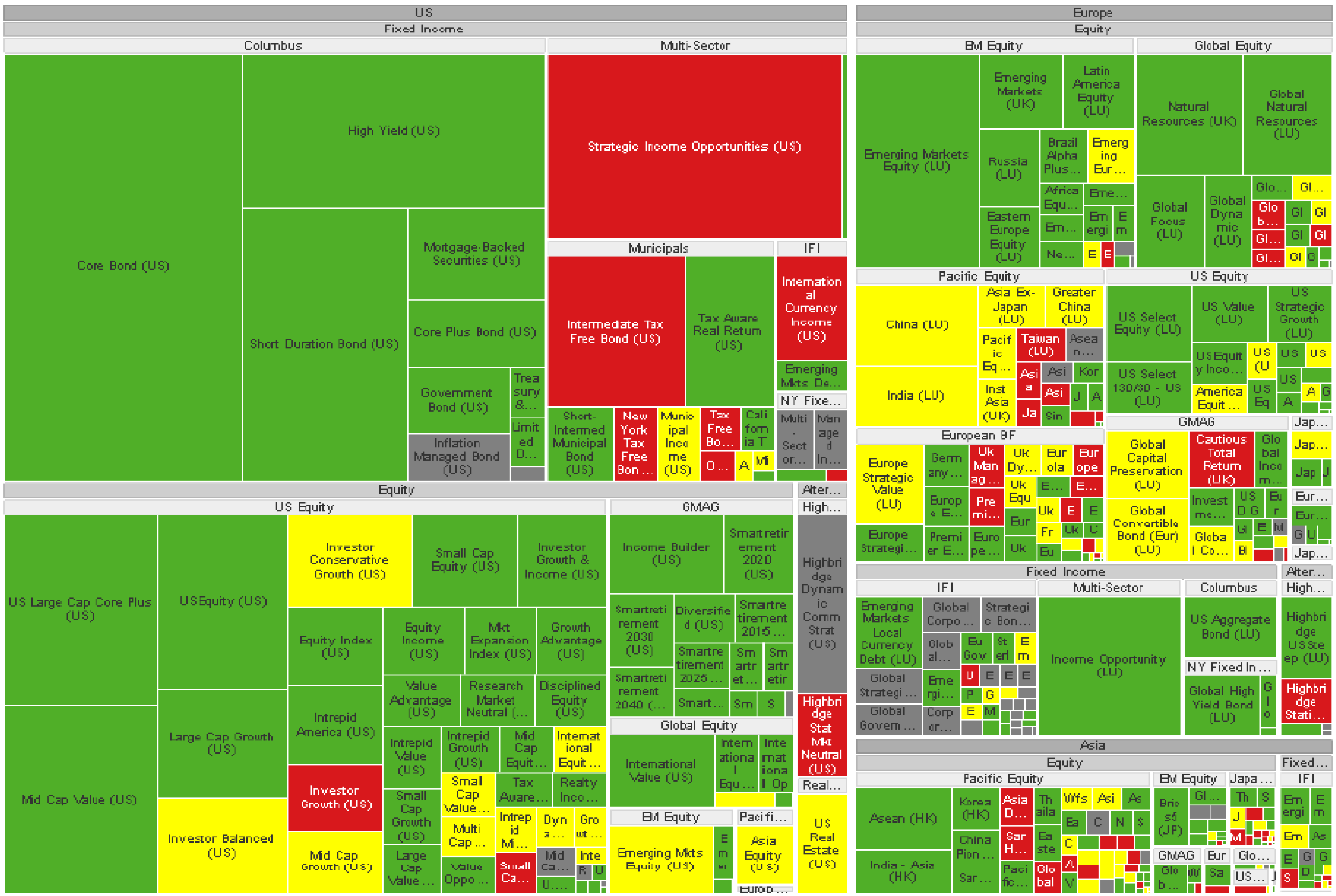
Long-term flows: 3-yr average flows ($B) & growth rate



Diverse sources of alpha leads to consistent flows, globally (mutual funds only)

