Infrastructure Investments Fund

Snapshot | Global Real Assets

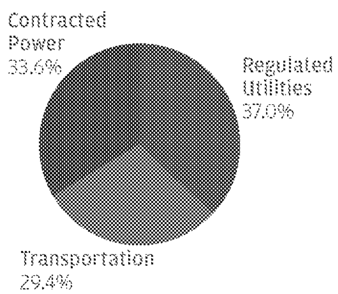
Q4 | 2016

FUND PROFILE

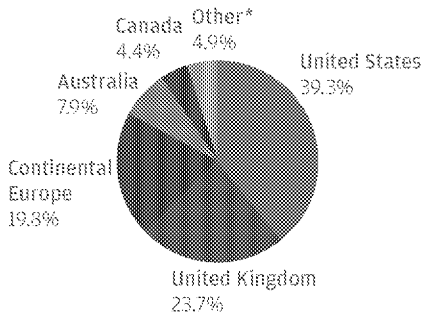
AS OF DECEMBER 31, 2016

Gross asset value (millions):	USD 12,534
Net asset value (millions):	USD 6,050
Current leverage:	52%
Number of investments:	14
Number of investors:[1]	223

PORTFOLIO DIVERSIFICATION[2]



GEOGRAPHIC



*Other includes Japan, Chile, South Africa and Thailand.

Investment Performance

AS OF DECEMBER 31, 2016[3]

(%)	Quarter	One year[4]	Three years[4]	Five years[4]	Since inception[4,5]
Cash distributions (yield)	1.7%	6.1%	6.2%	6.0%	4.8%
(%)	Quarter	One year[4]	Three years[4]	Five years[4]	Since inception[4,5]
Asset performance	2.1%	8.3%	8.3%	9.1%	8.0%
FX	-3.3%	-4.9%	-5.1%	-2.8%	-3.3%
Taxes[6]	-0.2%	-0.5%	-0.3%	-0.4%	-0.4%
Fund expenses—net[7]	-0.1%	-0.5%	-0.5%	-0.5%	-0.6%
Total (gross of fees)	-1.5%	2.1%	2.0%	5.1%	3.4%
Total (net of fees)	-1.8%	1.1%	0.9%	3.9%	1.9%
Total (gross of fees excluding FX)	1.8%	7.2%	7.4%	8.1%	6.8%
Total (net of fees, excluding FX)	1.5%	6.1%	6.3%	6.9%	5.4%

Past performance is not indicative of future returns. Returns include the re-investment of income. All performance numbers have been calculated in US dollar terms. The Fund is undergoing its annual audit and changes, if any, will be communicated.

1 Based on committed client accounts.
2 Includes investments in portfolio assets only.
3 Performance numbers represent a composite return of the combined Fund Investor Vehicles (FIVs) in existence as of December 31, 2016. Specific FIV and investor returns are shown on the quarterly investor statements.
4 Returns for periods greater than one quarter are time-weighted rates of return calculated by linking quarterly returns. Returns of greater than one year are annualized. The sum of Asset performance, FX, Taxes and Fund expenses may not equal total returns due to the compounding effects of linking quarterly returns.
5 Inception to-date returns have been calculated beginning July 1, 2007, which represents the first full quarter of Investor participation in the Fund.
6 Taxes mainly relate to deferred taxes on net appreciation of the Fund.
7 Includes Fund-level income and expense.

Q4 2016 Snapshot

The Infrastructure Investments Fund ("IIF" or the "Fund") completed the fourth quarter with asset performance of 2.1% in local currency terms. Foreign currency detracted -3.3%, which translated into a total gross return of -1.5% in USD terms. The Fund's trailing one-year asset performance was 8.3% in local currency terms. Foreign currency detracted -4.9%, for a total gross return of 2.1% for the trailing 12-months in USD terms. The assets generally performed in line with expectations during the quarter, and IIF continued its trend of delivering steady and stable income to investors, with a trailing 12-month yield of 6.1%.

The major event for global markets in Q4 was undoubtedly the US election process reaching a result, and we look forward to the formation and execution of policy as the new administration gets to work. Infrastructure is clearly an important element of the administration's policy framework and we look forward to a better understanding of how the opportunity set will develop. Outside of the US we continue to see political and policy instability in the UK and a number of key markets in Europe. This instability and a generally anticipated "lower for longer" environment for global growth and returns creates a strong backdrop for core infrastructure's place in a balanced portfolio, providing diversification, inflation protection and yield.

Acquisitions. Sonnedix continued to execute on its growth strategy during the quarter. In December Sonnedix closed on three solar plants in Italy, with an aggregate installed capacity of ~11 MW, and entered into purchase agreements to acquire the following photovoltaic projects with a combined capacity of 315 MW, all of which are expected to close during Q1 2017: 43 projects across Spain, three projects with the option for a fourth in Japan, and five additional solar projects in Italy.

In December the Fund entered into an agreement to acquire Pio Pico Energy Center, a 318 MW quick-start natural gas fired power plant located south of San Diego, California. The plant will operate under a 25-year PPA with an A-rated utility.

J.P.Morgan
Asset Management

IESO-N-0000922

Asset Management and Governance. In December Southern Water Services appointed Ian McAulay as CEO. Ian has extensive experience in the UK regulated utility, construction and environmental services sectors and was formerly CEO of one of the largest renewable energy and recycling companies in the UK.

The US ratified the new agreement to extend transborder preclearance between Canada and the US and include Billy Bishop Toronto City Airport ("BBTCA"). US preclearance is expected to enable BBTCA to service US markets more broadly and create opportunity to add new markets within the existing slot structure and allocation at the airport.

Also during the quarter: SouthWest Water Company successfully completed its rate case in Texas with rate increases applied retroactively to September 1, 2016; Novatus' Bingham and Hancock projects reached commercial operation; and Noatum successfully entered a new five year contract with a key customer in Valencia.

Research. The Infrastructure Investments Group published the following research papers during the quarter: *The Infrastructure Moment - Core Infrastructure's Growing Role in Institutional Portfolios*, which provides our latest insights into infrastructure as an asset class and its benefits to institutional investors; *Core Infrastructure and Inflation Protection*, which highlights growing inflationary pressure and core infrastructure's ability to counteract it; *Core Infrastructure as a Source of Yield*, which examines how core infrastructure can augment traditional asset classes in providing yield for institutional portfolios; *Implementation of Governance Best Practices* and *IIF's Implementation of Governance Best Practices*, which discuss the key measures the Fund takes to promote effective corporate governance. Given the high political priority in the US, infrastructure was also highlighted in J.P. Morgan Asset Management's *Eye on the Market Outlook 2017*. Please contact your J.P. Morgan representative to receive a copy of these reports.

Fundraising. IIF fundraising was robust throughout 2016, receiving nearly USD 2.4 billion in new commitments and reinvested distributions. Importantly, our capital deployment momentum has continued, and nearly two thirds of this capital has already been called. As of December 31, 2016, IIF had USD 881 million in uncalled capital and USD 449 million in cash, of which approximately USD 825 million was allocated to five acquisitions expected to close in Q1 2017. We accept monthly subscriptions[8] and currently expect that new commitments would be called within six months or less from the next closing date.

We look forward to sharing more details with you in the quarterly report.

Thank you for your continued confidence in the Fund.

– Paul J. Ryan

Chief Executive Officer, OECD Infrastructure Equity and Debt

[8] Limited Partner interests will still be priced and issued on a quarterly basis.

J.P.Morgan
Asset Management