

SENIOR OFFICER SUMMARY

I. OVERVIEW OF EVALUATION PROCESS

A. Background

The following is a summary of the 2019 independent written evaluation prepared by the Senior Officer retained by the J.P. Morgan Funds Board of Trustees as part of the 2004 settlement between Banc One Investment Advisors Corporation (and its successor, J.P. Morgan Investment Management Inc. – the “Adviser”) and the New York Attorney General. The Senior Officer is required to prepare an annual written evaluation to assist the Board in determining the reasonableness of the management fees charged by the Adviser to certain J.P. Morgan Funds (the “Funds”). In reviewing the information provided by the Adviser and independent consultants, the Senior Officer considered each of the following factors:

- The nature and quality of the Adviser’s services, including Fund performance;
- Management fees charged by other mutual fund companies for like services;
- Management fees charged to institutional and other clients of the Adviser for like services;
- Possible economies of scale as the Fund grows larger;
- Costs to the Adviser and its affiliates of supplying services pursuant to the management fee agreements, excluding any intra-corporate profit; and
- Profit margins of the Adviser and its affiliates from supplying such services.

B. Board Review of Investment Advisory Agreements

The Board considered the renewal of the Funds’ investment advisory agreements at the August 2019 Board meeting. The Board previously met in June 2019 to review and consider information provided by the Adviser and independent consultants. At such time, the Board’s investment committees (equity, fixed income, and money market and alternative products) met to review performance and expense information for each Fund. Particular attention was paid to Funds deemed to require additional scrutiny based on criteria established by independent counsel to the Board.

As part of its review of the investment advisory agreements, the Board also reviewed Fund performance information received from the Adviser on a regular basis during the year. This includes peer group and benchmark comparisons, as well as analyses prepared by the Adviser of Fund performance. The Board has engaged an independent consultant,

Casey Quirk by Deloitte, to review the performance of each Fund (other than the money market Funds) at each quarterly Board meeting. In addition, the Adviser periodically provides comparative information regarding Fund expense ratios and those of the peer groups.

II. SUMMARY OF FINDINGS AND RECOMMENDATIONS

The Senior Officer noted that the information provided by the Adviser and independent consultants was extensive, comprehensive, and well organized. He also noted that the Board's annual review process was thorough and effectively structured. In particular, he observed that the investment committees provide a strong framework for reviewing Fund performance both annually and on a regular basis during the year. Summarized below are the Senior Officer's findings with respect to each specific factor considered.

A. Nature and Quality of Services

The Senior Officer concluded that the advisory and administrative services provided to the Funds are appropriate in nature and the quality level is high. In reaching his conclusion, the Senior Officer reviewed and considered the background and qualifications of the Adviser's investment personnel and the services provided to each of the Funds under the advisory agreement. The Senior Officer noted the broad scope of the Adviser's investment capabilities which enable it to provide a comprehensive and innovative range of products to Fund shareholders.

The Senior Officer also reviewed and considered the nature and high quality of the administrative services provided by the Adviser to each of the Funds under the administration agreement. This includes business management, vendor management, and the provision of legal and compliance services.

B. Fund Performance Compared to Other Mutual Funds

The Senior Officer reviewed and considered total return performance information compiled by Broadridge, an independent provider of investment company data. This included each Fund's ranking within a performance universe made up of funds with the same Broadridge investment classification and objective ("Lipper Universe"). He also reviewed and considered the performance of each Fund compared to the performance of a smaller group of comparable funds selected by Broadridge ("Lipper Peer Group") and the performance of each Fund as measured against its designated benchmark. This information included performance results for the one and three year periods ended December 31, 2018.

The Senior Officer noted that, except as discussed below, the performance of each Fund ranked in the top three quintiles for both the one and three year period ended December 31, 2018 compared to the Lipper Universe. Therefore, they have consistently demonstrated satisfactory or better performance over a sustained period of time. The Senior Officer observed that the Adviser continues to perform a rigorous analysis of Fund

performance on an ongoing basis and makes changes to investment personnel as appropriate.

