

Diversify your income strategy

3Q 2019

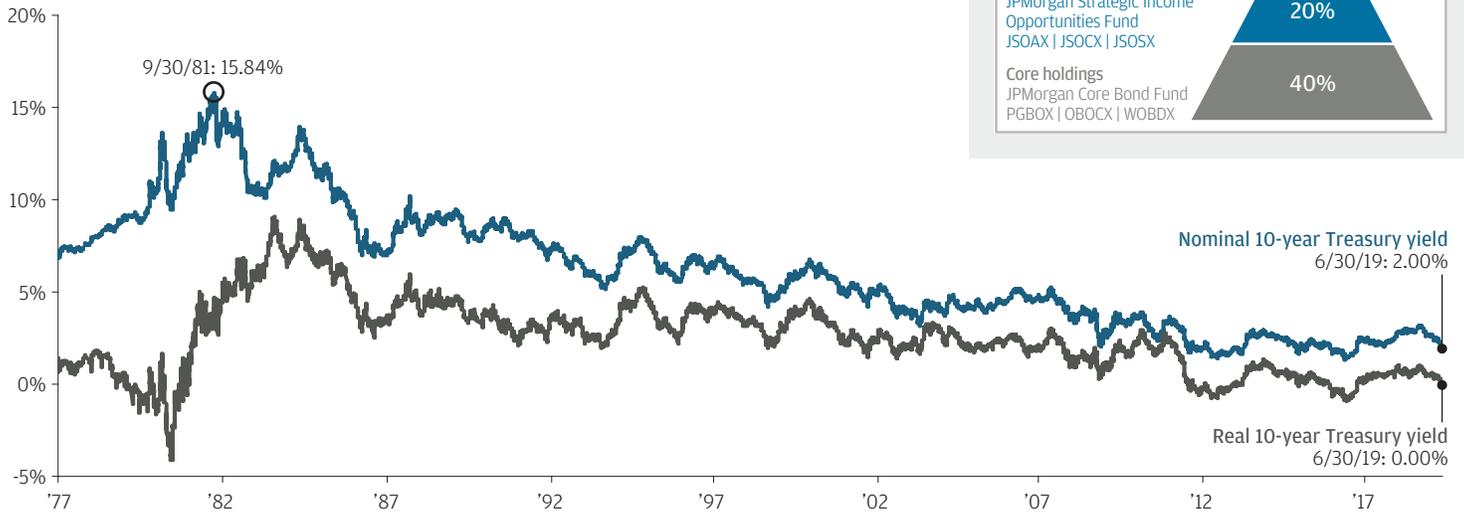
The challenge: Solving for income across market cycles

Despite recent short-term rate volatility, interest rates are still near their 60-year lows. Income investors face three main challenges:

- Producing enough income
- Hedging against possible losses
- Combating the gradual erosion of purchasing power

Yields remain low

NOMINAL AND REAL 10-YEAR TREASURY YIELDS



Source: BLS, Federal Reserve, FactSet, J.P. Morgan Asset Management. Data as of 6/30/19. For illustrative purposes only. Past performance is not indicative of future returns. Real 10-year Treasury yields are calculated as the daily Treasury yield less year-over-year core CPI inflation for that month except for the last month of the period shown, where real yields are calculated by subtracting the prior month's year-over-year core inflation.

Strategic diversification may help generate income

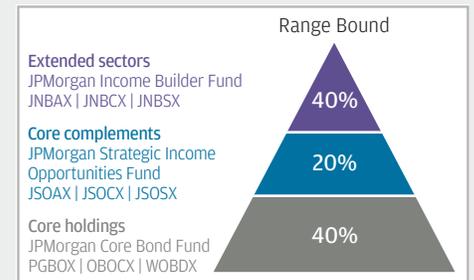
The diversified income strategy is comprised of three individual mutual funds:

- JPMorgan Income Builder Fund
- JPMorgan Strategic Income Opportunities Fund
- JPMorgan Core Bond Fund

As a result, the strategy is broadly diversified within fixed income and across other income-generating asset classes.

