

# JPMorgan High Yield Municipal Fund

Prior to 11/1/18, the Fund's name was JPMorgan Tax Aware High Income Fund. See back page for additional details.\*

A Shares: JTIAX | I Shares: JTISX | C Shares: JTICX



## High tax-exempt income with value.

By focusing on relative value across the yield curve, JPMorgan High Yield Municipal Fund seeks a high level of income exempt from federal income taxes.

- EXPERTISE** • Leverages broad experience and a deep research team, including 21 portfolio managers and nine research analysts.
- PORTFOLIO** • Enhances yield by focusing on relative value of mid-grade municipal bonds – primarily BBB/Baa and BB/Ba – across the yield curve.
- SUCCESS** • With a tax-free SEC yield of 2.61%, the Fund ranked 3rd percentile within its peer group.<sup>1</sup>

### ATTRACTIVE YIELD VS. PEERS

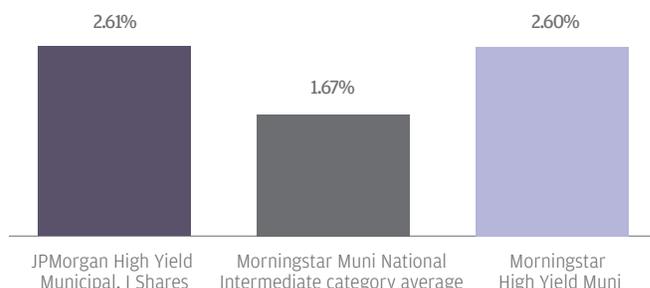


Chart source: Morningstar, as of 6/30/19. Shown for illustrative purposes only. Past performance is no guarantee of future returns. Minimum eligibility requirements for the I Share class apply; please see prospectus for further details. <sup>1</sup> Shares: Morningstar, as of 6/30/19. Ranking based on SEC yield within Muni National Intermediate peer group. High Yield Muni peer group included for comparison purposes. Different share classes may have different rankings. Yield: 2.31% SEC yield (unsubsidized) as of 6/30/19.

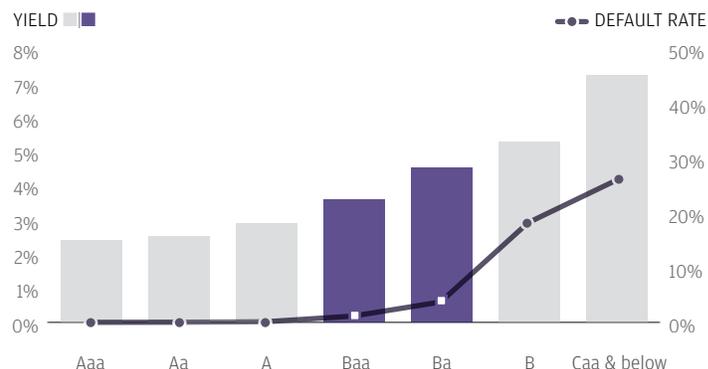
## FOCUSING ON THE MUNI SWEET SPOT

The Fund's flexible approach allows us to enhance income by investing in non-investment-grade bonds. We currently focus on the muni "sweet spot" – mid-grade bonds rated Baa and Ba in the 10- to 20-year range – where we can pick up additional yield and return potential without taking on excessive levels of credit risk.

Proprietary research drives our value-oriented approach. We conduct an extensive risk/reward evaluation of income as well as interest rate, credit and prepayment risks, and then employ a bottom-up fundamental approach to individual security selection.

Chart source: Barclay's Live, Moody's Investors Service *US Municipal Bond Defaults and Recoveries 1970-2017* and J.P. Morgan Asset Management. Default rate based on 10-year cumulative default rate as of 12/31/17. There were a total of 113 defaults since 1970; 7 of the 10 rated defaults in 2017 were related to Puerto Rico. Yield to maturity data as of 6/30/19 based on Bloomberg Barclays US Municipal Index as the proxy for investment-grade bonds and Bloomberg Barclays High Yield Municipal Bond Index for non-investment-grade bonds.

