

MUNICIPAL INVESTING WITH J.P. MORGAN

BUILDING STRONGER MUNICIPAL BOND PORTFOLIOS

- Municipal bond industry leader delivering institutional access and pricing benefits
- Deeply resourced and seasoned investment team grounded in credit research
- Broad range of solutions designed to address client needs



LET'S SOLVE IT.®

J.P. MORGAN: A LEADER IN MUNICIPAL BOND INVESTING

With \$73 billion¹ in municipal bond assets, our dedicated investment team and seasoned credit analysts have managed municipal bonds through a range of credit and market cycles for more than 35 years.

Highly experienced portfolio managers

Our **highly experienced** municipal investment team – headed by Rick Taormina – consists of more than 20 **dedicated municipal investment professionals** with an average of more than 22 years of experience.

Seasoned credit research professionals

Our **highly tenured** team of nine **seasoned career analysts** conducts credit research on and assesses the relative value of every bond we purchase.

The municipal team is integrated with and leverages the strength and depth of J.P. Morgan's broader global fixed income investment platform.

Our research-driven approach to municipal investing

At J.P. Morgan Asset Management, we use a **proprietary credit rating system** to evaluate municipal bonds in-house. While we consider rating agencies' views, we don't rely on them. In fact, our internal ratings differ from those of the agencies almost 70% of the time, with ours almost always being more conservative.¹

For clients seeking sustainable and responsible investments, we have the ability to assess the environmental, social and governance (ESG) practices of the issuers in which we invest our clients' assets.



The muni market has changed dramatically over the past 30 years. Dealers no longer hold inventory and the old adage that municipal issuers never default simply isn't true. This is why active management and credit research is more important than ever.



RICK TAORMINA
Head of Tax Aware
Strategies

30 years of experience

325K+

MUNICIPAL
BOND TRADES
ANNUALLY¹

\$73B

MUNICIPAL ASSETS
UNDER MANAGEMENT²

35+

YEARS MANAGING
MUNICIPAL BOND
ASSETS

#4

RANK AMONG
MUNICIPAL MANAGERS
OF INSURANCE
PORTFOLIOS
(AS OF 12/31/18)³

0%

DEFAULT RATE IN
OUR PORTFOLIOS⁴

¹ Source: J.P. Morgan Asset Management; as of 12/31/19. Number of trades is an annualized figure based on total trades from 1/1/19 - 12/31/19.

² Source: J.P. Morgan Asset Management; as of 12/31/19.

³ Source: Insurance Investment Outsourcing Report, 2019 Edition. Ranking based on assets under management as of 12/31/18.

⁴ Source: J.P. Morgan Asset Management; as of 12/31/19. Over the 15 years ending 12/31/19, none of our portfolios have ever held a security on the day of default.

ASSETS EQUAL ACCESS

Liquidity is more important than ever. Our size provides us with greater access to the market:

- With an extensive network of over 125 dealers, we are able to get **institutional access to bonds at institutional pricing** – which we pass along directly to investors. When we need to sell, this same network helps ensure we obtain multiple bids and, thus, the best execution for our clients.⁵
- Leveraging our **data science team’s machine learning capabilities**, we have developed **proprietary tools** that allow us to identify, analyze and access market opportunities, enabling us to **quickly** put our clients’ money to work.
- We get **“first look”** at new issues, which means we can access a **broad range of bonds**, structure them to meet specific client needs and sell them more easily when necessary.
- Our **institutional buy-side relationships** provide **additional market access** which is critical as issuance and demand fluctuate.
- As a fiduciary, **we don’t inventory bonds**, but rather buy them on behalf of our clients. In short, we do not mark up bond prices, so **our clients pay what we pay**.