THE DIVERSIFIED INCOME STRATEGY

- May provide needed income and help mitigate the impact of rate volatility.
- Provides diversified exposure to each of the three sectors of “the fixed income triangle.”



Nominal 10-year Treasury yield
6/30/19: 2.00%

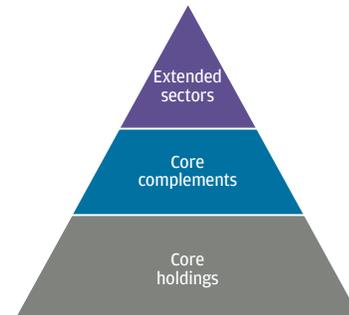
Real 10-year Treasury yield
6/30/19: 0.00%

PORTFOLIO INSIGHTS

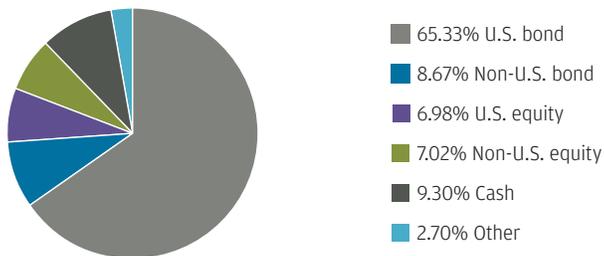
A flexible and diversified solution across market cycles

By investing in a broad range of income-generating securities, the diversified income strategy provides exposure to each of the three sectors of “the fixed income triangle.” Allocations can be adjusted based on the anticipated rate environment.

- **Extended sectors** seek to increase income potential and total return by investing in high-yield bonds as well as international and emerging markets.
- **Core complements** aim to reduce correlation to core holdings and hedge against inflation.
- **Core holdings** are comprised of high-quality intermediate- and short-term bonds. They seek to lower overall portfolio volatility and add diversification to equities.



ASSET ALLOCATION OF DIVERSIFIED INCOME STRATEGY^{1, 3}



The fixed income component of the strategy is diversified across the spectrum of credit qualities. As a result, it provides income potential from higher-yielding, lower-credit-quality bonds whose prices are generally less susceptible to rate increases. At the same time, the strategy reduces credit risk through exposure to higher-rated bonds.

The strategy offers exposure to both investment-grade and non-investment-grade bonds

FIXED INCOME CREDIT QUALITY

6/30/19 ^{1, 2, 3}	AAA	AA	A	BBB	BB	B	Below B/Other
JPMorgan Income Builder Fund	27.68	4.43	3.63	9.02	21.47	24.18	9.59
JPMorgan Strategic Income Opportunities Fund	11.10	30.43	19.38	11.79	7.58	10.17	9.55
JPMorgan Core Bond Fund	60.55	5.77	12.72	13.90	0.29	0.03	6.74
Diversified income strategy (%)	37.51	9.96	10.26	11.49	10.41	11.92	8.90

