

2Q 2023

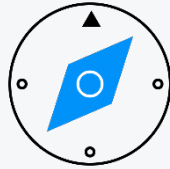
# J.P. Morgan Quarterly Models & Markets

Latest insights and themes across J.P. Morgan Model Portfolios

# J.P. Morgan Model Portfolios

As of April 2023

## Latest investment themes



### Steady through the fog

Expect tighter financial conditions and banking stress to weigh on economic activity and keep volatility high

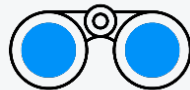
- Defensively positioned across portfolios
- Underweight risk assets



### Anchor with core bonds

Looking past the peak in rates, bonds offer potential for defense and diversification

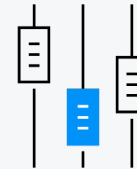
- Increased conviction in core bonds
- Remain cautious on extended credit



### Seeking quality in equities

Anticipate slowing earnings growth and continued pressure on margins ahead

- Remain diversified across styles and regions
- Focus on companies with strong fundamentals and quality earnings



### Remain active & vigilant

Volatility and uncertainty can unlock investment opportunities

- Focus on active managers to identify attractive opportunities
- Mindful of evolving conditions across regions

Source: J.P. Morgan Asset Management. For illustrative purposes only. Forecasts, projections and other forward looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections and other forward statements, actual events, results or performance may differ materially from those reflected or contemplated.

# J.P. Morgan Model Portfolios – Themes summary

Below are select slides from J.P. Morgan's *Guide to the Markets* that can be used when speaking to clients about our portfolio themes



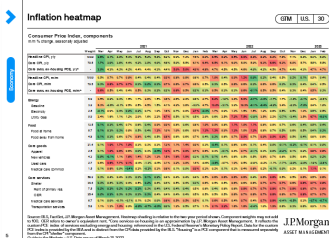
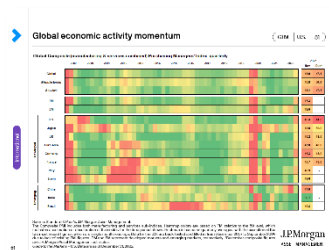
## Steady through the fog

### 50: Global economic activity momentum

While economic activity has been resilient, expected to decelerate

### 30: Inflation heatmap

Inflation continues to decelerate, though remains elevated



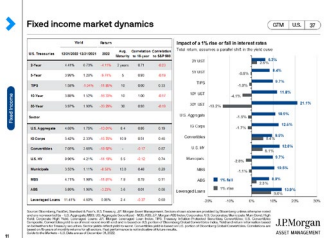
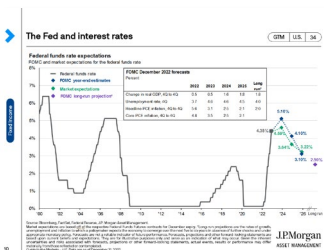
## Anchor with core bonds

### 34: The Fed and interest rates

Looking past the peak in rates after significant tightening from the Fed

### 36: Fixed income market dynamics

Focusing on core fixed income for diversification



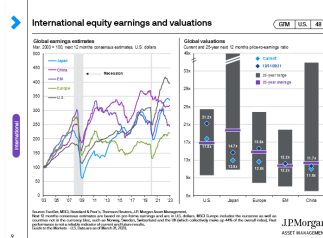
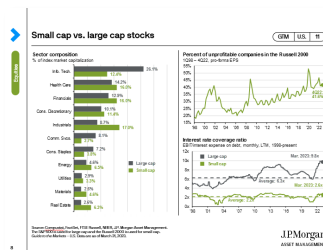
## Seeking quality in equities

### 11: Small cap vs. large cap stocks

Preference towards defensive and profitable companies

### 48: International equity earnings and valuations

Focusing on higher quality regions with attractive valuations



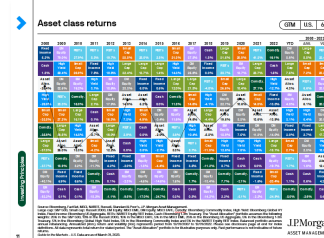
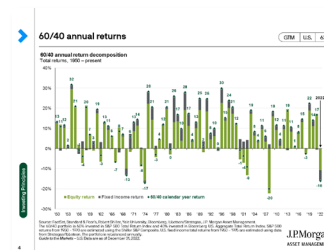
## Remain active and vigilant