Top 2 quartiles 3rd quartile 4th quartile No track record

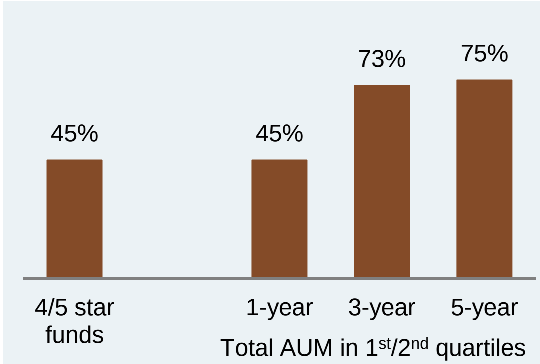
Performance: 3-year



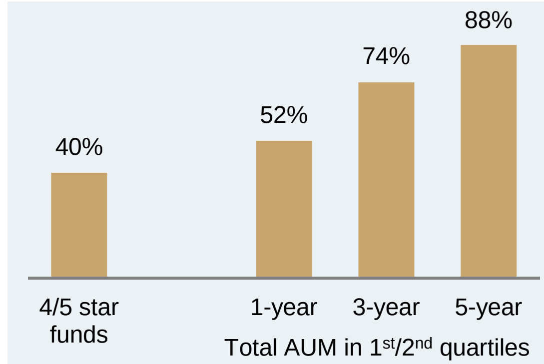
Over 70% of long-term AUM exceeds median, driving robust flows

Performance metrics

Equities and multi-asset

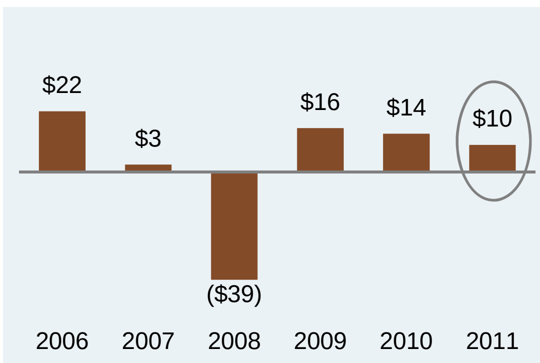


Fixed Income

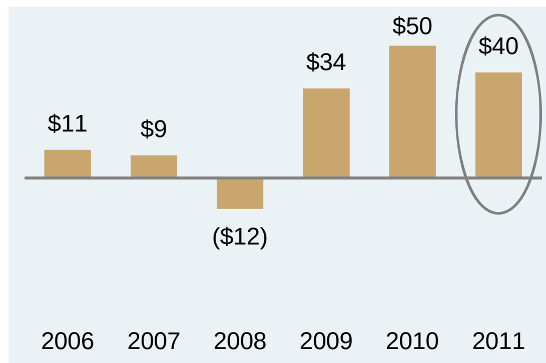


Net flows by asset class ($B)