### YIELD VS. DEFAULT RATE BY CREDIT QUALITY

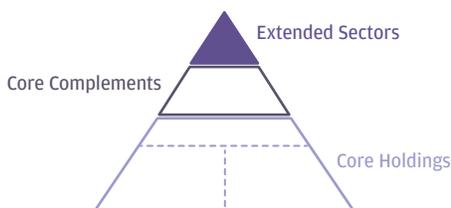


## EXPLORING EXTENDED SECTORS

Diversifying across fixed income sectors can provide investors with higher income and lower volatility. Gaining exposure to Extended Sectors – such as the High Yield Municipal Fund – 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



## MORNINGSTAR As of 6/30/19

Overall rating ★★★★★

Category Muni National Intermediate

Source: Morningstar. I Shares. Three-year rating: 5 stars, 242 funds rated. Five-year rating: 4 stars, 217 funds rated. Ten-year rating: 4 stars, 150 funds rated. For overall rating, 242 funds were rated. Ratings reflect risk-adjusted performance. Different share classes may have different ratings. Ratings do not take sales loads into account. The 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.

- One of the largest municipal teams in the industry managing over \$70 billion in assets, including 21 experienced portfolio managers and nine research analysts.<sup>2</sup>

<sup>2</sup> Including municipal assets managed by insurance and global liquidity teams.

**Wayne Godlin**



Portfolio manager  
• 35 years of industry experience, 1 at J.P. Morgan

**Jennifer Tabak**



Portfolio manager  
• 32 years of industry experience, 28 at J.P. Morgan

**Richard Taormina**



Portfolio manager  
• 29 years of industry experience, 22 at J.P. Morgan

**Kevin Ellis**



Portfolio manager  
• 24 years of industry experience, 16 at J.P. Morgan

**YIELD (%)**

Shares	SEC 30-day yield	SEC 30-day yield (unsubsidized)	12-month rolling yield <sup>2</sup>
<b>A</b>	2.43	1.97	3.09
<b>I</b>	2.61	2.31	3.32

*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.*

Unless stated otherwise, performance data 1) do not take into account any costs associated with the issue or redemption of shares and 2) assume 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.

<sup>3</sup> 12-month rolling yields represent the sum of the monthly dividend yields for the previous 12 months, and are calculated by dividing the dividend per share by the offering price per share on the day of the distribution.

\*Under its new investment strategy, the Fund seeks a high level of current income exempt from federal income taxes and may invest up to 100% of its total assets in securities rated below investment grade (junk bonds) or that are unrated but deemed by the adviser to be of comparable quality.

**RETURN (%)**

	TOTAL RETURN		AVERAGE ANNUAL RETURN			
	3 mos	YTD	1 yr	3 yrs	5 yrs	10 yrs
<b>A Shares</b> at NAV	2.82	6.72	7.72	3.30	3.59	4.92
<b>With 3.75% max sales charges</b>	-1.01	2.72	3.71	1.98	2.81	4.52
<b>I Shares</b> at NAV	2.85	6.77	7.83	3.41	3.70	5.02
<b>Bloomberg Barclays US Municipal Index</b>	2.14	5.09	6.71	2.55	3.64	4.72
<b>Bloomberg Barclays High Yield Municipal Bond Index</b>	2.73	6.66	7.78	5.34	6.36	8.13

**ANNUAL EXPENSES (%)**

Shares	Gross expenses	Net expenses
<b>A</b>	1.23	0.65
<b>I</b>	0.98	0.55

**GENERAL DISCLOSURES**

*Must be preceded or accompanied by a prospectus.*

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.

Total return figures (for the fund and any index quoted) assume payment of fees and reinvestment of dividends (after the highest applicable foreign withholding tax) and distributions. Without fee waivers, fund returns would have been lower. Due to rounding, some values may not total 100%.

**RISK SUMMARY**

- 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." 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.

**ANNUAL OPERATING EXPENSES**

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 0.65% for A Shares and 0.55% for I Shares of the average daily net assets. 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.

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

The **Bloomberg Barclays US Municipal Index** is a total return performance benchmark for the long-term, investment-grade tax-exempt bond market. The **Bloomberg Barclays High Yield Municipal Bond Index** is an unmanaged index of bonds that are non-investment grade, unrated, or rated below Ba1 by Moody's Investors Service with a remaining maturity of at least one year. The performance of the index does not reflect the deduction of expenses associated with a mutual fund, such as investment management fees. By contrast, the performance of the Fund reflects the deduction of the mutual fund expenses, including sales charges if applicable. An individual cannot invest directly in an index.

**ENTITIES**

The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's

monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Rankings do not take sales loads into account. 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.

J.P. Morgan Funds are distributed by JPMorgan Distribution Services, Inc., which is an affiliate of JPMorgan Chase & Co. Affiliates of JPMorgan Chase & Co. receive fees for providing various services to the funds. JPMorgan Distribution Services Inc. is a member of FINRA.

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