### 64: 60/40 annual returns

Positive annual returns historically prevail, even amidst volatility

### 62: Asset class returns

Importance of staying diversified in periods of volatility



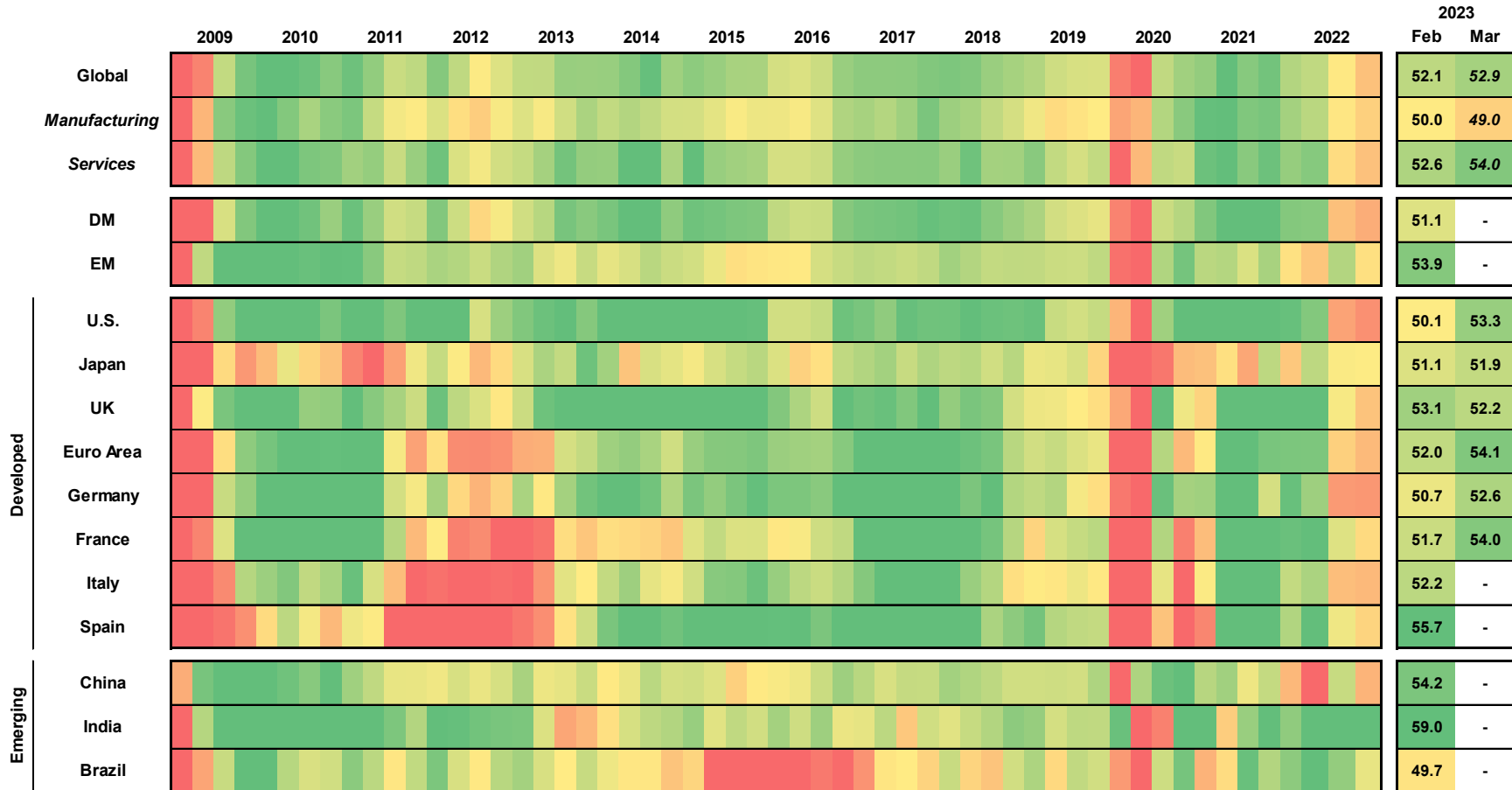
Source: J.P. Morgan Asset Management. For illustrative purposes only.



# Global economic activity momentum

GTM | U.S. | 50

Global Composite (manufacturing & services combined) Purchasing Managers' Index, quarterly



International

Developed

Emerging

Source: Standard & Poor's, J.P. Morgan Asset Management.

The Composite PMI includes both manufacturing and services sub-indices. March composite figures for global, manufacturing and services are J.P. Morgan Asset Management estimates from flash PMIs. Heatmap colors are based on PMI relative to the 50 level, which indicates acceleration or deceleration of the sector, for the time period shown. Heatmap is based on quarterly averages, except for the two most recent figures, which are single month readings. Data for the U.S. are back-tested and filled in for 2009. DM and EM represent developed markets and emerging markets, respectively.

Guide to the Markets – U.S. Data are as of March 31, 2023.



# Inflation heatmap

GTM

U.S.