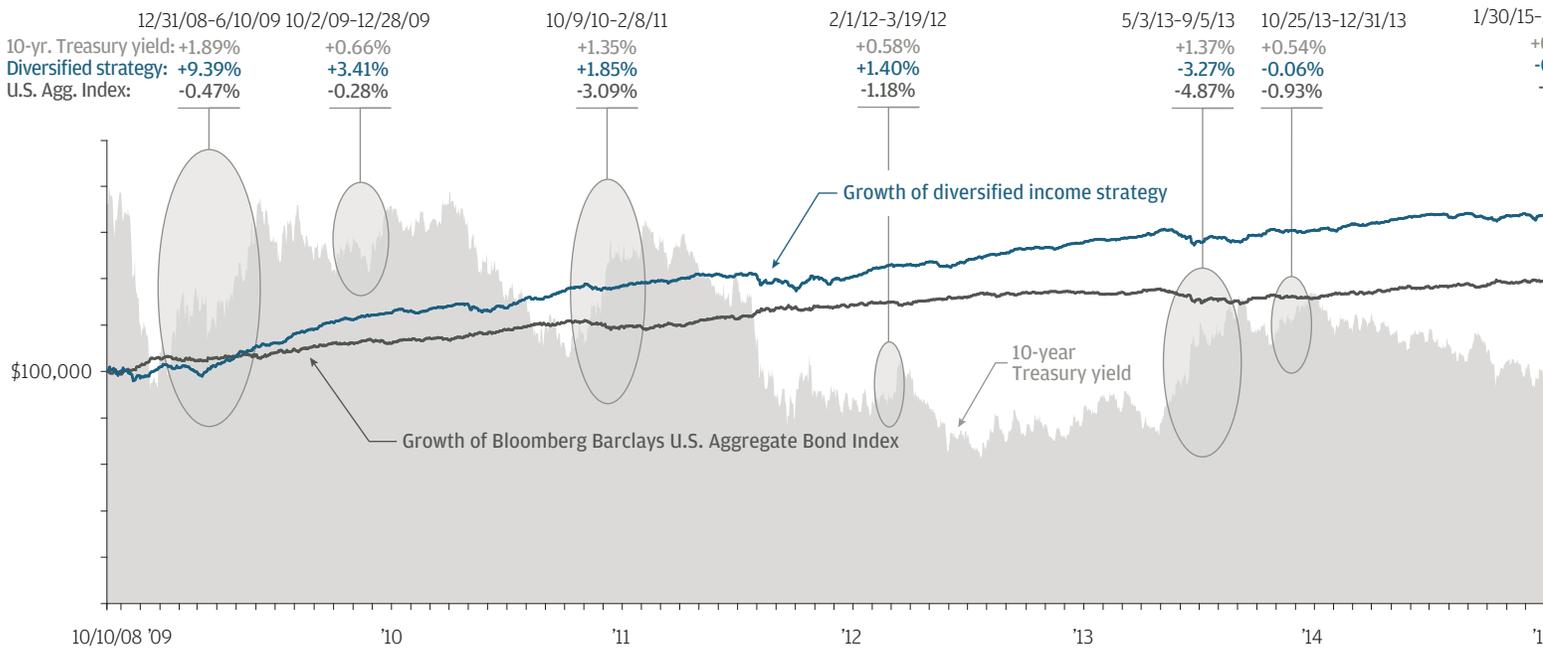
¹ Due to rounding, values may not total 100%. Credit quality, asset allocation, duration, 30 day SEC yield (unsubsidized) and net expense ratio of the diversified income strategy is calculated using a weighted average (40%/20%/40%) of the three funds cited above. Credit qualities and duration reflect only the fixed income portion of the JPMorgan Income Builder Fund.

² The manager receives credit quality ratings on underlying securities of the portfolio from the three major ratings agencies – S&P, Moody’s and Fitch. For JPMorgan Income Builder Fund, the manager calculates the credit quality by taking a weighted average of the credit quality for each underlying portfolios that make up the fund. The manager typically receives credit quality ratings on underlying securities of the underlying portfolios from various ratings agencies. The underlying portfolios calculate credit quality using different methodologies. Securities that are not rated are reflected as such. JPMorgan Core Bond Fund, when calculating the credit quality breakdown, the manager selects the middle rating of the agencies when all three agencies rate a security. For JPMorgan Strategic Income Opportunities Fund, when calculating the credit quality breakdown, the manager selects the lowest rating of the agencies when all three agencies rate a security. The manager will use the lower of the two ratings if only two agencies rate a security and will use one rating if that is all that is provided. Securities that are not rated by all three agencies are reflected as such. Due to rounding, values may not total 100%.

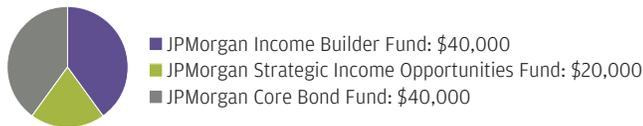
³ Source: J.P. Morgan Asset Management. Asset allocation data as of 5/31/19. Credit quality data as of 6/30/19.

