

JPMorgan Core Plus Bond I HLIPX

A thoughtful approach to a flexible core-plus offering.

Morningstar's Take HLIPX

Morningstar Rating ★★★★★

Morningstar Analyst Rating Silver

Morningstar Pillars

Process	● Above Average
Performance	—
People	● Above Average
Parent	● Above Average
Price	—

Role In Portfolio

Supporting player.

Fund Performance

Year	Total Return (%)	+/- Category
YTD	9.04	0.22
2018	0.01	0.62
2017	4.26	-0.01
2016	4.17	0.32
2015	-0.01	0.44

Data through 10-31-19

11-05-19 | by Emory Zink

Process adjustments that more closely integrated the firm's independently-run specialist teams have benefitted this flexible strategy, with experienced leadership and shrewd positioning calls giving it an edge. Those advantages are enough to award the strategy's cheapest share classes a Morningstar Analyst Rating of Silver, while its more expensive share classes earn a Bronze or Neutral.

Steven Lear and Andrew Norelli became managers on this fund in late 2013 and early 2014, respectively, and were tasked with enhancing the fund's process by tapping broader macro resources to complement the bottom-up security selection provided by the value-driven fixed-income cohort based in Columbus and the high-yield teams based in Indianapolis and Cincinnati. Columbus-based Rick Figuly—who has been comanager since 2006—has provided continuity and perspective. While this strategy had long benefited from the work of well-resourced bottom-up security managers and analysts, Norelli and Lear

have been successful in adding a stronger macro overlay.

The fund falls into the intermediate core plus bond Morningstar Category (its new home as of May 2019, when the intermediate-term bond category was split into two peer groups), and it packs a little more punch than its Bloomberg Barclays U.S. Aggregate Bond Index benchmark. The fund holds between 5% and 20% in junk-rated corporates (the index holds none and many peers keep that exposure under 10%, while this fund has met that limit at times); up to 10% in emerging-markets debt; and 35%-50% in securitized fare, including asset-backed, commercial-mortgage-backed, and agency-mortgage subsectors that the Columbus team has historically managed well. Since the current managers began working together here in 2014, the sector teams' solid security selection and the team's calls on overall positioning have helped the fund outperform its typical peer and the index with less volatility despite its extra credit risk.

Process Pillar ● Above Average | Emory Zink 11/05/2019

A shrewd bottom-up approach to security recommendations, combined with a thoughtful macro overlay, result in an Above Average Process Pillar rating.

Since 2013, JPMorgan has increased collaboration and integrated resources amongst its various teams, including a macro-driven cohort in New York, a value-driven mortgage and investment-grade credit group in Columbus, and high-yield efforts run out of Indianapolis and Cincinnati. While this fund had long benefited from the in-depth work of well-resourced and seasoned bottom-up security analysts with dedicated sector specialties, the standardization of reporting and risk systems across these investment hubs, coupled with more frequent and robust research discussions, enable the trio of comanagers here to orchestrate the portfolio more nimbly up top. In October 2019, all three portfolio managers were

installed as investment leads of various groups (Andrew Norelli on the income team, Rick Figuly on the core bond cohort, and Steve Lear as U.S. fixed-income CIO), which should contribute to this strategy's industrious use of all tools and research available to it.

The fund packs more punch than its Aggregate Index benchmark, holding between 5% and 20% in junk-rated corporates, up to 10% in emerging-markets debt, and 35%-50% in securitized fare, which has been a strength here.

Typically, this strategy underweights U.S. Treasuries relative to its Aggregate Index benchmark, redistributing the difference (12 percentage points as of July 2019) across corporates and securitized fare. Investment-grade and high-yield corporate credit exposures sat unchanged from a year prior, occupying 18% and 9%, respectively. In both cases, Andrew Norelli and team took opportunities to upgrade holdings for perceived recession resilience.

The managers reduced the strategy's Treasuries and asset-backed securities stakes by a handful of percentage points each, putting them at 27% and 13%, respectively. He put the proceeds to work in various securitized flavors. Agency mortgage-backed securities increased 4 percentage points to 27%, and the portfolio's 7% allocation to CMBS included a handful of small positions in more esoteric interest-only mortgages derivatives and a positive view of single-asset-single-borrower deals. The portfolio's nonagency MBS exposure doubled in size over the year ended July 2019 to roughly 4%, including non-and reperforming loan pools as well as property assessed clean energy financing bonds.

Following 2018's series of interest-rate spikes, the team pared back the portfolio's duration; it sat at 5.7 years as of mid-2019 versus 5.9 years the year prior, though longer than the 5.6 years of its index.

Performance Pillar | Emory Zink 11/05/2019

Over Andrew Norelli's tenure, from April 2014 through September 2019, the strategy generated 3.8% annualized. This outpaced the 3.5% of its Aggregate Index benchmark as well as the 3.6% median of a distinct cohort of intermediate core plus bond peers with lower levels of volatility. (The fund landed in this category in May 2019, when the former intermediate-term bond category was split into two peer groups.)

