

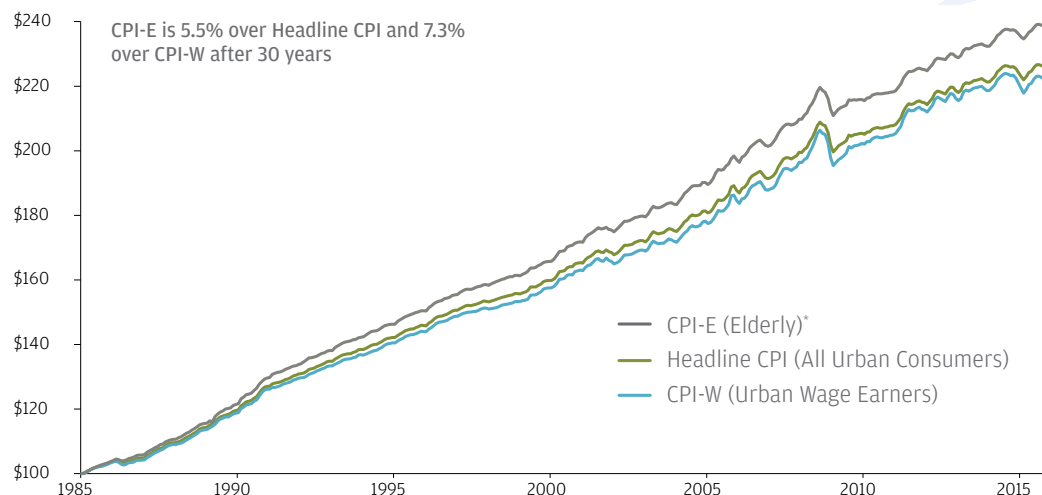


Older individuals experience higher inflation

WrapManager

Comparison of inflation 1985-2015

1985 = 100



EROSION OF PURCHASING POWER

Older Americans experience a higher degree of inflation than both urban consumers (Headline CPI) and the inflation measure used to adjust Social Security benefits (CPI-W). Your investment strategy will need sufficient growth to outpace this higher inflation particularly as Social Security covers less over time.

Weighting and inflation by spending category (%)

	Health care	Housing	Food & bev.	Transport.	Entertain.	Apparel	Edu.	Other
Headline CPI	6.9	40.2	15.0	16.5	5.9	3.5	6.7	5.3
CPI-W	5.6	39.2	15.7	18.7	5.5	3.6	6.7	5.1
CPI-E	11.3	44.5	12.8	14.5	5.3	2.4	3.8	5.4
Inflation	5.0	2.8	2.9	2.1	1.1	0.7	5.2	4.8

*CPI-E is an experimental index from BLS that is based on elderly households with the referenced individuals at age 62 and older. Headline CPI is also referred to as CPI-U, including food and energy.

Graph: Based on Consumer Price Indexes, BLS, J.P. Morgan Asset Management. Data as of December 31, 2015.

Table: Weightings: BLS, as of December, 2011. Inflation: BLS, Consumer Price Index, J.P. Morgan Asset Management. Data represents annual percentage increase from December 1981 through December 2015 with the exception of entertainment and education, which date back to 1993. The inflation rate for the Other category is derived from personal care products and tobacco. Tobacco has experienced more than 7% inflation since 1986 but each age group only spends 0.5%-0.8% on tobacco (27%-37% of combined personal care products and tobacco), which is a lower proportion than represented in the Other inflation rate.

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