30

## Consumer Price Index, components

m/m % change, seasonally adjusted

Economy

|  | Weight | 2021  |       |       |       |       |       |       |      |      |      |       |       | 2022  |       |      |       |       |       |       |       |       |       |       |       | 2023 |  |
|--|--------|-------|-------|-------|-------|-------|-------|-------|------|------|------|-------|-------|-------|-------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|--|
|  |        | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sep   | Oct  | Nov  | Dec  | Jan   | Feb   | Mar   | Apr   | May  | Jun   | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | Jan   | Feb   |      |  |
| <b>Headline CPI, y/y</b>               | 100.0  | 2.6%  | 4.1%  | 4.9%  | 5.3%  | 5.2%  | 5.2%  | 5.4%  | 6.2% | 6.9% | 7.2% | 7.6%  | 8.0%  | 8.5%  | 8.2%  | 8.5% | 8.9%  | 8.4%  | 8.2%  | 8.2%  | 7.8%  | 7.1%  | 6.4%  | 6.3%  | 6.0%  |      |  |
| <b>Core CPI, y/y</b>                   | 79.5   | 1.7%  | 3.0%  | 3.8%  | 4.4%  | 4.2%  | 3.9%  | 4.0%  | 4.6% | 5.0% | 5.5% | 6.1%  | 6.4%  | 6.5%  | 6.1%  | 6.0% | 5.9%  | 5.9%  | 6.3%  | 6.6%  | 6.3%  | 6.0%  | 5.7%  | 5.5%  | 5.5%  |      |  |
| <b>Core svcs. ex-housing PCE, y/y*</b> | -      | 2.9%  | 4.3%  | 4.3%  | 4.2%  | 4.4%  | 4.4%  | 4.3%  | 4.4% | 5.0% | 5.0% | 4.9%  | 4.8%  | 4.7%  | 4.5%  | 4.5% | 4.6%  | 4.0%  | 4.2%  | 4.5%  | 4.7%  | 4.4%  | 4.3%  | 4.7%  | 4.7%  |      |  |
| <b>Headline CPI, m/m</b>               | 100.0  | 0.5%  | 0.7%  | 0.7%  | 0.8%  | 0.4%  | 0.4%  | 0.4%  | 0.9% | 0.8% | 0.8% | 0.6%  | 0.7%  | 1.0%  | 0.4%  | 0.9% | 1.2%  | 0.0%  | 0.2%  | 0.4%  | 0.5%  | 0.2%  | 0.1%  | 0.5%  | 0.4%  |      |  |
| <b>Core CPI, m/m</b>                   | 79.5   | 0.3%  | 0.8%  | 0.7%  | 0.7%  | 0.3%  | 0.2%  | 0.3%  | 0.7% | 0.6% | 0.7% | 0.6%  | 0.5%  | 0.3%  | 0.5%  | 0.6% | 0.6%  | 0.3%  | 0.6%  | 0.6%  | 0.3%  | 0.3%  | 0.4%  | 0.4%  | 0.5%  |      |  |
| <b>Core svcs. ex-housing PCE, m/m*</b> | -      | 0.6%  | 0.5%  | 0.4%  | 0.4%  | 0.5%  | 0.3%  | 0.2%  | 0.2% | 0.6% | 0.5% | 0.2%  | 0.3%  | 0.5%  | 0.3%  | 0.3% | 0.6%  | -0.1% | 0.5%  | 0.5%  | 0.4%  | 0.3%  | 0.4%  | 0.5%  | 0.3%  |      |  |
| <b>Energy</b>                          | 6.9    | 3.5%  | 0.2%  | 0.3%  | 1.5%  | 1.7%  | 2.8%  | 1.5%  | 3.6% | 2.6% | 2.4% | 0.8%  | 2.7%  | 8.2%  | -1.0% | 3.4% | 6.9%  | -4.7% | -3.9% | -1.7% | 1.7%  | -1.4% | -3.1% | 2.0%  | -0.6% |      |  |
| Gasoline                               | 3.2    | 6.3%  | -0.6% | -0.1% | 2.5%  | 2.5%  | 4.5%  | 1.5%  | 4.1% | 4.2% | 3.8% | -0.3% | 4.7%  | 13.2% | -3.1% | 3.2% | 10.3% | -8.1% | -8.4% | -4.2% | 3.4%  | -2.3% | -7.0% | 2.4%  | 1.0%  |      |  |
| Electricity                            | 2.5    | -0.1% | 0.9%  | 0.4%  | 0.0%  | 0.2%  | 0.7%  | 1.0%  | 1.6% | 0.7% | 0.9% | 2.7%  | -0.3% | 1.7%  | 0.9%  | 1.3% | 1.5%  | 1.5%  | 1.2%  | 0.8%  | 0.5%  | 0.5%  | 1.3%  | 0.5%  | 0.5%  |      |  |
| Utility Gas                            | 0.9    | 2.4%  | 1.6%  | 1.1%  | 1.2%  | 2.0%  | 1.6%  | 2.2%  | 6.7% | 0.5% | 0.1% | 0.5%  | 2.0%  | 0.6%  | 2.5%  | 7.2% | 7.5%  | -3.8% | 3.5%  | 2.2%  | -3.7% | -3.4% | 3.5%  | 6.7%  | -8.0% |      |  |
| <b>Food</b>                            | 13.5   | 0.1%  | 0.3%  | 0.4%  | 0.7%  | 0.6%  | 0.4%  | 0.9%  | 0.9% | 0.8% | 0.6% | 0.8%  | 1.0%  | 0.9%  | 0.8%  | 1.1% | 1.0%  | 1.1%  | 0.8%  | 0.8%  | 0.7%  | 0.6%  | 0.4%  | 0.5%  | 0.4%  |      |  |
| Food at home                           | 8.7    | 0.1%  | 0.3%  | 0.3%  | 0.8%  | 0.5%  | 0.4%  | 1.2%  | 1.0% | 1.0% | 0.6% | 0.9%  | 1.3%  | 1.3%  | 0.9%  | 1.3% | 1.0%  | 1.3%  | 0.8%  | 0.7%  | 0.5%  | 0.6%  | 0.5%  | 0.4%  | 0.3%  |      |  |
| Food away from home                    | 4.8    | 0.1%  | 0.3%  | 0.6%  | 0.7%  | 0.8%  | 0.4%  | 0.5%  | 0.8% | 0.6% | 0.6% | 0.7%  | 0.4%  | 0.3%  | 0.6%  | 0.7% | 0.9%  | 0.7%  | 0.9%  | 0.9%  | 0.9%  | 0.5%  | 0.4%  | 0.6%  | 0.6%  |      |  |
| <b>Core goods</b>                      | 21.4   | 0.1%  | 1.9%  | 1.7%  | 1.9%  | 0.3%  | 0.3%  | 0.3%  | 1.3% | 1.1% | 1.4% | 0.9%  | 0.3%  | -0.4% | 0.1%  | 0.6% | 0.6%  | 0.1%  | 0.4%  | 0.0%  | -0.1% | -0.2% | -0.1% | 0.1%  | 0.0%  |      |  |
| Apparel                                | 2.5    | 0.1%  | 1.0%  | 0.8%  | 0.6%  | 0.0%  | 0.3%  | -0.5% | 1.0% | 0.7% | 0.9% | 0.7%  | 0.6%  | 0.3%  | -0.1% | 0.4% | 0.7%  | -0.1% | 0.3%  | 0.0%  | -0.2% | 0.1%  | 0.2%  | 0.8%  | 0.8%  |      |  |
| New vehicles                           | 4.3    | 0.0%  | -0.1% | 1.1%  | 1.6%  | 1.4%  | 1.2%  | 1.3%  | 1.5% | 1.6% | 1.8% | 0.3%  | 0.1%  | 0.1%  | 0.4%  | 0.6% | 0.5%  | 0.5%  | 0.8%  | 0.7%  | 0.6%  | 0.5%  | 0.6%  | 0.2%  | 0.2%  |      |  |
| Used cars                              | 2.7    | 0.6%  | 9.6%  | 7.7%  | 9.1%  | -0.4% | -1.3% | -0.5% | 3.1% | 3.2% | 3.9% | 1.4%  | -0.6% | -3.6% | -0.7% | 1.9% | 0.5%  | -0.8% | -0.2% | -1.1% | -1.7% | -2.0% | -2.0% | -1.9% | -2.8% |      |  |
| Medical care commod                    | 1.5    | 0.1%  | 0.6%  | 0.0%  | -0.4% | 0.2%  | -0.2% | 0.3%  | 0.6% | 0.1% | 0.0% | 0.9%  | 0.3%  | 0.2%  | 0.1%  | 0.3% | 0.4%  | 0.6%  | 0.2%  | -0.1% | 0.0%  | 0.2%  | 0.1%  | 1.1%  | 0.1%  |      |  |
| <b>Core services</b>                   | 58.2   | 0.3%  | 0.4%  | 0.4%  | 0.3%  | 0.3%  | 0.1%  | 0.2%  | 0.4% | 0.4% | 0.4% | 0.4%  | 0.5%  | 0.6%  | 0.6%  | 0.6% | 0.6%  | 0.4%  | 0.6%  | 0.8%  | 0.5%  | 0.5%  | 0.6%  | 0.5%  | 0.6%  |      |  |
| Shelter                                | 34.4   | 0.3%  | 0.4%  | 0.3%  | 0.4%  | 0.5%  | 0.2%  | 0.4%  | 0.4% | 0.5% | 0.4% | 0.3%  | 0.6%  | 0.5%  | 0.5%  | 0.6% | 0.6%  | 0.6%  | 0.7%  | 0.7%  | 0.7%  | 0.6%  | 0.8%  | 0.7%  | 0.8%  |      |  |
| Rent of primary res.                   | 7.5    | 0.2%  | 0.2%  | 0.2%  | 0.2%  | 0.2%  | 0.3%  | 0.4%  | 0.4% | 0.4% | 0.4% | 0.5%  | 0.6%  | 0.4%  | 0.6%  | 0.6% | 0.8%  | 0.7%  | 0.7%  | 0.8%  | 0.7%  | 0.8%  | 0.8%  | 0.7%  | 0.8%  |      |  |
| OER                                    | 25.4   | 0.2%  | 0.2%  | 0.3%  | 0.3%  | 0.3%  | 0.3%  | 0.4%  | 0.4% | 0.4% | 0.4% | 0.5%  | 0.5%  | 0.5%  | 0.5%  | 0.6% | 0.7%  | 0.6%  | 0.7%  | 0.8%  | 0.6%  | 0.7%  | 0.8%  | 0.7%  | 0.7%  |      |  |
| Medical care services                  | 6.7    | 0.1%  | 0.0%  | -0.1% | -0.1% | 0.1%  | 0.2%  | 0.0%  | 0.6% | 0.5% | 0.5% | 0.5%  | 0.1%  | 0.6%  | 0.5%  | 0.4% | 0.7%  | 0.4%  | 0.7%  | 0.8%  | -0.4% | -0.5% | 0.3%  | -0.7% | -0.7% |      |  |
| Transportation services                | 5.8    | 1.1%  | 1.3%  | 1.9%  | 0.9%  | -0.8% | -0.7% | -0.9% | 0.0% | 1.2% | 0.5% | 0.7%  | 1.1%  | 2.1%  | 2.2%  | 1.6% | 1.8%  | -0.4% | 1.0%  | 1.9%  | 0.6%  | 0.3%  | 0.6%  | 0.9%  | 1.1%  |      |  |