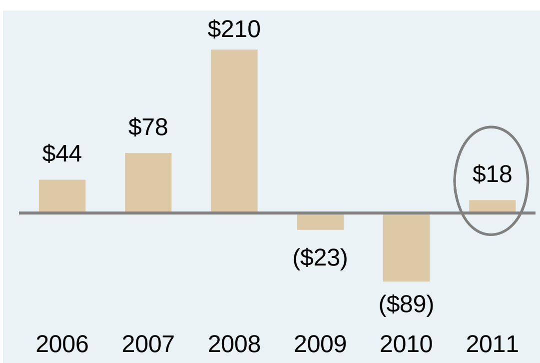
Equities and multi-asset



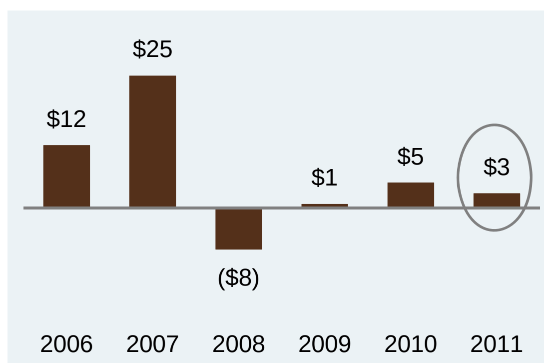
Fixed Income



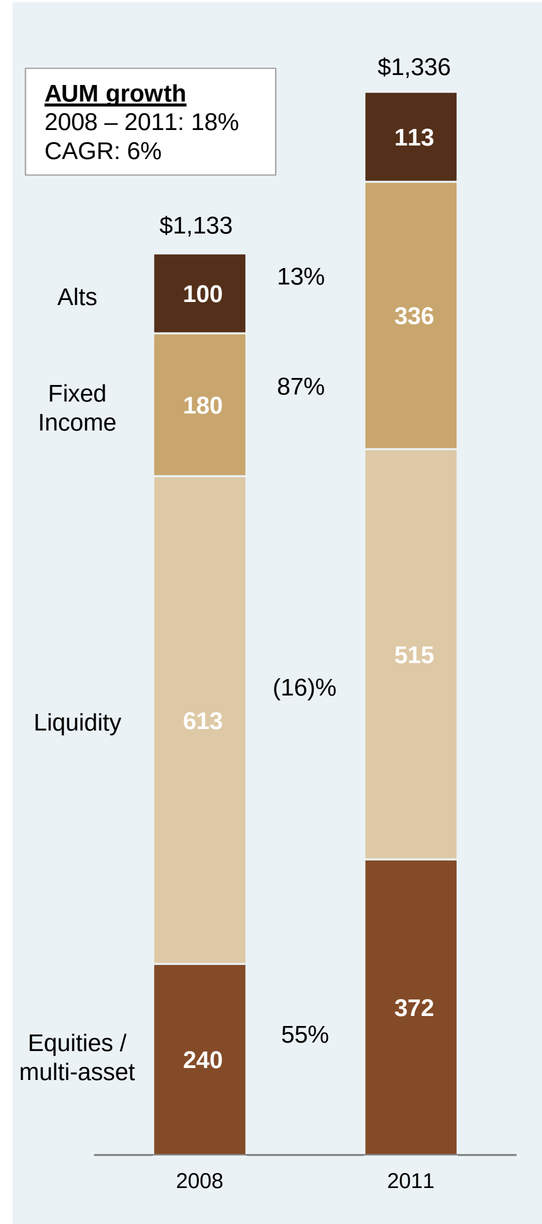
Liquidity



Alternatives



AUM growth and mix ($B)

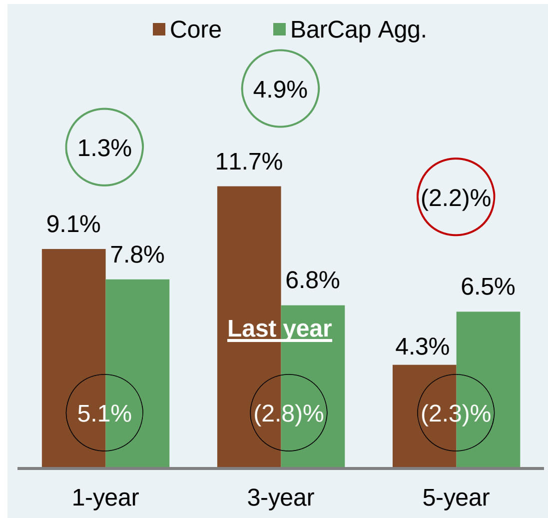


Fixed Income & Liquidity: multiple engine platform

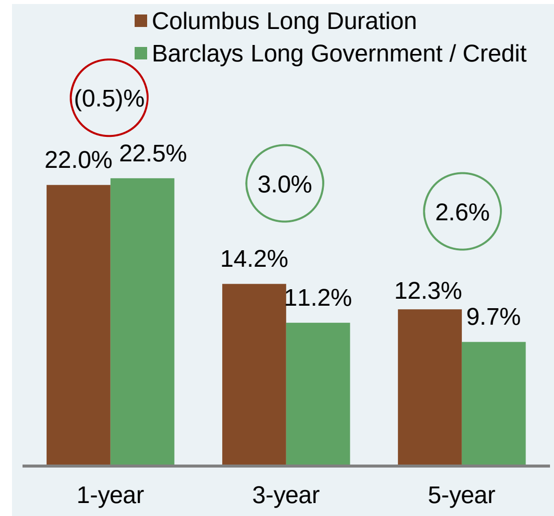
Institutional money fund market share

Source: iMoneyNet

New York, London, Asia Fixed Income – Core (NY)



Columbus Fixed Income – Long Duration



Observations

- Meaningful SEC changes since 2008 have reformed the industry
- Continued debate on regulatory changes unresolved
- Floating NAV possible, and already part of J.P. Morgan's suite of products
- Risk aversion ebbing but heightened focus on credit risk remains
- Continued demand globally for J.P. Morgan cash products

Observations

- Top quartile eVestment rankings for 1, 2 and 3 years, through risk-on and risk-off environments
- Growing recognition from global consultant community; critical to securing institutional sales

Observations

- $8.4B in Long Duration AUM ($10.5B counting unfunded commitments), up from $4.9B in 2010, and $1.9B in 2008
- Expanding advisory capabilities to position liability driven investing (LDI) in broader asset allocation discussions

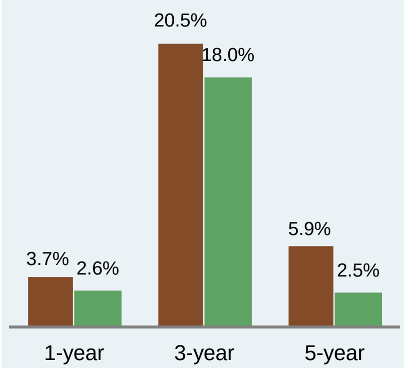
Performance figures from eVestment
Note: Annualized performance results are as of December 31, 2011 and gross of fees