A broad investment menu, combined with the flexibility to nimbly rotate in and out of sectors, mean that the profile here heavily depends on the calls of its managers. For example, in 2014, the fundamentally derived security recommendations of analysts (a strength of this offering) added value on an individual basis, but when aggregated, the portfolio's subsequent yield curve exposures weren't optimal; instead, Norelli implemented a flattener over the existing portfolio, and this kept it in better shape than 65% of distinct peers that year. Though the portfolio's duration was longer than its typical rival in that same group as interest rates rose for most of 2018, shrewd security selection helped it throughout that period, and during the aggressive fourth quarter credit sell-off, the strategy held up well, ultimately besting 70% of distinct peers that year.

People Pillar ● Above Average | Emory

Zink 11/05/2019

A seasoned and collaborative set of portfolio managers and a large group of supporting analysts, economists, traders, and quant resources underpin an Above Average People rating.

Steven Lear and Andrew Norelli became managers on this fund in late 2013 and early 2014, respectively, and were tasked with enhancing the fund's process by tapping broader macro resources to complement the bottom-up security selection provided by the value-driven fixed-income cohort based in Columbus and the high-yield teams based in Indianapolis and Cincinnati. Both were fresh appointments (Lear is in New York and concurrently serves as the firm's U.S. CIO for fixed-income, and Norelli relocated to Columbus for the position; each has spent more than 15 years in the industry) to a team of contributors that included stalwarts from the firm's specialist

teams, particularly in Columbus, that had previously exercised autonomy in positioning decisions.

Though a spate of turnover in higher-profile names followed, the remaining team members, including long-tenured Columbus-based Rick Figuly—who is a comanager on this fund—continue to provide continuity and perspective. Leadership benefits from the firm's broader resources, including roughly 50 research analysts, 15 risk and quantitative professionals, and a bevy of traders; many of these contributors are seasoned industry participants.

Parent Pillar ● Above Average | Emory

Zink 09/20/2018

J.P. Morgan Asset Management boasts long-tenured and strongly aligned portfolio managers who are supported by deep analytical resources. Competitive fees across the board also contribute to the firm's Positive Parent rating.

The firm's diverse lineup features many Morningstar Medalists across asset classes and regions. In February 2018, its U.S.-domiciled SmartRetirement target-date series was upgraded to a Morningstar Analyst Rating of Gold, befitting strong underlying resources and processes on both equity and fixed income. On U.S. equities, for instance, experienced managers draw on a core team of more than 20 career analysts, while on their cored fixed-income mandates, long-tenured managers are supported by more than 25 credit and securitized analysts based across Columbus, London, and New York. Managers' compensation factors in 10-year performance where applicable, which exceeds industry standards. Retention rates and managers' coinvestments alongside fund shareholders are above average, and succession planning is generally well handled.

Fees are regularly reviewed downward; funds tend to be cheaper relative to peers in the U.S. than abroad. The firm has refrained from trendy offerings and expanded its passive business recently. It has continued to rationalize its broad lineup otherwise, leading to some mergers and liquidations in Europe in particular.

Price Pillar | Emory Zink 11/05/2019

It's critical to evaluate expenses, as they come directly out of returns. The share class on this report levies a fee that ranks in its Morningstar category's cheapest quintile. Based on our assessment of the fund's People, Process and Parent pillars in the context of these fees, we think this share class will be able to deliver positive alpha relative to the category benchmark index, explaining its Morningstar Analyst Rating of Silver.

JPMORGAN CORE PLUS BOND FUND - HLIPX

MORNINGSTAR RATING AS OF 10/31/19

Morningstar overall rating 4 stars, Class I; Intermediate Core-Plus Bond Category; 539 funds. Three-year rating 4 stars; 539 funds. Five-year rating 4 stars; 450 funds. Ten-year rating 4 stars; 330 funds. Ratings reflect risk-adjusted performance. Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics.

ANNUAL OPERATING EXPENSES (%)

	Gross expenses	Net expenses
I shares	0.66	0.46

The Fund's adviser 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 0.46% of the average daily net assets. The Fund may invest in one or more money market funds advised by the adviser or its affiliates (affiliated money market funds). The Fund's adviser has contractually agreed to waive fees and/or reimburse expenses in an amount sufficient to offset the fees and expenses of the affiliated money market funds incurred by the Fund because of the Fund's investment in such money market funds. This waiver is in effect through 6/30/2020, at which time the adviser and/or its affiliates will determine whether to renew or revise it. The difference between net and gross fees includes all applicable fee waivers and expense reimbursements.