Source: BLS, FactSet, J.P. Morgan Asset Management. Heatmap shading is relative to the two-year period shown. Component weights may not add to 100. OER refers to owner's equivalent rent. \*Core services ex-housing is an approximation by J.P. Morgan Asset Management. It reflects the custom PCE index of services excluding energy and housing referenced in the U.S. Federal Reserve's Monetary Policy Report. Data for the custom PCE index is provided by the BEA and is distinct from the CPI data provided by the BLS. "Housing" is a PCE component that is measured separately from the CPI "shelter" component. *Guide to the Markets* – U.S. Data are as of March 31, 2023.

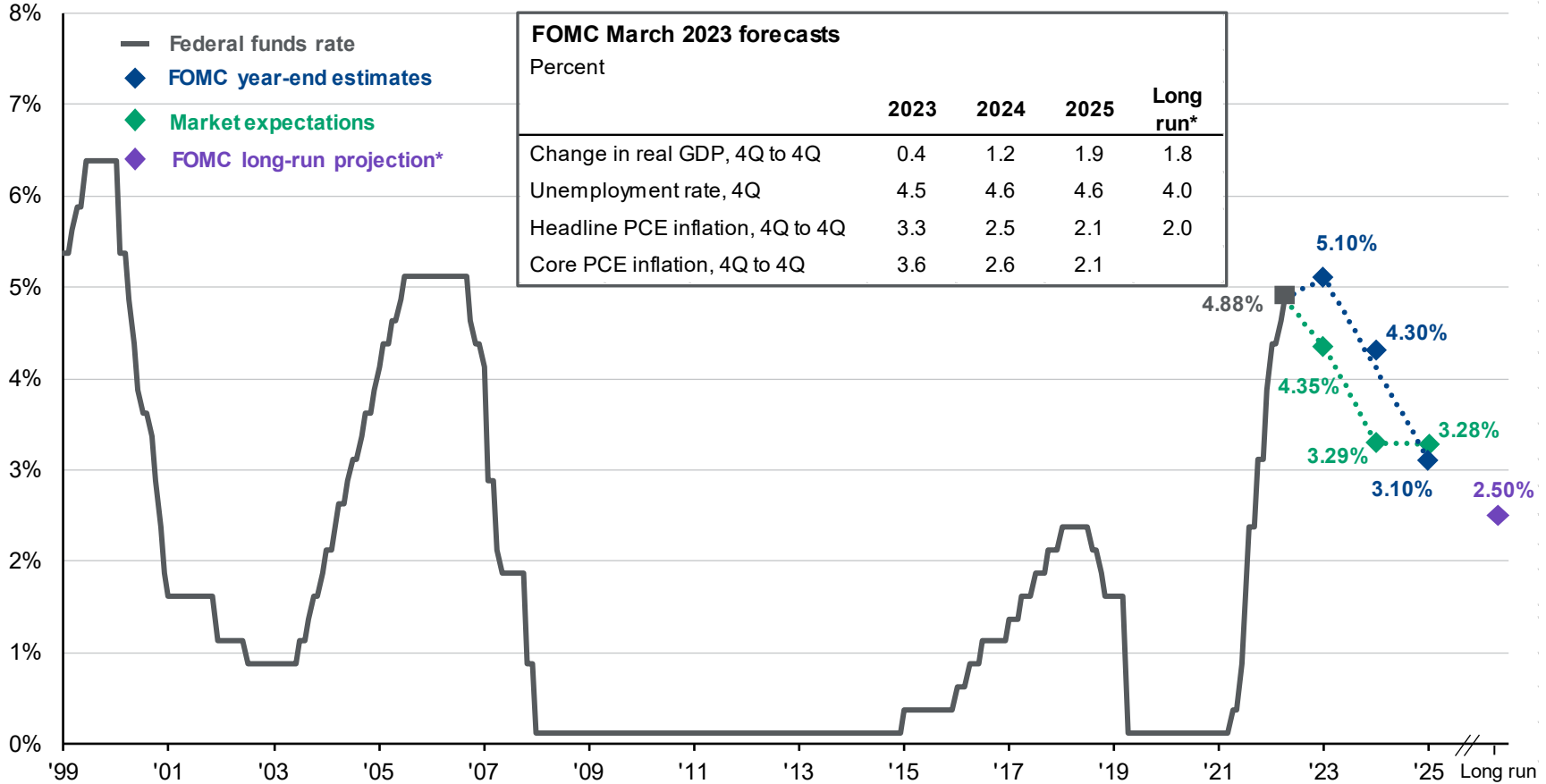


# The Fed and interest rates

Fixed Income

## Federal funds rate expectations

FOMC and market expectations for the federal funds rate



Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management.