Globally diverse active equity platform

J.P. Morgan Fund   Benchmark

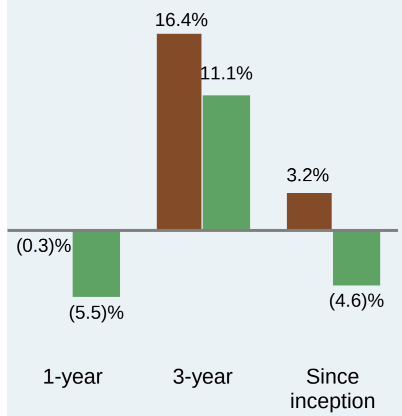
U.S. Large Cap Growth
(vs. Russell 1000 Growth)

Only 9% of LCG peers beat bench in 2011



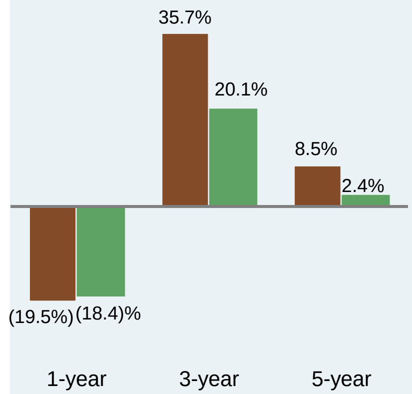
Income Builder (GMAG)[1]
(vs. MSCI World)

5 star Morningstar fund



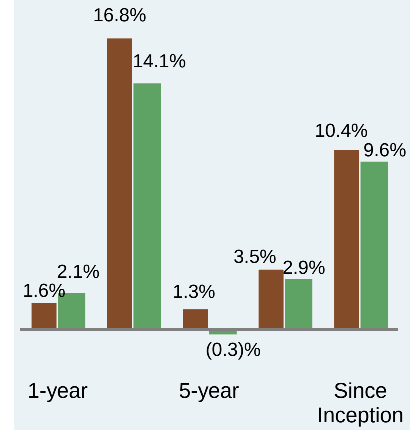
GEM Discovery
(vs. MSCI EM Std)

Top decile performer for 3 and 5 years



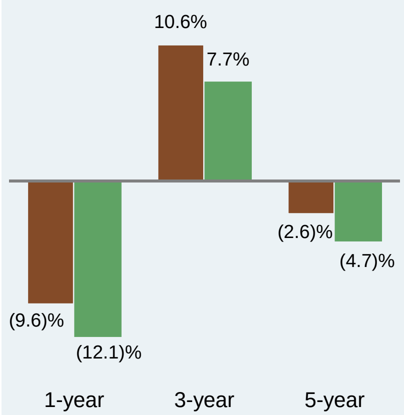
U.S. REI 250
(vs. S&P 500 Total Return)

DDM process celebrated 25th anniversary



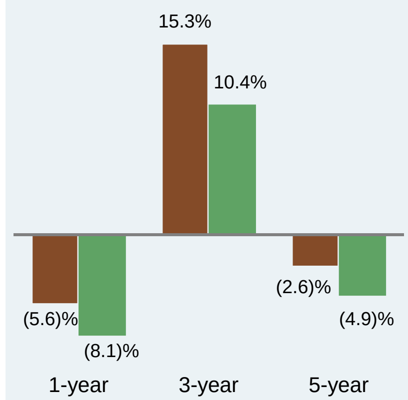
EAFE Plus
(vs. MSCI EAFE NDR)

Market leading information ratio



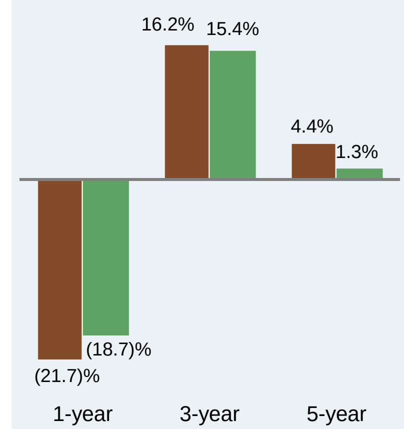
Europe Strategic Dividend
(vs. MSCI Europe)

Top quartile perf. over all time periods



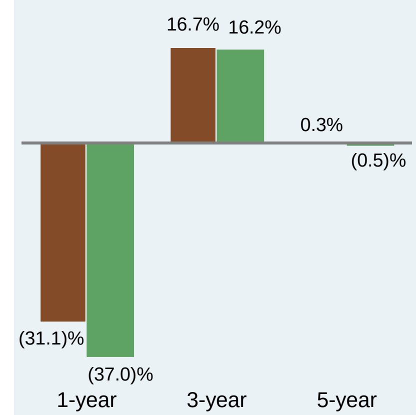
JF Greater China
(vs. MSCI Golden Dragon)

