JPMorgan Hedged Equity Fund

A Shares: JHQAX   C Shares: JHQCX   **I Shares: JHEQX**

Topline | Shares

Fund	Benchmark
▲ 5.83%	▲ 10.56%

Benchmark S&P 500 Total Return Index

Markets The S&P 500 Index returned +10.56% in the first quarter of 2024. Within the index, communication services and energy were the best-performing sectors, returning +15.82 % and +13.69%, respectively. Real estate and utilities were laggards, returning -0.55% and +4.57% respectively.

Helped The retail and technology sectors added the most value.

Hurt The telecommunications and health services & systems sectors weighed the most on performance.

Outlook We continue to focus on the fundamentals of the economy and company earnings. Our analysts' estimates for S&P 500 Index earnings currently project +12% for 2024 and +12% for 2025. While subject to revision, this forecast includes our best analysis of earnings expectations.

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.

Ratings | Shares

Morningstar Medalist Rating™ **Analyst-Driven %** **Data Coverage %**	**SILVER - 9/6/2023** **100** **100**
Morningstar Star Rating	3/31/24
Overall Morningstar Rating™	★★★★★
Morningstar Category™	Options Trading

Overall Morningstar ratings 5 stars; 230 funds. Three year rating 3 stars; 230 funds. Five year rating 5 stars; 112 funds. Ten year rating 5 stars; 35 funds. Ratings reflect risk-adjusted performance. Different share classes may have different ratings.

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.

Fund Overview

Designed to provide capital appreciation through a diversified equity portfolio, while hedging overall market exposure.

Approach

- Invests in a portfolio of U.S. large cap stocks while employing a disciplined options strategy that seeks to reduce downside risk in falling markets
- Constructs the underlying equity portfolio through a proprietary process seeking to identify over- and undervalued stocks while maintaining characteristics similar to the S&P 500
- Seeks to provide a majority of S&P 500 Index's returns with less volatility and less downside

Quarter in Review

- **The JPMorgan Hedged Equity Fund (I Share Class) underperformed** the benchmark, the S&P 500 Index, for the quarter ended March 31, 2024
- **A not-held position in JP Morgan Chase (portfolio weighting 0.00%) detracted from results** during the quarter, as it continued to be one of the most preferred banks for investors. The bank's net-interest-income guide was based on six interest-rate cuts, so there continues to be upside to the numbers as the cuts get pushed out. Also, the company increased its dividend by 10% in the first quarter. The company's strong franchise, diversified business mix and fortress balance sheet make it well positioned to deliver best-in-class returns on capital employed with relatively lower credit risk.
- **An overweight in Honeywell International (portfolio weighting 0.91%) detracted from results** during the quarter. After a strong end to 2023, the stock started sluggishly in 2024 due to near-term recovery concerns and timing questions in its portfolio and financial profile transitions. However, short-cycle businesses continued to see some channel destocking, and management is looking for a second-half recovery, but uncertainty around the economic cycle throughout the world persists. We view the appointment of the new CEO as a positive driver to aftermarket services, execution in high-growth regions and merger and acquisition activity.
- **An overweight in Nvidia Corp (portfolio weighting 5.31%) added to results** during the quarter. The stock outperformed, as Nvidia remains an outsized beneficiary of rapidly accelerating artificial intelligence (AI) infrastructure demand, driving steep, positive estimate revisions.
- **A not-held position in Boeing (portfolio weighting 0.00%) added to results** during the quarter. Boeing has effectively given back the gains from late 2023, as the fuselage blowout in the 737MAX-9 a few days into 2024 re-emphasized Boeing's production and cultural issues. Failed safety inspections and FAA audit examinations have shown a lack of attention and controls on its production line, creating a wall of investor worries in the near term driving the stock downward.

Looking Ahead

- **Easing inflation and improved prospects for growth have helped fuel optimism** for a soft landing. However, be it the U.S. election, higher policy rates or significant geopolitical tension, risks continue to remain that could push the economy into recession in 2024.
- **Through the volatility we continue to focus on high-conviction stocks** and take advantage of market dislocations for compelling stock-selection opportunities.

Performance

Return (%)

	Total Return			Average Annual Return			
	1mo.	**3mos**	**YTD**	**1yr**	**3yrs**	**5yrs**	**10yrs**
A Shares at NAV	0.94	5.75	5.75	14.72	6.74	9.49	7.73
With 5.25% max sales charge	-4.35	0.19	0.19	8.68	4.84	8.32	7.14
I Shares at NAV	0.96	5.83	5.83	15.00	7.01	9.77	7.99
Benchmark 1	3.22	10.56	10.56	29.88	11.49	15.05	12.96
Benchmark 2	0.45	1.29	1.29	5.26	2.60	2.03	1.38

Benchmarks: 1. S&P 500 Index; 2. ICE BofA 3-Month US Treasury Bill Index.