Market expectations are based off of the respective Federal Funds Futures contracts for December expiry. \*Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.

Guide to the Markets – U.S. Data are as of March 31, 2023.



# Fixed income market dynamics

GTM

U.S.

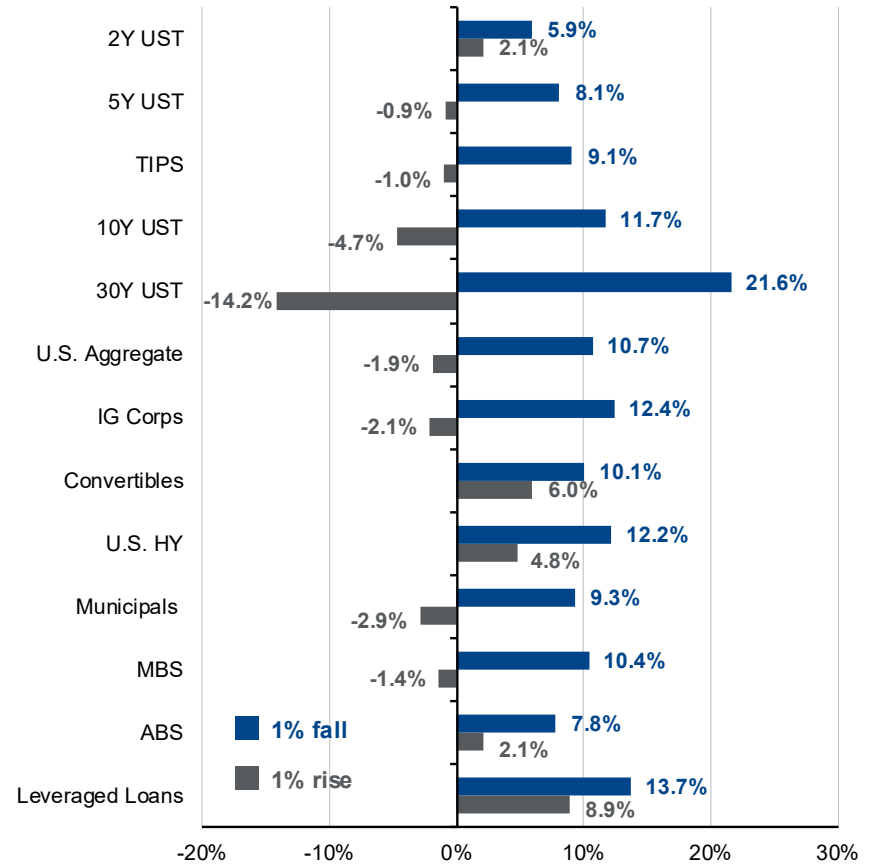
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Fixed Income

| U.S. Treasuries        | Yield     |            | Return   |               |                        |                        |
|------------------------|-----------|------------|----------|---------------|------------------------|------------------------|
|                        | 3/31/2023 | 12/31/2022 | 2023 YTD | Avg. Maturity | Correlation to 10-year | Correlation to S&P 500 |
| <b>2-Year</b>          | 4.06%     | 4.41%      | 1.46%    | 2 years       | 0.74                   | -0.15                  |
| <b>5-Year</b>          | 3.60%     | 3.99%      | 2.39%    | 5             | 0.93                   | -0.13                  |
| <b>TIPS</b>            | 1.16%     | 1.58%      | 3.34%    | 10            | 0.61                   | 0.37                   |
| <b>10-Year</b>         | 3.48%     | 3.88%      | 3.76%    | 10            | 1.00                   | -0.14                  |
| <b>30-Year</b>         | 3.67%     | 3.97%      | 5.99%    | 30            | 0.93                   | -0.17                  |
| <b>Sector</b>          |           |            |          |               |                        |                        |
| <b>U.S. Aggregate</b>  | 4.40%     | 4.68%      | 2.96%    | 8.5           | 0.86                   | 0.22                   |
| <b>IG Corps</b>        | 5.17%     | 5.42%      | 3.50%    | 11.1          | 0.54                   | 0.47                   |
| <b>Convertibles</b>    | 7.63%     | 7.58%      | 3.60%    | -             | -0.14                  | 0.87                   |
| <b>U.S. HY</b>         | 8.52%     | 8.96%      | 3.57%    | 5.3           | -0.10                  | 0.74                   |
| <b>Municipals</b>      | 3.25%     | 3.55%      | 2.78%    | 13.0          | 0.53                   | 0.22                   |
| <b>MBS</b>             | 4.51%     | 4.71%      | 2.53%    | 7.4           | 0.78                   | 0.15                   |
| <b>ABS</b>             | 5.61%     | 5.89%      | 1.86%    | 3.5           | 0.21                   | -0.01                  |
| <b>Leveraged Loans</b> | 11.31%    | 11.41%     | 3.26%    | 2.4           | -0.34                  | 0.59                   |

## Impact of a 1% rise or fall in interest rates

Total return, assumes a parallel shift in the yield curve



Source: Bloomberg, FactSet, Standard & Poor's, U.S. Treasury, J.P. Morgan Asset Management. Sectors shown above are provided by Bloomberg unless otherwise noted and are represented by – U.S. Aggregate; MBS: U.S. Aggregate Securitized - MBS; ABS: J.P. Morgan ABS Index; Corporates: U.S. Corporates; Municipals: Muni Bond; High Yield: Corporate High Yield; Leveraged Loans: J.P. Morgan Leveraged Loan Index; TIPS: Treasury Inflation-Protected Securities; Convertibles: U.S. Convertibles Composite. Convertibles yield is as of most recent month-end and is based on U.S. portion of Bloomberg Global Convertibles Index. Yield and return information based on bellwethers for Treasury securities. Sector yields reflect yield-to-worst. Convertibles yield is based on U.S. portion of Bloomberg Global Convertibles. Correlations are based on 15-years of monthly returns for all sectors. Past performance is not indicative of future results.

Guide to the Markets – U.S. Data are as of March 31, 2023.