Leading position in Greater China



Indian Equity
(vs. MSCI India 10/40 Net)

Pioneer in Indian Equity space



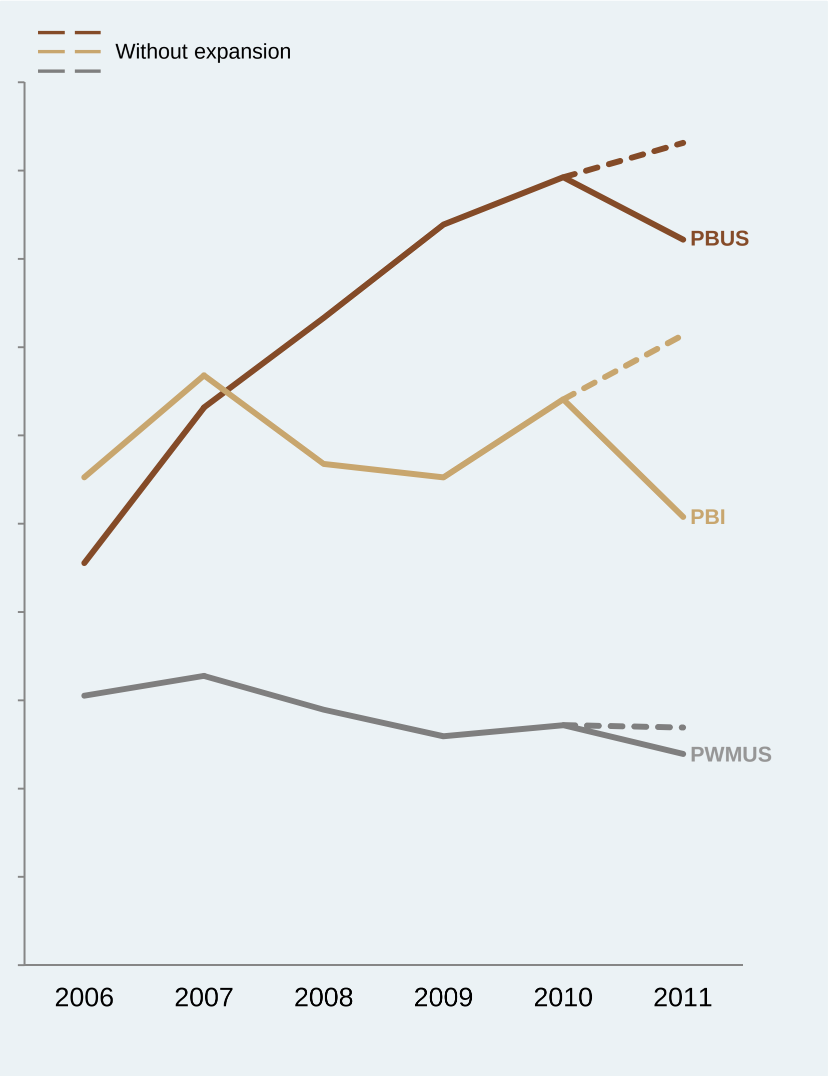
Note: Annualized performance results are as of December 31, 2011 and gross of fees
[1] Performance net of fees Select Share Class