The diversified income strategy may hedge against possible losses if rates rise

TREASURY RATES AND GROWTH OF \$100,000, 10/10/08 - 6/30/19 (1 SHARE AT NAV)⁴

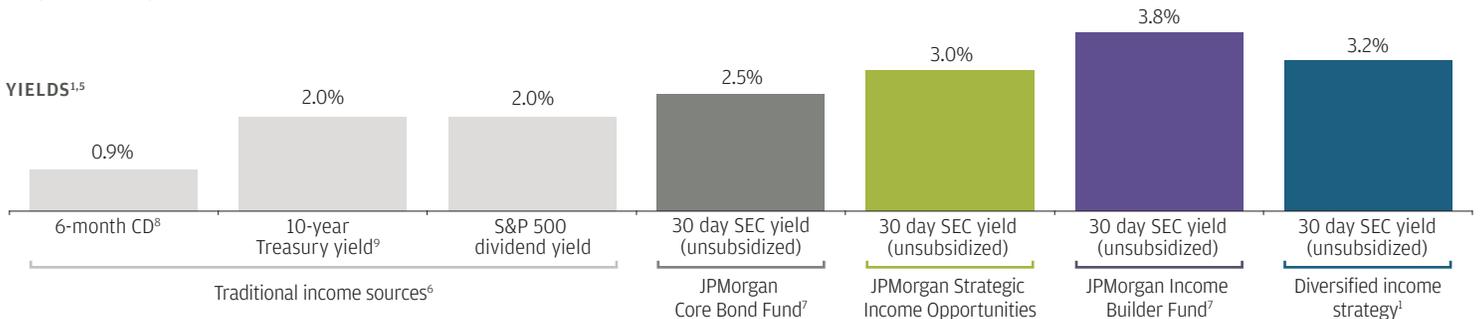


Diversified income strategy balance (10/10/08): \$100,000



A diversified solution that may provide higher yields than traditional income sources

The diversified income strategy is positioned to generate higher income than the more traditional sources investors have generally relied upon, such as CDs and Treasuries. This income can be especially valuable in a rising rate environment because it can help offset capital losses.



⁴ Source: J.P. Morgan Asset Management. Data as of 6/30/19.

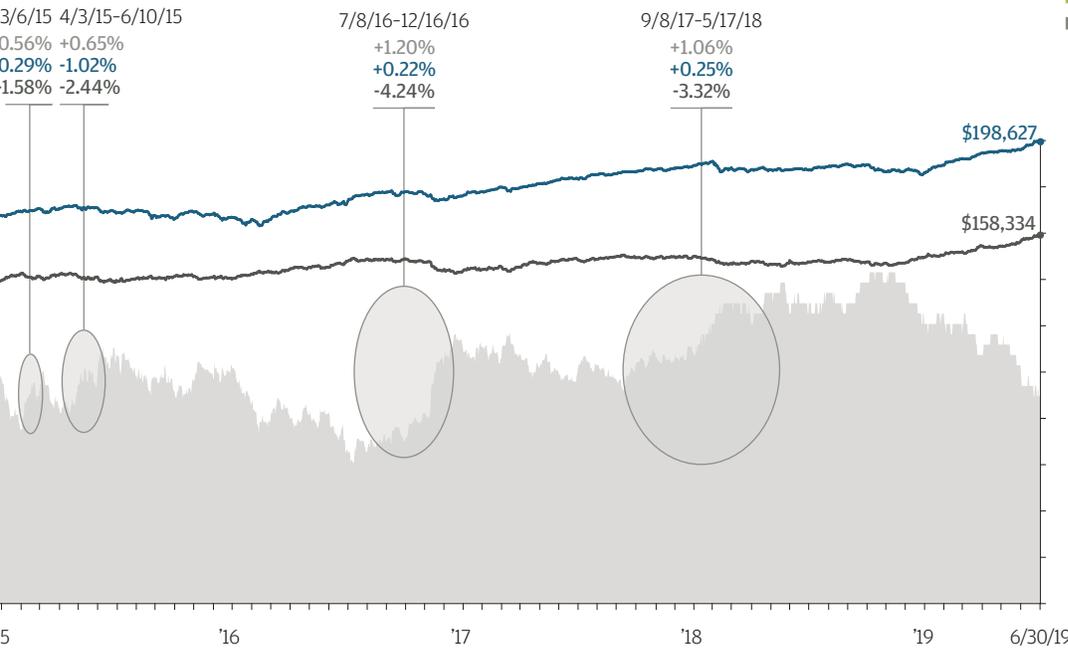
⁵ Must be preceded or accompanied by the applicable prospectuses.