The Senior Officer noted that the performance of JPMorgan Diversified Fund ranked in the 4th quintile for both the one and three year period ended December 31, 2018 compared to the Lipper Universe. However, he observed that the Fund's performance ranked in the 2nd or 3rd quintile for both the one and three year period ended June 30, 2019 compared to the Morningstar Universe. The Senior Officer determined that the Morningstar Universe provides a more relevant peer comparison in this case because the Lipper Universe is comprised of funds having a higher allocation to equity investments than this Fund.

The Senior Officer also noted that the performance of JPMorgan Mid Cap Growth Fund ranked in the 4th quintile for both the one and three year period ended December 31, 2018 compared to the Lipper Universe. However, he observed that performance ranked in the 1st quintile for the one year period ended June 30, 2019 compared to the Lipper Universe. Therefore, this Fund has demonstrated significant improvement in the current calendar year.

The Senior Officer also noted that the performance of JPMorgan Mid Cap Value Fund's Class A shares ranked in the 4th quintile for both the one and three year period ended December 31, 2018 compared to the Lipper Universe. However, he observed that the performance of the Fund's Class A shares ranked in the 3rd quintile for the one year period ended June 30, 2019 compared to the Lipper Universe. Therefore, this Fund has demonstrated improvement in the current calendar year.

The Senior Officer also noted that the performance of the Class A shares of JPMorgan Municipal Income Fund, JPMorgan Short-Intermediate Municipal Bond Fund, JPMorgan Tax Free Bond Fund, and JPMorgan Short Duration Bond Fund ranked in the 4th quintile for both the one and three year period ended December 31, 2018 compared to the Lipper Universe. However, the Senior Officer observed that the performance of each Fund's Class I and Class R6 shares ranked in the 3rd quintile or better for both the one and three year period compared to the Lipper Universe. In each case, he also observed that the Lipper Universe was comprised of funds having different fee structures. Therefore, the performance of each Fund's Class A shares compared unfavorably to the Lipper Universe due to the impact of class level expenses.

The Senior Officer also noted that the performance of JPMorgan Large Cap Value Fund, JPMorgan International Equity Fund, JPMorgan U.S. Equity Fund (Class A), and JPMorgan Equity Index Fund (Class A) ranked in the 4th or 5th quintile for the one year period ended December 31, 2018 compared to the Lipper Universe. However, in each case the Senior Officer observed that performance ranked in the 2nd or 3rd quintile for the three year period ended December 31, 2018 compared to the Lipper Universe. Therefore, the recent underperformance of these Funds is not indicative of their more favorable performance over the longer term.

The Senior Officer also noted that the performance of JPMorgan Intermediate Tax Free Bond Fund and JPMorgan Core Bond Fund (Class A) ranked in the 4th or 5th quintile for the three year period ended December 31, 2018 compared to the Lipper Universe. However, in each case he observed that performance ranked in the 3rd quintile or better for the one year period ended December 31, 2018 compared to the Lipper Universe. Therefore, these Funds have demonstrated improvement in the most recent year under review.

Finally, the Senior Officer noted that the performance of JPMorgan Municipal Money Market Fund's Morgan Shares and Service Shares, JPMorgan Prime Money Market Fund's Morgan Shares, and JPMorgan U.S. Government Money Market Fund's Service Shares compared unfavorably to the Lipper Universe due to the impact of class level expenses.

C. Management Fees Charged By Other Mutual Fund Advisers

The Senior Officer reviewed and considered information compiled by Broadridge, an independent consultant, comparing the management fee rate and total expense ratio of each Fund to its peers. This included each Fund's ranking within an expense universe made up of funds managed by other advisers with comparable investment strategies ("Lipper Universe"). He also reviewed and considered the management fee rate and total expense ratio of each Fund compared to the fees and expenses of a smaller group of comparable funds selected by Broadridge ("Lipper Peer Group").