Solution and product innovation

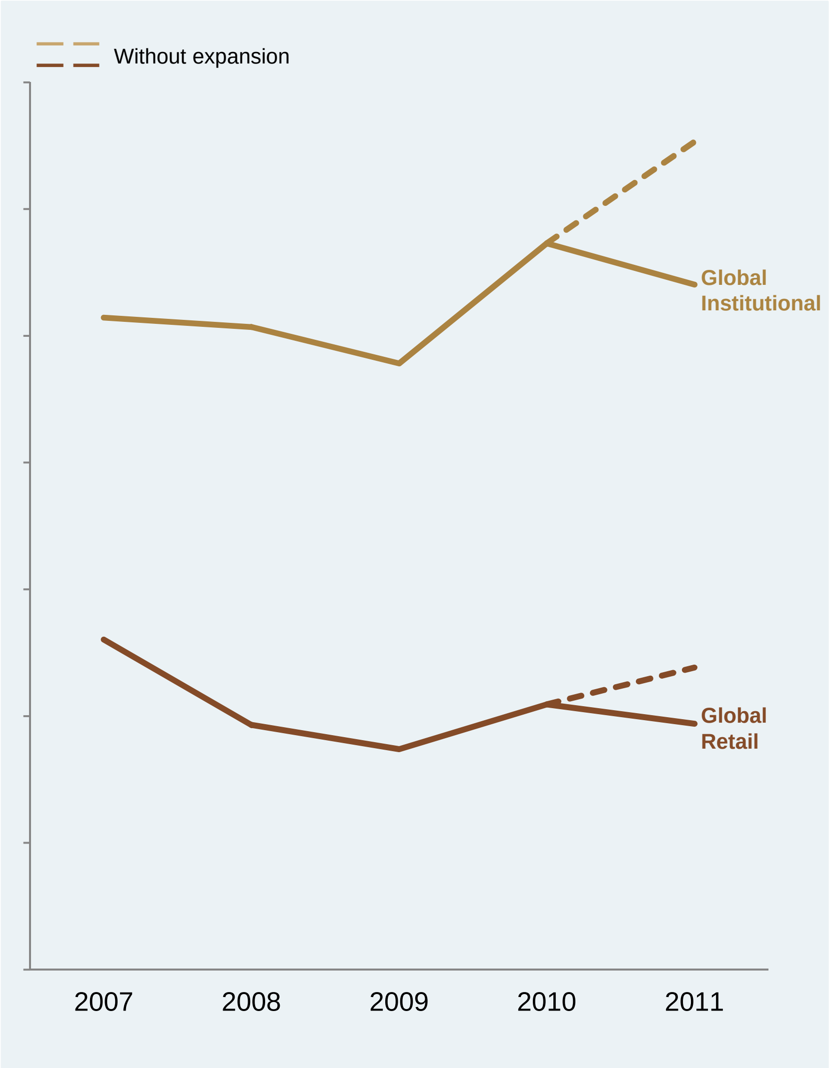
	Pre 1970's	1970's	1980's	1990's	2000's	2010's
Alternatives	■ Sale-leasebacks	■ Direct real estate	■ Private equity ■ Commodities	■ Highbridge Capital Management ■ Hedge fund of funds ■ Security Capital/REITs	■ Highbridge Principal Strategies ■ Hedge fund customization and advisory ■ Asian/European real estate ■ OECD/Asian infrastructure	■ Gávea Investimentos ■ Digital growth ■ China JV ■ Opportunistic U.S. real estate ■ Maritime ■ Infrastructure debt
Equities: from core to alternatives	■ Core equity ■ International equity ■ Japan equities	■ Emerging markets equities ■ Jardine Fleming/Asian equities	■ Dividend discount model ■ Enhanced index ■ Market neutral ■ Long/short equity	■ Behavioral finance ■ European style	■ Thematic portfolios ■ Equity China JV ■ Structured notes	■ Managed volatility ■ Unconstrained equity
Fixed Income: from core to alternatives	■ Money market ■ Core fixed income	■ International fixed income ■ Private mortgages	■ Distressed debt ■ High yield ■ Long duration ■ Stable value ■ Currency ■ Muni private placements	■ Insurance ■ Emerging markets	■ LDI ■ Inflation strategies ■ Absolute return ■ Multi-sector ■ Bank loans	■ Unconstrained fixed income ■ Alternative benchmark strategies ■ Asian credit ■ Hedge funds
Multi-asset solutions	■ Balanced portfolios		■ Tactical asset allocation	■ Global multi-asset capabilities	■ Target date ■ Glide path advisory ■ Global absolute/total return ■ Global Access Portfolios	■ Opportunistic/ Thematic Advisory Solutions ■ Risk managed portfolio ■ Merger arbitrage
Local Investors	■ New York ■ London	■ Hong Kong ■ Tokyo	■ Moscow ■ Melbourne ■ Singapore ■ Seoul ■ Taipei ■ Paris ■ Frankfurt	■ Columbus ■ Los Angeles ■ Houston ■ Luxembourg ■ Rio de Janeiro ■ Sao Paolo ■ Mumbai	■ Boston ■ Cincinnati ■ Indianapolis ■ San Francisco ■ Chicago ■ Shanghai ■ Beijing	

