

J.P. Morgan Large Cap Growth Strategy

Separately Managed Account

TOPLINE (2Q 2019)

Strategy ▲ 7.66%	Benchmark ▲ 4.64%
Benchmark: Russell 1000 Growth Index	
Markets The U.S. equity market extended its gains year to date with the S&P 500 Index ending up 4.30% and the Russell 1000 Growth Index returning 4.64%. Within the Russell 1000 Growth Index, every sector except energy (-3.3%) posted a positive return, with the financials (8.9%) and materials (8.0%) performing best.	
Helped Strong stock selection across a number of sectors, led by the information technology and health care sectors, aided performance.	
Hurt Stock selection in the communication services sector as well as an overweight allocation to the health-care sector detracted from performance.	
Outlook The consumer discretionary and financials sectors ended the quarter as the top overweight exposures, while the real estate and communication services sectors were the top underweight exposures.	

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 long-term capital appreciation primarily through a diversified portfolio of high-growth U.S. equity securities.

APPROACH

- Typically invests in a diversified portfolio of large cap companies with above-average growth prospects
- Invests primarily in large, well established companies
- Looks for companies with attractive fundamentals, potential to exceed market expectations and positive price momentum

QUARTER IN REVIEW

- **The JPMorgan Large Cap Growth Strategy outperformed the benchmark**, the Russell 1000 Growth Index, for the quarter ended June 30, 2019.
- **An overweight position in Shopify, Inc., Class A was the top contributor** as the stock outperformed on the back of a strong earnings report at the end of April showing year-over-year revenue growth of 50%. Additionally, at an annual conference in June, the company also announced its expansion of fulfillment services to reduce complexity and create cost efficiencies for online merchants. We continue to believe in the sustainability in Shopify, Inc.'s growth rate, given their dominance in e-commerce enablement, expansion in international markets and increasing adoption for its payment solutions.
- **An overweight position in MercadoLibre, Inc. also contributed**, as shares traded higher after the company announced year-over-year revenue growth of 93% in its recent earnings report. The company has benefitted from its focus on improving customer experience with a widening product selection, fast and accurate order fulfillment, and expanding payment services for online and offline merchants. We continue to have conviction in MercadoLibre, Inc. given its strengthening position with both merchants and consumers.
- **An overweight position in Intuitive Surgical, Inc. was the top detractor**. Shares traded lower after the company reported in-line revenues and a slight earnings miss. Despite the weaker-than-expected financial results, we continue to have conviction in Intuitive Surgical, Inc. as the company has executed well on key metrics, such as procedure growth and system placements.
- **An underweight position in Facebook, Inc., Class A detracted** as shares outperformed on the back of better-than-expected results with a modest top-line beat. The company also moderated its outlook for expense growth. We continue to believe Facebook, Inc. will see challenges to its growth rate as usage patterns shift away from core Facebook and the company invests more aggressively in the security of the platform. We continue to have an underweight position given regulatory concerns and long-term risks to its growth profile.

LOOKING AHEAD

- **The consumer discretionary and financials sectors ended the quarter as the top overweight exposures** in the portfolio.
- **Health care and information technology, which were overweight exposures** coming into the second quarter, ended the quarter as equal weight exposures relative to the benchmark.
- **The real estate and communication services sectors ended the quarter as the top underweight exposures** in the portfolio.

PERFORMANCE

RETURN (%)

	3 MOS	YTD	1 YR	3 YRS	5 YRS	10 YRS
Strategy (gross of fees)	7.66	28.71	14.70	23.78	15.83	18.18
Strategy (net of max. allowable fees - 300 bps) ¹	6.88	26.86	11.34	20.18	12.44	14.73
Benchmark	4.64	21.49	11.56	18.07	13.39	16.28

Benchmark: Russell 1000 Growth Index.

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

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

PORTFOLIO ANALYSIS

Market capitalization	\$235.2bn
P/B ratio	10.2x
Dividend yield	0.6%
Earnings growth (5 Year)	17.1%
Return on assets	12.3%
Return on equity	18.8%
Trailing 12-month turnover	38.1%
Number of holdings	71
Beta ²	1.06
Standard deviation ²	14.80
Information ratio ²	1.49
Tracking error ²	4.20
Sharpe ratio ²	1.20

²Based 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.

HOLDINGS

EQUITY SECTORS (%)

Sector	Weighting	Compared to benchmark
Information Technology	37.7	0.3
Consumer Discretionary	17.0	2.3
Health Care	14.8	0.1
Industrials	10.7	0.9
Communication Services	8.0	-3.4
Financials	5.0	1.8
Consumer Staples	3.9	-0.8
Materials	2.1	0.8
Real Estate	0.8	-1.7
Energy	0.0	-0.4
Utilities	0.0	0.0

TOP 10 (%)

Microsoft	6.2
Amazon.Com	5.8
Mastercard	4.9
PayPal	3.6
Alphabet Inc Cl-C	3.0
ServiceNow	3.0
Apple	2.9
Boeing	2.8
Netflix	2.7
MercadoLibre	2.6

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

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

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 Russell 1000 Growth Index is an unmanaged index measuring the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

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.

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