⁶ Sources: Bankrate, Federal Reserve, U.S. Treasury, Standard & Poor's, FactSet. Dividend yields are bottom-up values defined as the annualized value of the most recent cash dividend as a percent of month-end price. Data as of 6/30/19 for 6-month CD, 10-year Treasury and S&P 500 yields.

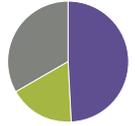
⁷ Source: J.P. Morgan Asset Management. Data as of 6/30/19.

⁸ Unlike a mutual fund whose principal value and dividends fluctuate, CDs are savings certificates providing interest over a predetermined timeframe. CDs are typically less liquid and early withdrawal may incur penalties. In the mutual fund, investment returns will fluctuate so that the redemption amount may be worth more or less than the original investment. Unlike a mutual fund, which charges a management fee, CDs are insured by the FDIC up to specific limits and only have fees if there is an early withdrawal. Income from both sources is taxed as income but mutual funds may incur capital gains (or losses). **Must be preceded or accompanied by a prospectus.**

⁹ U.S. Treasury securities are typically backed by the federal government. They are exempt from state and local taxation; but subject to federal taxes.



- JPMorgan Income Builder Fund: \$102,768
- JPMorgan Strategic Income Opportunities Fund: \$33,360
- JPMorgan Core Bond Fund: \$65,032

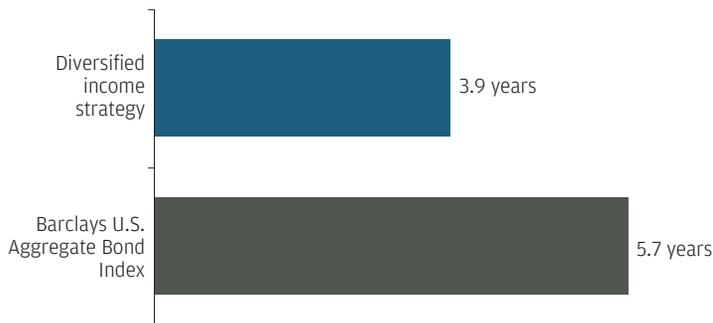


A \$100,000 investment in the strategy initially divided among the underlying funds' 1 shares according to the allocation stated and with dividends and capital gains reinvested, could have grown to \$198,627 from 10/10/08 through 6/30/19. There is no direct correlation between a hypothetical investment and the anticipated performance of the strategy. The strategy was not rebalanced during this period. The portfolio level performance shown in the graph and tables is hypothetical and for illustrative purposes only. Investor returns will differ from the results shown. Past performance is not a guarantee of future results.

Income investing with the potential for less sensitivity to interest rates

Duration is an important metric for fixed income investors because it measures the sensitivity of a bond's price to changes in interest rates. For example, if two bonds are otherwise identical but bond A has a shorter duration (e.g., it may return principal sooner) than bond B, a rise in interest rates will impact the price of bond B more than that of bond A. The strategy's shorter duration may therefore help investors better weather the impact of a potential rate rise.

