J.P. Morgan U.S. Large Cap Equity Strategy

Separately Managed Account

TOPLINE (2Q 2019)

Strategy	Benchmark
▲ 4.38%	▲ 4.30%

Benchmark: S&P 500 Index

Markets: The S&P 500 Index® posted a 4.30% gain during the second quarter of the year. Within the index, all sectors were in the green except for energy, which fell 4.14%. The financials and materials sectors led the way, rising 5.45% and 4.74%, respectively.

Helped: The industrial cyclical and financial services sectors contributed to performance.

Hurt: The pharmaceutical/medical technology and media sectors weighed the most on performance.

Outlook: While continued earnings growth should provide support to the equity market, we are monitoring the incremental risks that could represent headwinds for U.S. stocks. In particular, we continue to watch closely the state of trade relations, movements in global economic growth and the implications of Federal Reserve policy, all of which have the potential to heighten volatility.

Past performance is not indicative of future returns. Performance is shown gross of fees. If fees were included, returns would be lower. Please see following page for additional performance.

STRATEGY OVERVIEW

Designed to provide high total return primarily through U.S. large cap stocks.

APPROACH

- Analyzes company prospects over the upcoming eight years to evaluate long-term sustainable earnings growth potential
- Research-driven approach that focuses on identifying the most undervalued stocks in each sector
- Maintains sector weightings similar to the S&P 500 Index, seeking to outperform with similar volatility

QUARTER IN REVIEW

The **JPMorgan Large Cap Equity Strategy** outperformed the benchmark, the S&P 500 Total Return Index, for the quarter ended June 30, 2019.

Within the semiconductor and hardware sector, our underweight position in **Intel** aided returns as the stock underperformed following weak first- and second-quarter guidance. Intel's end-markets experienced peak growth in 2018 during a strong enterprise information technology refresh cycle, and we believe the company's position is worsening as its central processing unit (CPU) architecture is behind competitors' leading-edge technology, creating a window for share loss. We remain comfortable with a negative position as Intel's reliance on personal computers and datacenters will leave the company struggling to grow as computing workloads move from on-premise datacenters to the cloud.

Within media, our overweight in **Walt Disney** boosted returns. The company hosted an analyst day focusing on its direct-to-consumer services, including overviews of Hulu, ESPN and Disney Plus. Disney provided much more financial detail than expected, heightening investor confidence and driving the stock higher. Sentiment will likely continue to improve nearer to the launch of Disney Plus in November. We believe the company has the best prospects of successfully transitioning from linear to digital, given its strong brands, great library and expanded content production capabilities, leaving us comfortable in our overweight position.

Within media, our overweight in **Alphabet** detracted from performance. The stock's underperformance was driven by earnings that saw the top line decelerate by more than 20% for the first time in years. Investor optimism around slowing expense growth also moderated on less convincing management commentary. Uncertainty remains on the regulatory front, given the level of political scrutiny and Alphabet's utilization of anti-competitive practices in the past. Despite this, the long-term thesis that the company will grow its top line with stabilizing margins remains intact. Given the attractive valuation and potential upside, we remain comfortable in our position.

In basic materials, our overweight in **Dupont De Nemours** detracted from performance. Leading up to the spinoff, which occurred mid-quarter, the then-combined company underperformed due to an overhang from the trade war and problems from flooding in the Midwest. As the flooding problems have now been spun off to Corteva, we like Dupont De Nemours as the value creation narrative, driven by cost savings, focused growth and portfolio optimization through divestitures, remains intact.

LOOKING AHEAD

We continue to focus on the fundamentals of the economy and company earnings. Our Core analysts' estimate for S&P 500® earnings currently projects 3% growth for 2019 and 10% growth for 2020. While subject to revision, this forecast reflects our expectations for modest expansion in the underlying economy and includes our best analysis of earnings expectations for this year. The implications of trade will be integral to investor sentiment and likely continue to contribute to the uncertainty moving forward.

The Strategy continues to be a broadly diversified portfolio of U.S. large-cap stocks, seeking to add value through bottom-up stock selection as the primary driver of excess returns.

PERFORMANCE

RETURN (%)

	3 MOS	YTD	1 YR	3 YRS	5 YRS	10 YRS
Strategy (gross of fees)	4.38	18.76	9.09	15.29	10.77	14.44
Strategy (net of max. allowable fees - 300 bps)[1]	3.61	17.04	5.88	11.92	7.52	11.09
Benchmark	4.30	18.54	10.42	14.19	10.71	14.70

Benchmark: S&P 500 Index.

Past performance is not indicative of future returns. Performance includes the reinvestment of any income.

[1]Please note, actual fees associated with this strategy may be lower.