THE INSTITUTIONAL PRICING ADVANTAGE
Bid/ask price by transaction size

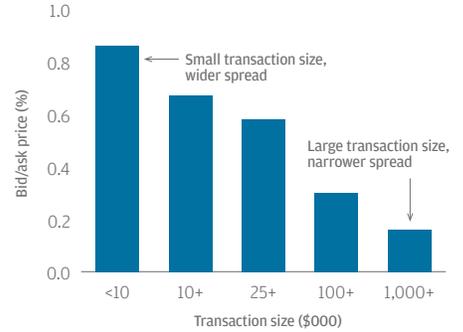
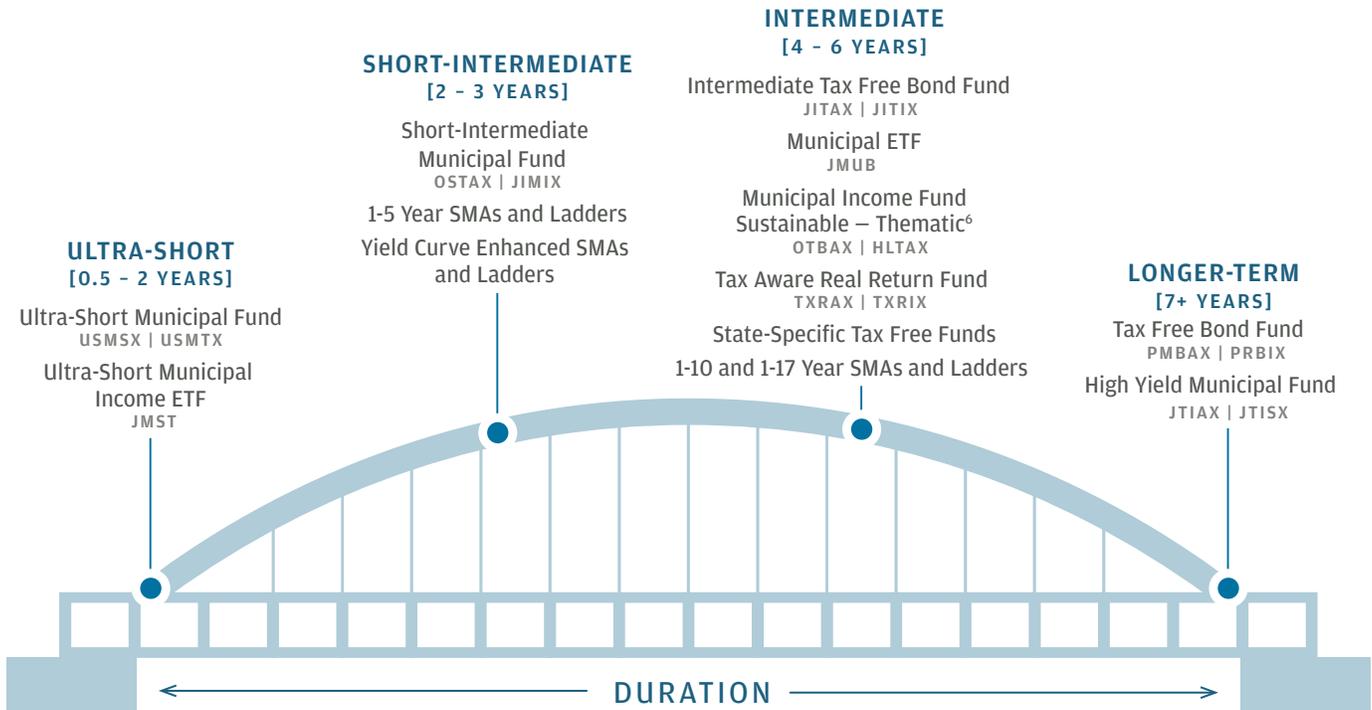


Chart source: MSRB, J.P. Morgan Asset Management; as of 5/13/19. Based on YTD effective bid/ask spread for municipal bonds by trade size (based on par value). Municipal variable-rate securities are excluded. Shown for illustrative purposes only. Not indicative of price/spread an individual investor would pay.

SOLUTIONS SPANNING A BROAD RANGE OF CLIENT NEEDS

We offer a broad range of municipal bond solutions across the duration and quality spectrums designed to meet an individual’s unique circumstances including risk tolerance, cash flow needs, tax status and investment horizon.



Certain products may not be available to all investors. Availability of the products listed above is subject to broker/dealer firm approval. Separately Managed Accounts (SMAs) and Ladders may require a minimum investment. For additional information, please contact your financial advisor. 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. Some investors may be subject to the Federal Alternative Minimum Tax and to certain state and local taxes. Securities rated below investment grade are considered “high-yield,” “non-investment grade,” “below investment-grade” or “junk bonds,” and are usually rated in the fifth or lower rating categories of Standard & Poor’s and Moody’s Investors Service. Although they tend to provide higher yields than higher rated securities, they can carry greater risk.
⁵ Actual bids received during a recent trading period differed by as much as 15 bps. Source: J.P. Morgan Asset Management. ⁶ Sustainable themes target social benefits, such as affordable housing, education, healthcare and community development, as well as environmental benefits such as cleaner water, more efficient energy and mass transit.

FOR MORE INFORMATION

Learn more about building stronger municipal fixed income portfolios.

- Consult your financial advisor
- Call 1-800-480-4111
- Visit jpmorganfunds.com

J.P. MORGAN ASSET MANAGEMENT

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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. Investors should carefully consider the investment objectives and risks as well as charges and expenses of the JPMorgan ETF before investing. The summary and full prospectuses contain this and other information about the ETF. Read the prospectus carefully before investing. Call 1-844-4JPM-ETF or visit www.jpmorganETFs.com to obtain a prospectus.

ETFs and mutual funds are different investment vehicles. ETFs are funds that trade like other publicly traded securities. Similar to shares of an index mutual fund, each ETF share represents an ownership interest in an underlying portfolio of securities and other instruments typically intended to track a market index. Unlike shares of a mutual fund, shares of an ETF may be bought and sold intraday.

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RISK SUMMARY

Investing on the basis of sustainability/ESG criteria involves qualitative and subjective analysis. There is no guarantee that the determinations made by the adviser will align with the beliefs or values of a particular investor. Companies identified by an ESG policy may not operate as expected, and adhering to an ESG policy may result in missed opportunities.

Credit Risk. The Fund's investments are subject to the risk that issuers and/or counterparties will fail to make payments when due or default completely. If an issuer's or a counterparty's financial condition worsens, the credit quality of the issuer or counterparty may deteriorate. Credit spreads may increase, which may reduce the market values of the Fund's securities. Credit spread risk is the risk that economic and market conditions or any actual or perceived credit deterioration may lead to an increase in the credit spreads (i.e., the difference in yield between two securities of similar maturity but different credit quality) and a decline in price of the issuer's securities. Effective November 1, 2018 the Fund's name, investment objective, investment strategy and risks changed. Please refer to the latest available prospectus for detailed information.

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