FIXED INCOME DURATION¹⁻⁴

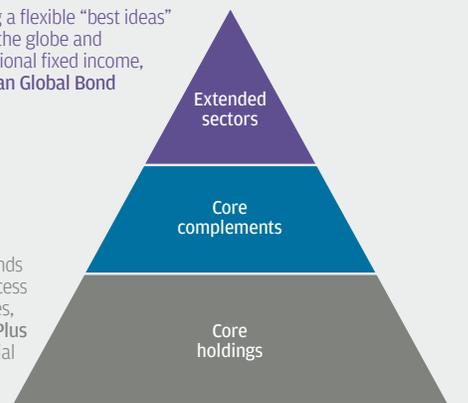


A FLEXIBLE MODEL FOR FIXED INCOME DIVERSIFICATION

JPMorgan's Fixed Income Triangle is a flexible framework designed to be applicable in a variety of market environments and changes in rates. As such, the triangle can incorporate various products to adapt to market changes and according to a client's risk tolerance.

For investors seeking a flexible "best ideas" strategy that scours the globe and invests beyond traditional fixed income, we have the **JPMorgan Global Bond Opportunities Fund**.

Anchored in core bonds with the ability to access broader opportunities, the **JPMorgan Core Plus Bond** has the potential to enhance returns and income.



PERFORMANCE AT NAV¹⁰

I shares (%) as of 6/30/19	2Q19	1 year	3 years	5 years	10/10/08 ¹¹	10 years	Since inception ¹²
JPMorgan Income Builder Fund	3.01	7.18	7.06	4.27	9.20	8.59	5.65
<i>MSCI World Index</i>	4.00	6.33	11.77	6.60	10.76	10.72	7.95
JPMorgan Strategic Income Opportunities Fund	0.82	2.58	3.89	2.59	4.89	3.92	4.89
<i>Bloomberg Barclays U.S. Universal Index</i>	3.11	8.07	2.84	3.18	4.87	4.37	5.02
JPMorgan Core Bond Fund	3.02	7.76	2.38	2.94	4.64	4.03	5.93
<i>Bloomberg Barclays U.S. Aggregate Bond Index</i>	3.08	7.87	2.32	2.95	4.38	3.90	7.33
Diversified income strategy	2.59	6.53	4.59	3.43	6.61	5.92	6.61

The performance quoted is past performance and is not a guarantee of future results. Mutual funds are subject to certain market risks. Investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data shown. For performance current to the most recent month-end, please call 1-800-480-4111.

ANNUAL OPERATING EXPENSES^{10, 13}

I shares (%) as of 6/30/19	Gross expenses	Net expenses
JPMorgan Income Builder Fund	0.81	0.60
JPMorgan Strategic Income Opportunities Fund	0.84	0.79
JPMorgan Core Bond Fund	0.60	0.50
Diversified income strategy	N/A	0.60¹

SEC YIELDS¹⁰

I shares (%) as of 6/30/19	30-day SEC yield	30-day SEC yield (unsubsidized)
JPMorgan Income Builder Fund	4.00	3.79
JPMorgan Strategic Income Opportunities Fund	3.01	2.95
JPMorgan Core Bond Fund	2.57	2.45
Diversified income strategy	3.24	3.23

The portfolio level performance shown in the graph and tables is hypothetical and for illustrative purposes only. Investor returns will differ from the results shown. The hypothetical blend strategy was not rebalanced during this period.

¹⁰ Source: J.P. Morgan Asset Management. Data as of 6/30/19.

¹¹ Inception date for JPMorgan Strategic Income Opportunities Fund.

¹² Returns since inception for each fund's benchmark are since the inception of their corresponding fund. Inception dates are 5/31/07 for JPMorgan Income Builder Fund (I), 10/10/08 for JPMorgan Strategic Income Opportunities Fund (I) and 6/1/91 for JPMorgan Core Bond Fund (I).

¹³ The Funds advisers and/or its affiliates have contractually agreed to waive fees and/or reimburse expenses to the extent Total Annual Fund Operating Expenses (excluding acquired fund fees and expenses, dividend and interest expenses related to short sales, interest, taxes, expenses related to litigation and potential litigation and extraordinary expenses) exceed 0.60% for Income Builder Fund, 0.75% for Strategic Income Opportunities Fund and 0.50% for Core Bond Fund of the average daily net assets. This waiver is in effect through 5/31/2020 for Income Builder Fund and 6/30/2020 for Strategic Income Opportunities and Core Bond Funds at which time the adviser and/or its affiliates will determine whether to renew or revise it.