Examples of expense measurement and discipline

GWM revenue per client advisor

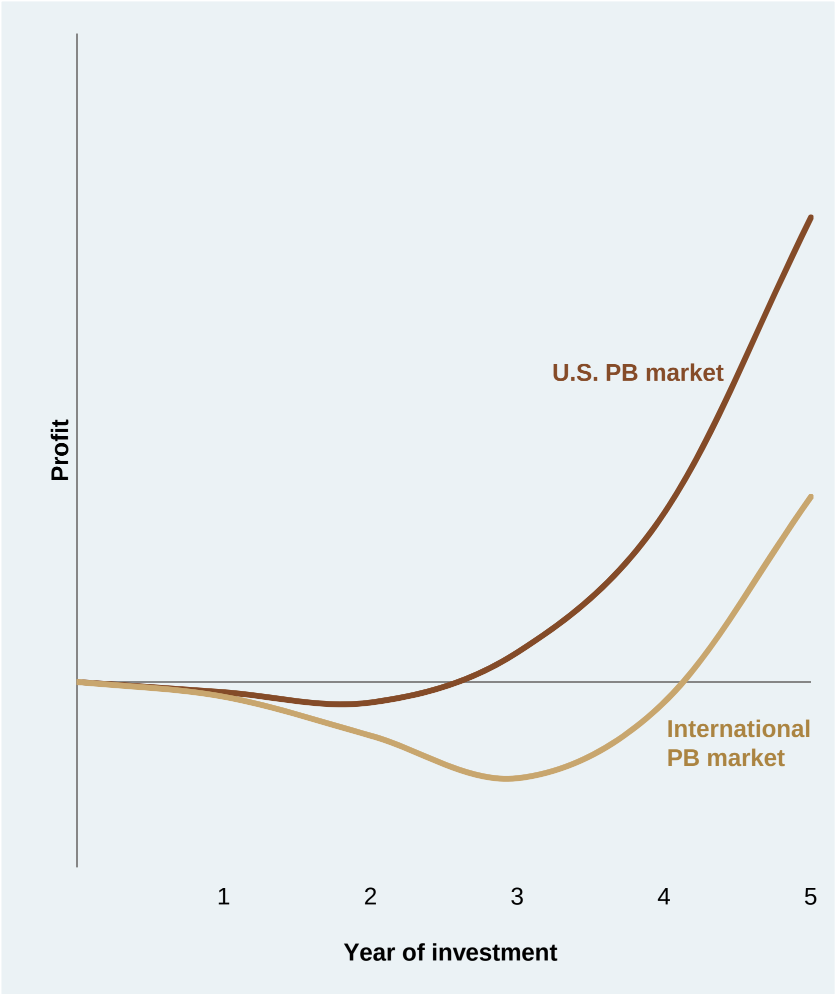


GIM revenue per client advisor

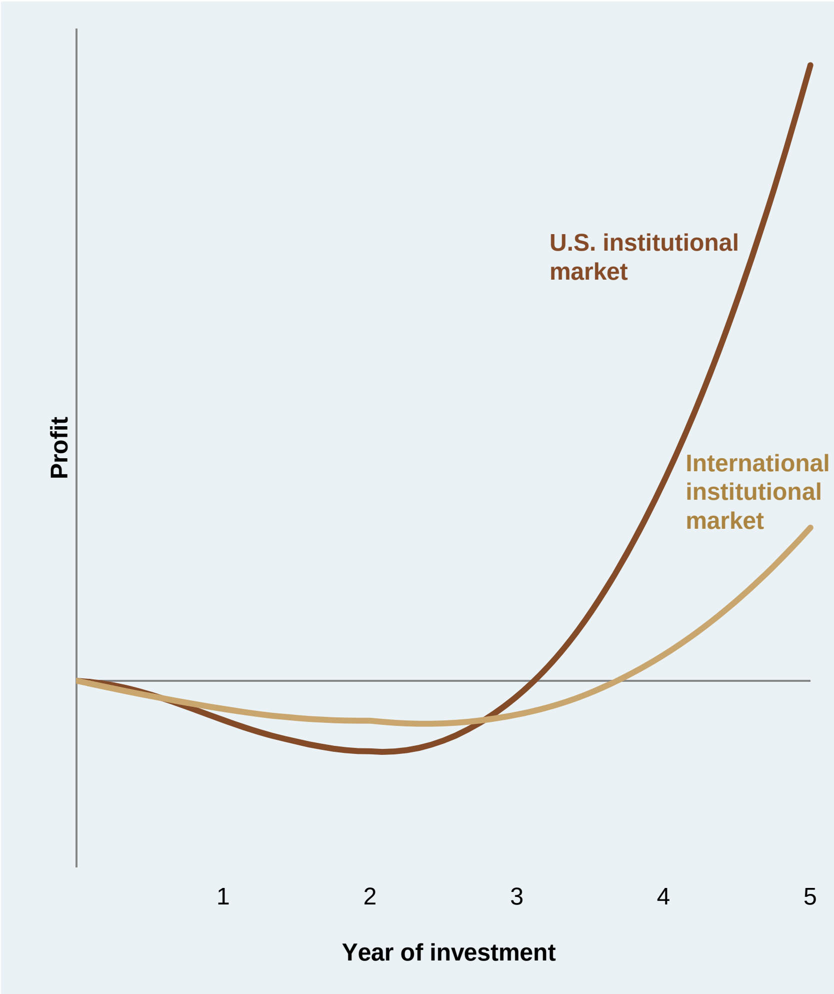


Investment return periods differ by market and channel

GWM cumulative expansion payback periods

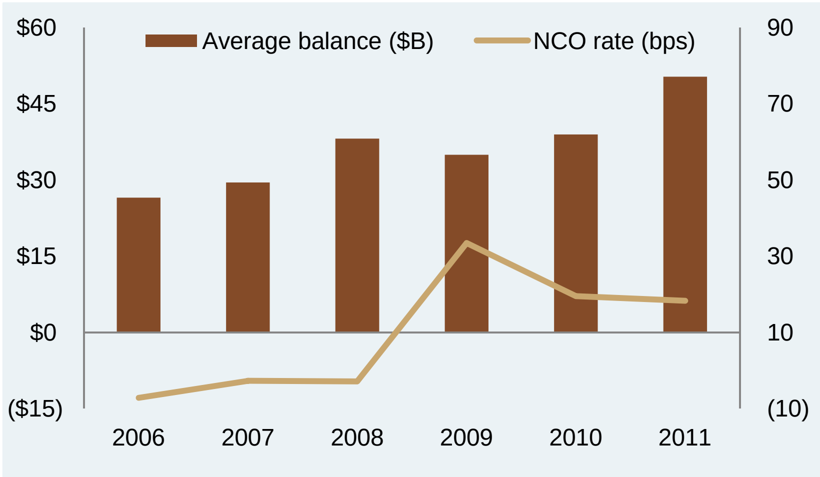


GIM cumulative expansion payback periods

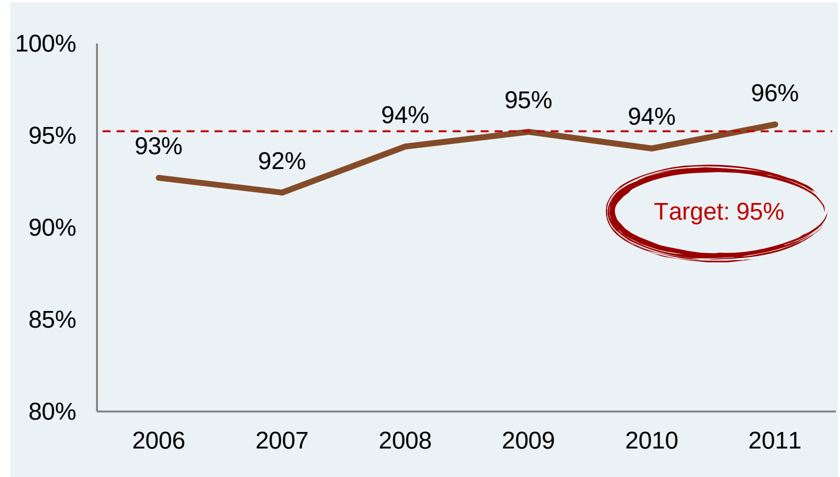


Constant monitoring of risk, retention and regulations

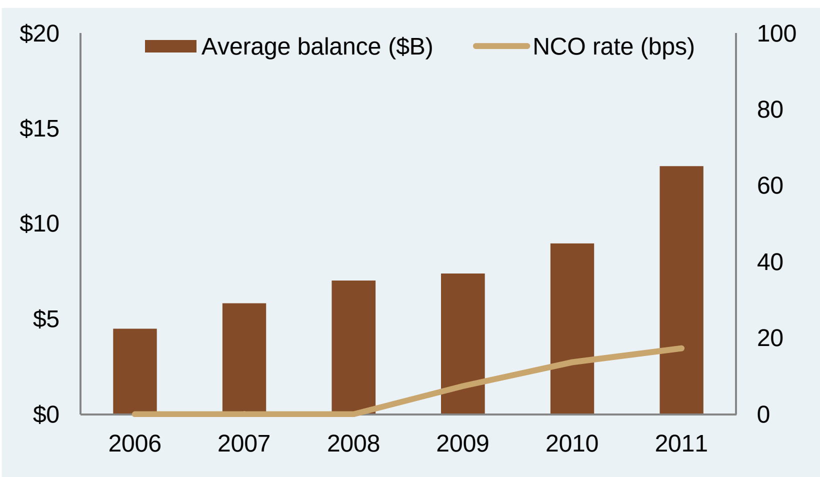
Risk management of loan book



Top talent retention rate



Risk management of the jumbo mortgage book



Regulations

- Dodd Frank
  - Volcker Rule
  - Derivatives
- Money market funds
  - Floating NAV
  - Capital requirements
- Form PF
  - Proposed reporting requirements for private funds

Closing thoughts

J.P. Morgan Asset Management

- Strong investment performance
- Constant innovation
- Continued investment in the business
- Disciplined expense management
- Continued revenue growth
- High ROE/margin business

"…at all times the idea of doing only first-class business, and that in a first-class way"

– John Pierpont Morgan, Jr.,1933