HOLDINGS

EQUITY SECTORS (%)

Sector	Weighting	Compared to benchmark
Information Technology	26.9	5.5
Communication Services	12.5	2.4
Industrials	11.1	1.7
Materials	3.6	0.8
Consumer Discretionary	9.7	-0.5
Energy	4.3	-0.7
Health Care	13.2	-1.0
Financials	11.8	-1.3
Utilities	1.6	-1.7
Consumer Staples	5.2	-2.0
Real Estate	0.0	-3.1

TOP 10 (%)

Microsoft	5.6
Alphabet	4.1
Amazon	3.6
Apple	3.5
Unitedhealth Group	2.8
Mastercard	2.4
Honeywell International	2.3
Linde	2.1
Pfizer	2.0
Comcast	1.9

PORTFOLIO ANALYSIS

P/E ratio (1 yr forecast)	15.7x
P/B ratio	3.5x
Dividend yield	1.5%
Earnings growth (5 Year)	13.8%
Return on assets	10.7%
Return on equity	23.2%
Trailing 12-month turnover	23.2%
Beta[2]	1.07
Standard deviation[2]	13.21
Information ratio[2]	0.75
Tracking error[2]	2.16
Sharpe ratio[2]	1.06

[2]Based on three-year data points.

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

The above characteristics are from a representative portfolio. Actual account characteristics of individual accounts may be different. Portfolio characteristics are as of 6/30/2019 and are based on individual securities in the Portfolio on that date. Securities in the Portfolio are subject to change. Statistics shown are not indicative of future statistics and are not representative of future Portfolio performance.

GENERAL DISCLOSURES

The Strategy might not achieve its objectives. Asset allocation/diversification does not prevent investment loss. Nothing in this document is an investment recommendation. Total return figures (for the Strategy and any index quoted) assume payment of fees and reinvestment of dividends (after the highest applicable foreign withholding tax) and distributions. Without fee waivers, strategy returns would have been lower. Due to rounding, some values may not total 100%.

This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be a recommendation for any specific investment product, strategy, plan feature or other purpose. Any examples used are generic, hypothetical and for illustration purposes only. Prior to making any investment or financial decisions, an investor should seek individualized advice from a personal financial, legal, tax and other professional advisors that take into account all of the particular facts and circumstances of an investor's own situation.

RISK SUMMARY

The following risks could cause the Strategy's portfolio to lose money or perform more poorly than other investments.

The prices of equity securities are sensitive to a wide range of factors, from economic to company-specific news, and can fluctuate rapidly and unpredictably, causing an investment to decrease in value.

There is no guarantee that companies will declare, continue to pay or increase dividends.

PORTFOLIO ANALYSIS DEFINITIONS

P/E ratio is the number by which earnings per share is multiplied to estimate a stock's value.

P/B ratio is the relationship between a stock's price and the book value of that stock.

Dividend yield is a ratio that shows how much a company pays out in dividends each year relative to its share prices. In the absence of any capital gains, the dividend yield is the return on investment for a stock.

Earnings growth is a measure of growth in a company's net income over a specific period.

Return on equity (ROE) is the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

Return on assets is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings.

Trailing 12-month turnover is a percentage of holdings that are sold in a specific period.

RISK ANALYSIS DEFINITIONS

Risk measures are calculated based upon the broad-based index as stated in the prospectus.

Beta measures a Strategy's volatility in comparison to the market as a whole. A beta of 1.00 indicates a Strategy has been exactly as volatile as the market.

Standard deviation is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. The greater the degree of dispersion, the greater the risk.

Information ratio is a ratio of portfolio returns above the returns of a benchmark to the volatility of those returns.

Tracking Error The active risk of the portfolio, which determines the annualized standard deviation of the excess returns between the portfolio and the benchmark.

Sharpe ratio measures the fund's excess return compared to a risk-free investment. The higher the Sharpe ratio, the better the returns relative to the risk taken.

INDEXES

Managed Accounts have fees that reduce their performance: indexes do not. You cannot invest directly in an index.

The S&P 500 Index is an unmanaged index generally representative of the performance of large companies in the U.S. stock market. Index levels are in total return USD.

Past performance is no guarantee of future results.

TOP HOLDINGS

The top 10 holdings listed reflect only the Strategy's long-term investments. Short-term investments are excluded. Holdings are subject to change. The holdings listed should not be considered recommendations to purchase or sell a particular security. Each individual security is calculated as a percentage of the aggregate market value of the securities held in the Strategy and does not include the use of derivative positions, where applicable.

ENTITIES

J.P. Morgan Asset Management is the brand name for the asset management business of JPMorgan Chase & Co and its affiliates worldwide.

Issued by: J.P. Morgan Asset Management, 277 Park Avenue, Floor 8, New York, NY 10172, dedicated broker support 1-800-556-8103.