PORTFOLIO INSIGHTS

FOR MORE INFORMATION

Contact your J.P. Morgan representative,
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RISKS ASSOCIATED WITH INVESTING IN FUNDS

Bonds are subject to interest rate risks. Thus, bond prices generally fall when interest rates rise. For some investors, income may be subject to the Alternative Minimum Tax. Capital gains, if any, are federally taxable. Income may be subject to state and local taxes.

Securities rated below investment grade are called “high-yield bonds,” “non-investment-grade bonds,” “below investment-grade bonds” or “junk bonds.” They generally are rated in the fifth or lower rating categories of Standard & Poor’s and Moody’s Investors Service. Although these securities tend to provide higher yields than higher-rated securities, there is a greater risk that the fund’s share price will decline.

International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Also, some overseas markets may not be as politically and economically stable as the United States and other nations. The risks associated with foreign securities are magnified in countries in “emerging markets.” These countries may have relatively unstable governments and less-established market economies than developed countries. Emerging markets may face greater social, economic, regulatory and political uncertainties. These risks make emerging market securities more volatile and less liquid than securities issued in more developed countries.

Many derivatives create leverage, thereby causing the fund to be more volatile than it would be if it had not used derivatives.

JPMorgan Income Builder Fund. 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. Investments in bonds and other debt securities will change in value based on changes in interest rates. If rates rise, the value of these investments generally drops. Investments in derivatives may be riskier than other types of investments. They may be more sensitive to changes in economic or market conditions than other types of investments. Many derivatives create leverage, which could lead to greater volatility and losses that significantly exceed the original investment.

JPMorgan Core Bond Fund. Investments in bonds and other debt securities will change in value based on changes in interest rates. If rates rise, the value of these investments generally drops.

JPMorgan Strategic Income Opportunities Fund. Securities rated below investment grade are considered “high-yield,” “non-investment grade,” “below investment-grade,” or “junk bonds.” They generally are rated in the fifth or lower rating categories of Standard & Poor’s and Moody’s Investors Service. Although these securities tend to provide higher yields than higher-rated securities, they tend to carry greater risk. International investing bears greater risk due to social, economic, regulatory and political instability in countries in “emerging markets.” This makes emerging market securities more volatile and less liquid than developed market securities. Changes in exchange rates and differences in accounting and taxation policies outside the U.S. can also affect returns.

Diversification does not guarantee investment returns and does not eliminate the risk of loss.

Total return assumes reinvestment of dividends and capital gains distributions and reflects the deduction of any sales charges or redemption fees, where applicable. Performance may reflect the waiver of a portion of the fund’s advisory or administrative fees for certain periods since the inception date. If fees had not been waived, performance would have been less favorable.

INDEXES DEFINED

The **Bloomberg Barclays U.S. Universal Index** represents the U.S. Aggregate Index, the U.S. High-Yield Corporate Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index, and the non-ERISA portion of the CMBS Index.

The **Bloomberg Barclays U.S. Aggregate Index** is an unmanaged index representing SEC-registered taxable and dollar-denominated securities. It covers the U.S. investment-grade fixed-rate bond market, with index components for government and corporate securities, mortgage pass-through, and asset-backed securities.

MSCI World Index (net of foreign withholding taxes) is a broad measure of the performance of developed countries’ equity markets.

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

Contact JPMorgan Distribution Services, Inc. at 1-800-480-4111 for a prospectus. Carefully consider the fund’s objectives, risks, charges and expenses before investing. The prospectus contains this and other fund information. Read it carefully before investing.

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I Class Shares are available to those investors meeting the class minimum and eligibility requirements.

Total return assumes reinvestment of dividends and capital gains distributions and reflects the deduction of any sales charges, where applicable. Performance may reflect the waiver of a portion of the Fund’s advisory or administrative fees for certain periods since the inception date. If fees had not been waived, performance would have been less favorable.

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

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