Annual Expenses (%)

Shares	Gross expenses	Net expenses
A	0.830	0.830
I	0.580	0.580

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Portfolio Analysis

Approximate number of holdings	171
Beta (3-year)	0.47
P/E ratio (1 yr. forecast)	21.62
Wtd. avg. market cap (in billions)	$794.83
Sharpe ratio (3-year)	0.54
Fund assets	$17.92 bn

Beta measures a fund's volatility in comparison to the market as a whole. A beta of 1.00 indicates a fund has been exactly as volatile as the market.

P/E ratio is the number by which earnings per share is multiplied to estimate a stock's value.

Sharpe ratio measures the fund's excess return compared to a risk-free investment. The higher the Sharpe ratio, the better the returns relative to the risk taken.

Holdings

Top 10 (%)

Microsoft Corp.	7.5
Apple, Inc.	5.3
NVIDIA Corp.	5.3
Amazon.com, Inc.	4.2
Meta Platforms, Inc., Class A	2.6
Alphabet, Inc., Class A	2.0
Exxon Mobil Corp.	1.6
Mastercard, Inc., Class A	1.6
Alphabet, Inc., Class C	1.5
Berkshire Hathaway, Inc., Class B	1.4

*The inclusion of index option position bought is a hedging strategy because the value of the put tends to increase as the level of the underlying index declines, and this gain in option value will increasingly reflect a decline in the level of the underlying index when its level moves below the option's strike price.

Equity Sectors (%)

Sector	Weighting	Compared to Benchmark
Communication Services	7.7	-1.3
Consumer Discretionary	11.4	1.1
Consumer Staples	4.7	-1.3
Energy	3.8	-0.1
Financials	12.5	-0.7
Health Care	11.8	-0.6
Industrials	8.6	-0.2
Information Technology	28.0	-1.6
Materials	2.1	-0.3
Put Options Purchased	0.8	0.8
Real Estate	2.0	-0.3
Short-Term Investments	4.6	4.6
Utilities	2.1	-0.1

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.

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

The price of equity securities may fluctuate rapidly or unpredictably due to factors affecting individual companies, as well as changes in economic or political conditions. These price movements may result in loss of your investment.

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. Derivatives may create leverage, which could lead to greater volatility and losses that significantly exceed the original investment.

Positions in equity options can reduce equity market risk, but can limit the opportunity to profit from an increase in the market value of stocks in exchange for upfront cash at the time of selling the call option. Unusual market conditions or the lack of a ready market for any particular option at a specific time may reduce the effectiveness of option strategies and could result in losses.

Utilizing a strategy with a diversified equity portfolio and derivatives, with a Put/Spread Collar options overlay, may not provide greater market protection than other equity investments nor reduce volatility to the desired extent, as unusual market conditions or the lack of a ready option market could result in losses. Derivatives expose the Fund to risks of mispricing or improper valuation and the Fund may not realize intended benefits due to underperformance. When used for hedging, the change in value of a derivative may not correlate as expected with the risk being hedged.

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 0.85% for A Shares and 0.60% for I Shares 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 10/31/2024 for A Shares and 10/31/2024 for I Shares, 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.

Indexes

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

The S&P 500 Index is an unmanaged index generally representative of the performance of large companies in the U.S. stock market. Index levels are in total return USD.

The ICE BofA 3-Month US Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. The index is rebalanced monthly and the issue selected is the outstanding Treasury Bill that matures closest to, but not beyond 3 months from the rebalancing date.

Top Holdings

The top 10 holdings listed exclude cash and money markets. Holdings are subject to change. The holdings listed should not be considered a recommendation 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.

Entities

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 professionals that take into account all of the particular facts and circumstances of an investor's own situation.

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 Medalist Rating™ is a summary expression of Morningstar's forward-looking analysis of investment strategies using a rating scale of Gold, Silver, Bronze, Neutral and Negative. Medalist Ratings indicate which investments Morningstar believes are likely to outperform a relevant index or peer group average on a risk-adjusted basis over time. Products are evaluated on three key pillars (People, Parent, and Process) which, when coupled with fees, forms the basis for Morningstar's conviction in those products' investment merits and determines the Medalist Rating assigned. Products are sorted by expected performance into rating groups defined by their Morningstar Category and their active or passive status. Analyst-covered products are assigned the three pillar ratings based on the analyst's qualitative assessment, subject to the Analyst Rating Committee's oversight, monitored and reevaluated at least every 14 months. Ratings are assigned monthly for vehicles covered either indirectly by analysts or by algorithm. For more detailed information including methodology, please go to global.morningstar.com/managerdisclosures.

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