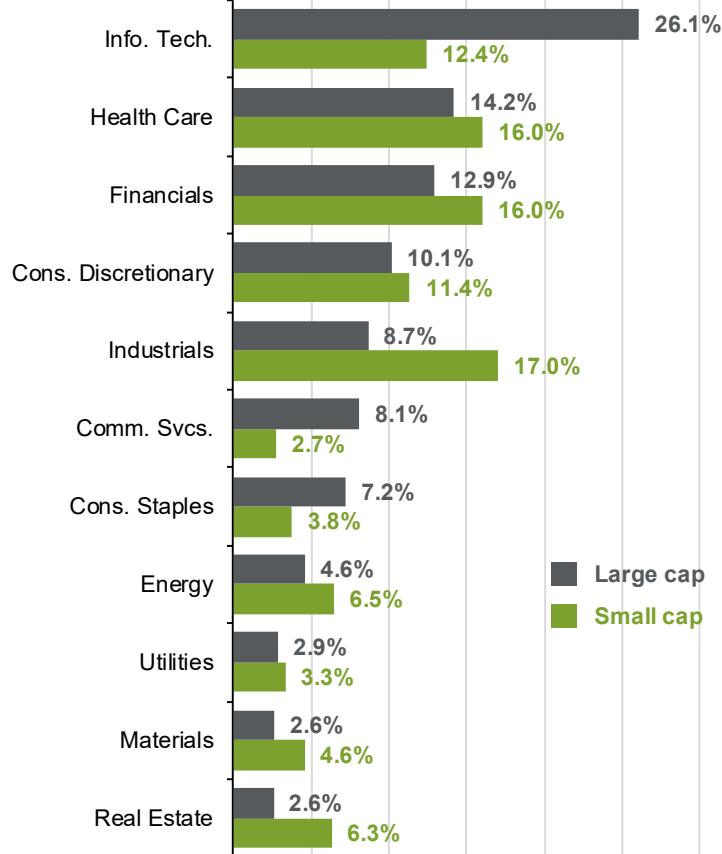


# Small cap vs. large cap stocks

Equities

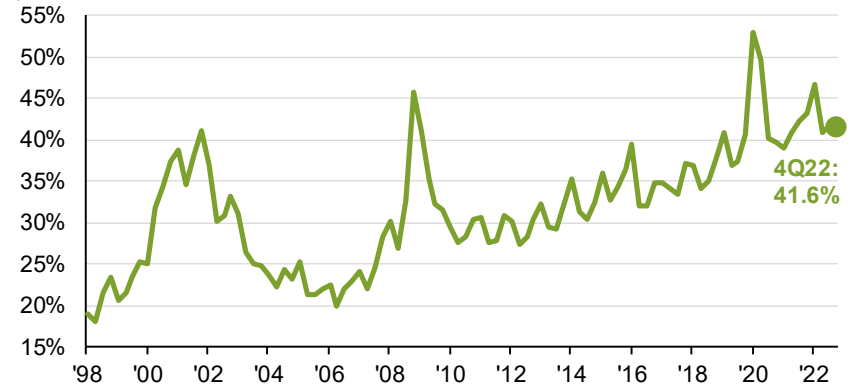
## Sector composition

% of index market capitalization



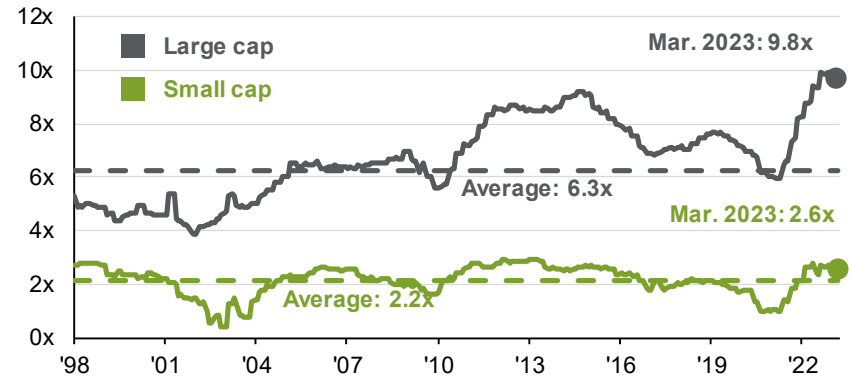
## Percent of unprofitable companies in the Russell 2000

1Q98 – 4Q22, pro-forma EPS



## Interest rate coverage ratio

EBIT/interest expense on debt, monthly, LTM, 1998-present



Source: Compustat, FactSet, FTSE Russell, NBER, J.P. Morgan Asset Management. The S&P 500 is used for large cap and the Russell 2000 is used for small cap. Guide to the Markets – U.S. Data are as of March 31, 2023.