The Senior Officer noted that the Adviser reviews each Fund's fee and expense structure on a regular basis and has set fee waivers and/or expense caps on most Funds. He also noted that in most cases each Fund's management fee and total expense ratio ranked in the top three quintiles compared to the Lipper Peer Group. The Senior Officer noted that the management fee and/or total expense ratio of certain Funds ranked in the 4th or 5th quintile compared in the Lipper Peer Group. However, in such cases he observed that the Fund's total expense ratio was within a reasonable range of the Lipper Peer Group median, or ranked in the 3rd quintile or better compared to the Lipper Universe. The Senior Officer also observed that the total expense ratio of certain money market Fund class shares compared unfavorably to the Lipper Peer Group due to the impact of class level expenses. Based on his review, the Senior Officer concluded that the management fee and total expense ratio of each Fund is reasonable in light of the services provided.

D. Management Fees Charged to Other Clients of the Adviser

The Senior Officer reviewed and considered information regarding management fees charged by the Adviser to other clients with comparable investment strategies. He noted that the Adviser advises institutional separate accounts and managed accounts with investment strategies similar to those of many of the Funds. The Senior Officer also noted that the fees paid by the Adviser's other clients are often lower than the rates paid by the applicable Funds. The Senior Officer determined that this fee differential relates to the increased scope of services the Adviser provides to the Funds as registered

investment companies. In addition, the Senior Officer noted that the Funds must continuously issue and redeem their shares, making the Funds more difficult to manage than institutional and managed accounts which have more stable asset levels. The Senior Officer concluded that, given the nature and scope of the services provided to the Funds, the management fees charged to the Funds are reasonable compared to those charged to other clients of the Adviser.

E. Possible Economies of Scale

In reviewing and considering possible economies of scale with respect to the Funds, the Senior Officer noted that the advisory fee schedule under the advisory agreement does not include breakpoints on Fund assets above a specified level. However, he noted that the administrative fee schedule under the administration agreement does include breakpoints which apply to each Fund as follows:

- Money market Funds are charged 7 bps on the first \$150 billion of aggregate assets under management; 5 bps on the next \$150 billion of aggregate assets under management; 3 bps on the next \$100 billion of aggregate assets under management; and 1 bp thereafter;
- Non-money market Funds (other than the JPMorgan Investor Funds) are charged 7.5 bps on the first \$10 billion of Fund assets under management; 5 bps on the next \$10 billion of Fund assets under management; 2.5 bps on the next \$5 billion of Fund assets under management; and 1bp thereafter; and
- The JPMorgan Investor Funds do not pay an administrative fee.

The Senior Officer noted that because money market Fund aggregate assets exceed the breakpoint levels, the administrative fee for each money market Fund reflects economies of scale. (The effective rate is 6.1 bps based on aggregate assets under management as of September 30, 2018.) In cases where non-money market Fund assets exceed the breakpoint levels, the Fund's administrative fee reflects economies of scale. (The effective rate is 4.9 - 7.5 bps based on assets under management as of September 30, 2018.) The Senior Officer also noted that the Adviser has fee waivers and/or expense caps in place for most Funds that limit the total expense ratio (and the fees actually paid by the Funds) at competitive levels.

F. Costs and Profitability of Adviser and Affiliates

The Senior Officer reviewed information that management provided to the Board concerning the costs and profit margins of the Adviser and its affiliates related to the services they provide under the management agreements with the Funds. This included profitability information for each Fund and for the fund complex as a whole. The Senior Officer also reviewed the assumptions and cost allocation methodology used in preparing this profitability information. He noted that the methodology was consistent with that of the prior year.

In reviewing the information, the Senior Officer noted the difficulty of comparing Fund profitability because comparative information is often not available and is subject to a number of factors and assumptions regarding methodology. However, the Senior Officer concluded that the management fees paid to the Adviser are reasonable in light of the services provided to each Fund.

III. CONCLUSION

Based on his review and evaluation of the information provided, the Senior Officer determined that the Board has sufficient information to conclude that the proposed management fees are reasonable and have been negotiated at arms' length.