TOP 10 HOLDINGS AS OF 10/31/19 (%)

U.S. Treasury Notes, 1.75%, 05/31/2022	2.9%
U.S. Treasury Notes, 2.13%, 06/30/2022	1.1%
U.S. Treasury Bonds, 3.75%, 11/15/2043	1.0%
U.S. Treasury Bonds, 2.50%, 05/15/2046	0.9%
U.S. Treasury Bonds, 3.00%, 11/15/2045	0.9%
FNMA, Grantor Trust, Class A, 2.90%, 06/25/2027	0.7%
U.S. Treasury Bonds, 2.75%, 11/15/2042	0.7%
UMBS, 30 Year, 4.00%, 12/01/2047	0.7%
U.S. Treasury Bonds, 2.75%, 11/15/2047	0.6%
U.S. Treasury Bonds, 5.50%, 08/15/2028	0.5%
Total of top 10	10.0%

The top 10 holdings listed exclude cash and money markets. 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 Fund and does not include the use of derivative positions, where applicable.

PERFORMANCE

(%) as of 9/30/19	1 year	3 years	5 years	10 years
I shares at NAV	10.22	3.46	3.70	4.85
Bloomberg Barclays U.S. Aggregate Index	10.30	2.92	3.38	3.75
Lipper Core Plus Bond Funds Index	9.74	3.46	3.52	4.62

Performance quoted is past performance and is no guarantee of future results. Investment returns and principal value will fluctuate, so shares, when sold, may be worth more or less than original cost. Current performance may be higher or lower than returns shown. Call 1-800-480-4111 for most recent month-end performance.

Contact JPMorgan Distribution Services at 1-800-480-4111 for a fund prospectus. You can also visit us at www.jpmorganfunds.com. Investors should carefully consider the investment objectives and risks as well as charges and expenses of the mutual fund before investing. The prospectus contains this and other information about the mutual fund. Read the prospectus carefully before investing. Must be accompanied or preceded by a prospectus.

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Diversification does not guarantee investment returns and does not eliminate the risk of loss. Diversification among investment options and asset classes may help to reduce overall volatility.

RISK SUMMARY: The following risks could cause the fund to lose money or perform more poorly than other investments. For more complete risk information, see the prospectus.

Core Plus 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. CMOs are collateralized mortgage obligations, which are issued in multiple classes, and each class may have its own interest rate and/or final payment date. A class with an earlier final payment date may have certain preferences in receiving principal payments or earning interest. As a result, the value of some classes may be more volatile and may be subject to higher risk of nonpayment. 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 they can provide higher yields than higher rated securities, they can carry greater risk. The value of investments in mortgage-related and asset-backed securities will be influenced by the factors affecting the housing market and the assets underlying such securities. The securities may decline in value, face valuation difficulties, become more volatile and/or become illiquid. They are also subject to prepayment risk, which occurs when mortgage holders refinance or otherwise repay their loans sooner than expected, creating an early return of principal to holders of the loans. The Fund could experience a loss and its liquidity may be negatively impacted when selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent or occur in times of overall market turmoil or declining prices. Similarly, large purchases of Fund shares may adversely affect the Fund's performance to the extent that the Fund is delayed in investing new cash and is required to maintain a larger cash position than it ordinarily would. 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.

TARGET DATE FUNDS:

The JPMorgan SmartRetirement Funds are target date funds with the target date being the approximate date when investors plan to start withdrawing their money. Generally, the asset allocation of each Fund will change on an annual basis with the asset allocation becoming more conservative as the Fund nears the target retirement date. The principal value of the Fund(s) is not guaranteed at any time, including at the target date.

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. The performance of the Lipper Core Plus Bond Funds Index includes expenses associated with a mutual fund, such as investment management fees. These expenses are not identical to the expenses charged by the Fund.

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 and/or reimbursement of certain expenses for certain periods since the inception date. If fees had not been waived and/or certain expenses were not reimbursed, performance would have been less favorable.

There can be no assurance that the professionals currently employed by J.P. Morgan Asset Management will continue to be employed by J.P. Morgan Asset Management or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success.

MORNINGSTAR DISCLOSURE:

The Morningstar Analyst Rating is not a credit or risk rating. It is a subjective evaluation performed by the manager research analysts of Morningstar. Morningstar evaluates funds based on five key pillars, which are process, performance, people, parent, and price. Analysts use this five pillar evaluation to determine how they believe funds are likely to perform over the long term on a risk-adjusted basis. They consider quantitative and qualitative factors in their research, and the weighting of each pillar may vary. The Analyst Rating scale is Gold, Silver, Bronze, Neutral, Negative. A Morningstar Analyst Rating of Gold, Silver, or Bronze reflect an Analyst's conviction in a fund's prospects for outperformance. Analyst Ratings are continuously monitored and reevaluated at least every 14 months.

For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to <http://corporate1.morningstar.com/AnalystRating/>

The Morningstar Analyst Rating should not be used as the sole basis in evaluating a mutual fund. Morningstar Analyst Ratings involve unknown risks and uncertainties which may cause Morningstar's expectations not to occur or to differ significantly from what we expected.

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