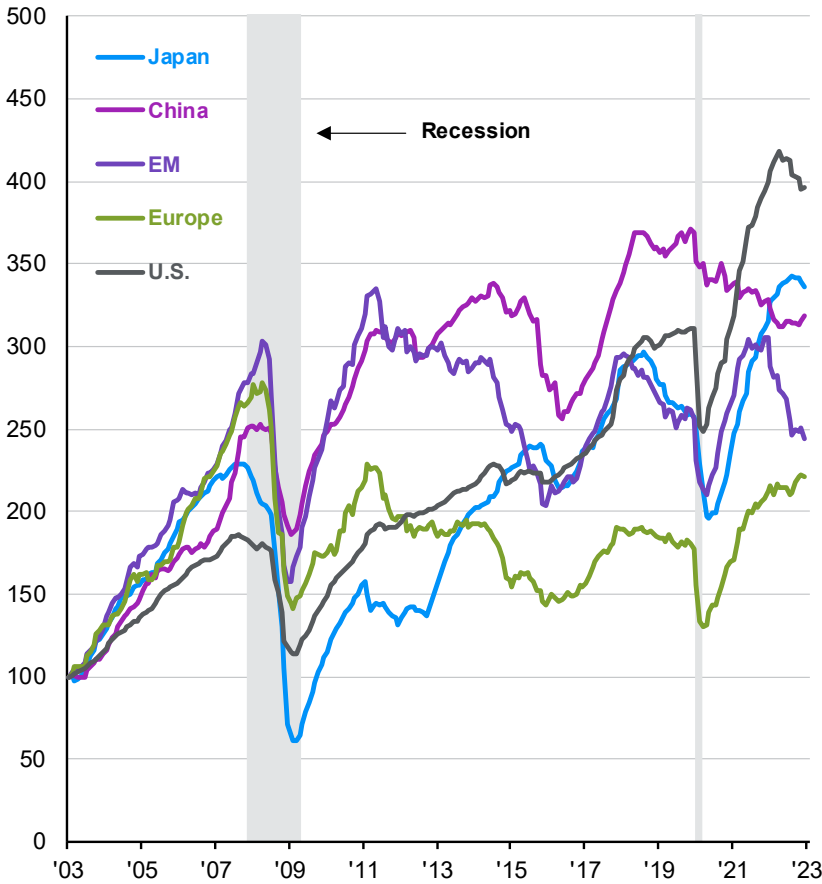


# International equity earnings and valuations

International

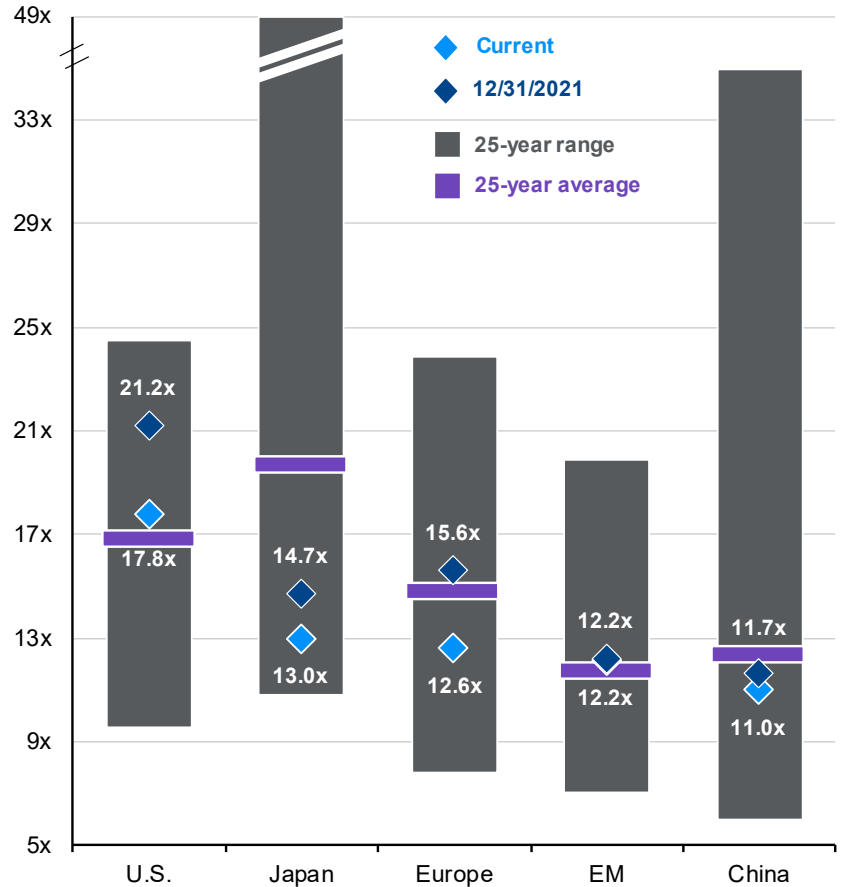
## Global earnings estimates

Mar. 2003 = 100, next 12 months consensus estimates, U.S. dollars



## Global valuations

Current and 25-year next 12 months price-to-earnings ratio



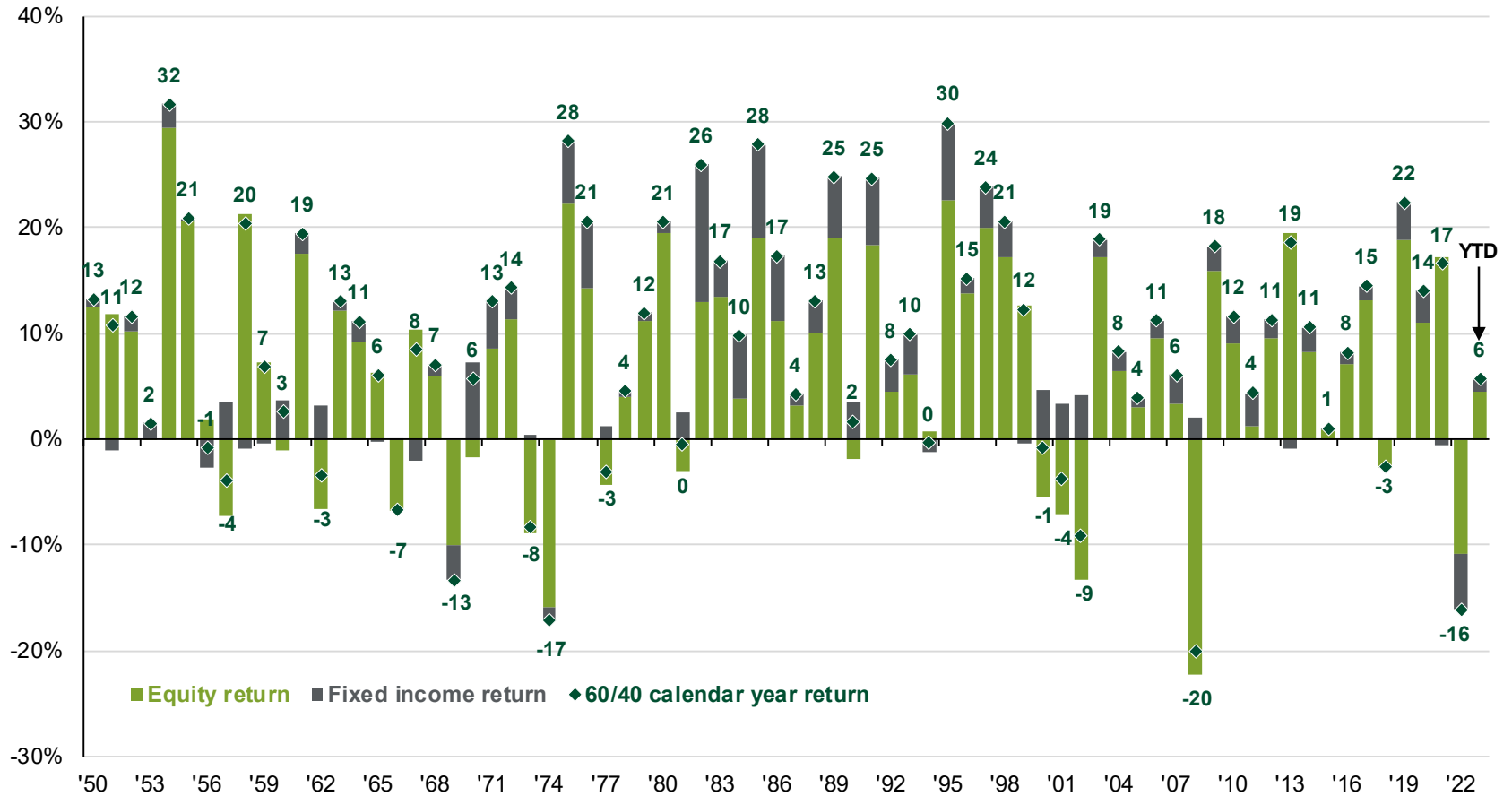
Source: FactSet, MSCI, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management.  
 Next 12 months consensus estimates are based on pro-forma earnings and are in U.S. dollars. MSCI Europe includes the eurozone as well as countries not in the currency bloc, such as Norway, Sweden, Switzerland and the UK (which collectively make up 44% of the overall index). Past performance is not a reliable indicator of current and future results.  
 Guide to the Markets – U.S. Data are as of March 31, 2023.



