

J.P. Morgan Upper Tier High Yield Strategy

Separately Managed Account



Income potential with quality high yield.

Driven by macro insights and bottom-up fundamental credit research, the J.P. Morgan Upper Tier High Yield Strategy aims to generate a high level of income and stable returns over a market cycle with lower volatility than the broad high yield market.

EXPERTISE

- Experienced team with a proven process managing high yield bonds successfully for over 30 years and through three recessions.

PORTFOLIO

- Invests in a highly diversified portfolio of high yield corporates generally rated B- or better.
- Combines bottom-up analysis with top-down insight to actively manage credit profile against market risk.

SUCCESS

- Provides diversification within a multi-asset portfolio due to low correlation to other asset classes.

HIGHER QUALITY HIGH YIELD PROVIDES A STRONG RISK/RETURN PROFILE



Chart source: Barclays, Bloomberg, FactSet, MSCI, Russell, Standard & Poor's, J.P. Morgan Asset Management. For the 10-year period ending 3/31/19. Asset classes represented by following indices: Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Commodities: Bloomberg Commodity Index, High Yield: Bloomberg Barclays (BB) US High Yield 2% Issuer Capped Index and BB US Corp HY Ba Index, Fixed Income: BB US Aggregate. For illustrative purposes only. Past performance is not indicative of future results.

A TIME-TESTED INVESTMENT PHILOSOPHY

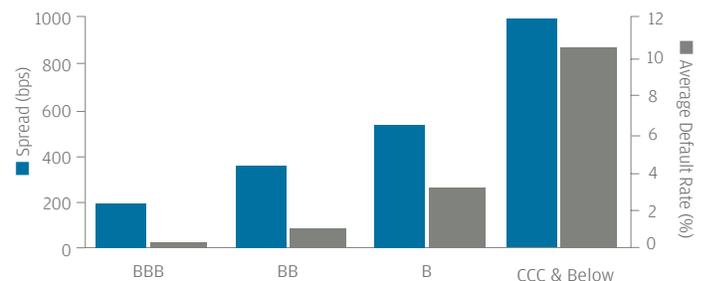
With a focus on higher quality names, this strategy invests in a diversified portfolio of high yield corporates generally rated B- or better.

We see a superior risk/return profile in high quality high yield. Market default rates are low relative to the CCC & Below segment, while offering significant spread pickup vs. BBB bonds.

We strive to maximize this opportunity by combining fundamental credit research and security selection with top-down insight to actively manage the portfolio through economic cycles – minimizing the risk of credit deterioration and, in fact, this strategy has not experienced a single default since its inception.

Chart source: Moody's Investors Service, J.P. Morgan Asset Management. As of 12/31/18. Past performance is no guarantee of future results.

SPREAD VS. DEFAULT RATE BY CREDIT QUALITY



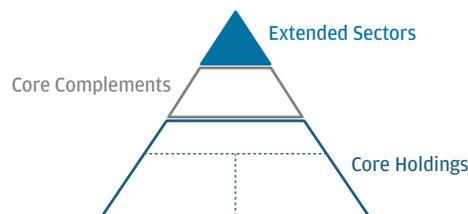
EXPLORING EXTENDED SECTORS

Diversifying across fixed income sectors can provide investors with higher income and lower volatility.

Gaining exposure to strategies in the Extended Sectors category – such as the J.P. Morgan Upper Tier High Yield Strategy – can add higher income and total return to a well-diversified portfolio.

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.

FIXED INCOME PORTFOLIO STRATEGY



PORTFOLIO CHARACTERISTICS

Average credit quality: BB
Effective duration: 3.81

- The portfolio team – averaging almost three decades of industry experience – is supported by a team of 12 credit research analysts with an average of 18 years’ experience.
- \$32.5 billion AUM dedicated to high yield assets (3/31/19).
- Leverage the insights of over 200 global fixed income investment professionals managing more than \$500 billion.

William Morgan



Portfolio manager
 • 37 years of industry experience, 35 at J.P. Morgan

Christopher Musbach



Portfolio manager
 • 14 years of industry experience, all at J.P. Morgan

James Shanahan, Jr.



Portfolio manager
 • 33 years of industry experience, all at J.P. Morgan

YIELD (%)

| | Strategy | Benchmark ¹ |
|-------------------|----------|------------------------|
| Yield to maturity | 5.19 | 5.07 |
| Yield to worst | 4.90 | 4.80 |

COMPOSITE PERFORMANCE (%)

| | 3 mos | YTD | 1 yr | 3 yrs | 5 yrs | 10 yrs |
|--|-------|------|------|-------|-------|--------|
| Strategy (gross of fees) | 7.13 | 7.13 | 6.15 | 6.73 | 5.02 | 9.37 |
| Strategy (net of max. allowable fees 150 bps) ² | 6.74 | 6.74 | 4.58 | 5.14 | 3.46 | 7.76 |
| Benchmark ¹ | 7.14 | 7.14 | 5.93 | 6.87 | 5.09 | 9.93 |

CALENDAR YEAR PERFORMANCE (%)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-------|-------|------|-------|------|------|-------|-------|------|-------|
| Strategy (gross of fees) | 39.71 | 13.39 | 6.10 | 13.77 | 4.74 | 5.42 | -0.57 | 12.56 | 7.20 | -2.79 |
| Strategy (net of max. allowable fees 150 bps) ² | 37.69 | 11.72 | 4.52 | 12.09 | 3.19 | 3.85 | -2.05 | 10.90 | 5.61 | -4.24 |
| Benchmark ¹ | 45.93 | 13.94 | 6.90 | 14.31 | 4.95 | 5.40 | -1.13 | 12.95 | 7.56 | -2.53 |

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.

The performance information shown (prior to March 31, 2019) is that of the institutional composite. The investment objective and policies of the J.P. Morgan Upper Tier High Yield Strategy separately managed account (SMA) are similar to other Upper Tier High Yield strategy products advised by the adviser or its affiliates. However, the investment results of the SMA may be higher or lower than other Upper Tier High Yield strategy products, and there is no guarantee that the investment results of the SMA will be comparable to any other of these Upper Tier High Yield strategy products.

Unless stated otherwise, performance data 1) do not take into account any costs associated with the issue or redemption of shares and 2) assumes that gross income is reinvested. The benchmark is for reference only; the Fund does not attempt to duplicate the composition or performance of the benchmark.

¹ High Yield Upper Tier Blended Benchmark.

² Actual fees associated with this strategy may be lower.

GENERAL DISCLOSURES

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 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

- 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.
- 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.

- 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.

INDEXES

The High Yield Upper Tier Blended Benchmark includes Bloomberg Barclays US High Yield Ba 2 Issuer Cap B/M from 05/31/02 - 08/31/17 and Bloomberg Barclays US HY Ba 2% Sec from 09/01/17 to present.

Past performance is no guarantee of future results. Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. We believe the information provided here is reliable but should not be assumed to be accurate or complete. The views and strategies described may not be suitable for all investors. References to

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