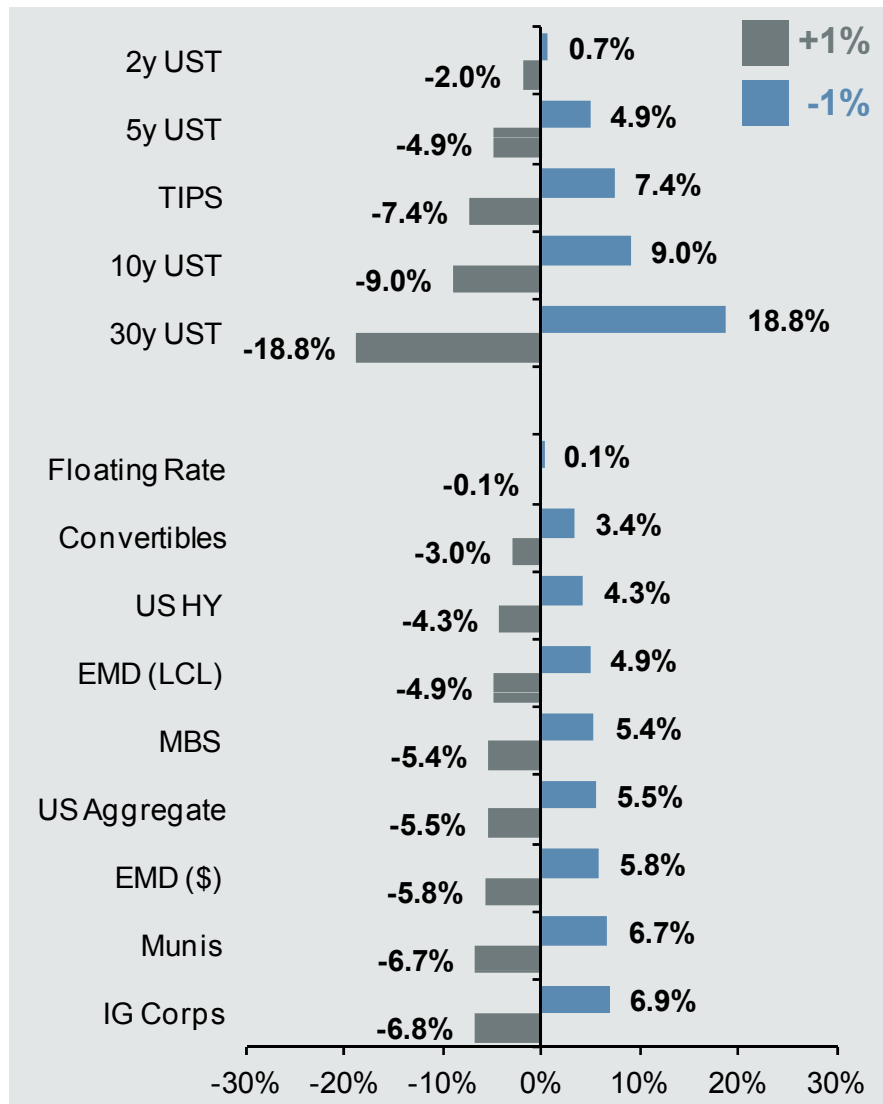


### Price Impact of a 1% Rise/Fall in Interest Rates\*



Source: U.S. Treasury, Barclays Capital, FactSet, J.P. Morgan Asset Management. Fixed income sectors shown above are provided by Barclays Capital and are represented by – Broad Market: Barclays U.S. Aggregate; MBS: Fixed Rate MBS Index; Corporate: U.S. Corporates; Municipals: Muni Bond Index; EMD (\$): Emerging Markets (USD); High Yield: Corporate High Yield Index; TIPS: Treasury Inflation Protection Securities (TIPS). EMD (LCL): Barclays Emerging Market Local Currency Government; Floating Rate: Barclays FRN ( BBB); Convertibles: Barclays U.S. Convertibles Composite. Treasury securities data for # of issues based on U.S. Treasury benchmarks from Barclays Capital. Yield and return information based on bellwethers for Treasury securities. Sector yields reflect yield to worst, while Treasury yields are yield to maturity. Correlations are based on 10-years of monthly returns for all sectors except Floating Rate and EMD (LCL), which are based on monthly returns from May 2004 and July 2008, respectively, due to data availability. Change in bond price is calculated using both duration and convexity according to the following formula:  $\text{New Price} = (\text{Price} + (\text{Price} * - \text{Duration} * \text{Change in Interest Rates})) + (0.5 * \text{Price} * \text{Convexity} * (\text{Change in Interest Rates})^2)$ . \*Calculation assumes 2-year Treasury interest rate falls 0.33% to 0.00%, as interest rates can only fall to 0.00%. Chart is for illustrative purposes only. Past performance is not indicative of future results. “Guide to the Markets – U.S.” Data are as of 9/30/13. [Click here to see disclosure page at end for index definitions.](#)