# 60/40 annual returns

## 60/40 annual return decomposition

Total returns, 1950 – present



Investing Principles

Source: Bloomberg, FactSet, Ibbotson/Strategas, Robert Shiller, Standard & Poor's, Yale University, J.P. Morgan Asset Management.  
 The 60/40 portfolio is 60% invested in S&P 500 Total Return Index and 40% invested in Bloomberg U.S. Aggregate Total Return Index. S&P 500 returns from 1950 to 1970 are estimated using the Shiller S&P Composite. U.S. fixed income total returns from 1950 to 1975 are estimated using data from Strategas/Ibbotson. The portfolio is rebalanced annually.  
 Guide to the Markets – U.S. Data are as of March 31, 2023.



# Asset class returns

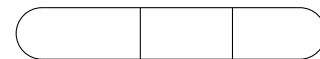
|                        |                       |                       |                       |                       |                       |                      |                       |                      |                       |                       |                       |                       |                       |                        |                      | 2008 - 2022          |                       |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|----------------------|----------------------|-----------------------|
| 2008                   | 2009                  | 2010                  | 2011                  | 2012                  | 2013                  | 2014                 | 2015                  | 2016                 | 2017                  | 2018                  | 2019                  | 2020                  | 2021                  | 2022                   | YTD                  | Ann.                 | Vol.                  |
| Fixed Income<br>5.2%   | EM Equity<br>79.0%    | REITs<br>27.9%        | REITs<br>8.3%         | REITs<br>19.7%        | Small Cap<br>38.8%    | REITs<br>28.0%       | REITs<br>2.8%         | Small Cap<br>21.3%   | EM Equity<br>37.8%    | Cash<br>1.8%          | Large Cap<br>31.5%    | Small Cap<br>20.0%    | REITs<br>41.3%        | Comdty.<br>16.1%       | DM Equity<br>8.6%    | Large Cap<br>8.8%    | REITs<br>23.4%        |
| Cash<br>1.8%           | High Yield<br>59.4%   | Small Cap<br>26.9%    | Fixed Income<br>7.8%  | High Yield<br>19.6%   | Large Cap<br>32.4%    | Large Cap<br>13.7%   | Large Cap<br>1.4%     | High Yield<br>14.3%  | DM Equity<br>25.6%    | Fixed Income<br>0.0%  | REITs<br>28.7%        | EM Equity<br>18.7%    | Large Cap<br>28.7%    | Cash<br>1.5%           | Large Cap<br>7.5%    | Small Cap<br>7.2%    | Small Cap<br>23.2%    |
| Asset Alloc.<br>-25.4% | DM Equity<br>32.5%    | EM Equity<br>19.2%    | High Yield<br>3.1%    | EM Equity<br>18.6%    | DM Equity<br>23.3%    | Fixed Income<br>6.0% | Fixed Income<br>0.5%  | Large Cap<br>12.0%   | Large Cap<br>21.8%    | REITs<br>-4.0%        | Small Cap<br>25.5%    | Large Cap<br>18.4%    | Comdty.<br>27.1%      | High Yield<br>-12.7%   | Asset Alloc.<br>4.3% | REITs<br>6.6%        | EM Equity<br>23.0%    |
| High Yield<br>-26.9%   | REITs<br>28.0%        | Comdty.<br>16.8%      | Large Cap<br>2.1%     | DM Equity<br>17.9%    | Asset Alloc.<br>14.9% | Asset Alloc.<br>5.2% | Cash<br>0.0%          | Comdty.<br>11.8%     | Small Cap<br>14.6%    | High Yield<br>-4.1%   | DM Equity<br>22.7%    | Asset Alloc.<br>10.6% | Small Cap<br>14.8%    | Fixed Income<br>-13.0% | EM Equity<br>4.0%    | Asset Alloc.<br>6.1% | Comdty.<br>20.2%      |
| Small Cap<br>-33.8%    | Small Cap<br>27.2%    | Large Cap<br>15.1%    | Cash<br>0.1%          | Small Cap<br>16.3%    | High Yield<br>7.3%    | Small Cap<br>4.9%    | DM Equity<br>-0.4%    | EM Equity<br>11.6%   | Asset Alloc.<br>14.6% | Large Cap<br>-4.4%    | Asset Alloc.<br>19.5% | DM Equity<br>8.3%     | Asset Alloc.<br>13.5% | Asset Alloc.<br>-13.9% | High Yield<br>3.1%   | High Yield<br>5.4%   | DM Equity<br>20.0%    |
| Comdty.<br>-35.6%      | Large Cap<br>26.5%    | High Yield<br>14.8%   | Asset Alloc.<br>-0.7% | Large Cap<br>16.0%    | REITs<br>2.9%         | Cash<br>0.0%         | Asset Alloc.<br>-2.0% | REITs<br>8.6%        | High Yield<br>10.4%   | Asset Alloc.<br>-5.8% | EM Equity<br>18.9%    | Fixed Income<br>7.5%  | DM Equity<br>11.8%    | DM Equity<br>-14.0%    | Fixed Income<br>3.0% | Fixed Income<br>2.7% | Large Cap<br>17.7%    |
| Large Cap<br>-37.0%    | Asset Alloc.<br>25.0% | Asset Alloc.<br>13.3% | Small Cap<br>-4.2%    | Asset Alloc.<br>12.2% | Cash<br>0.0%          | High Yield<br>0.0%   | High Yield<br>-2.7%   | Asset Alloc.<br>8.3% | REITs<br>8.7%         | Small Cap<br>-11.0%   | High Yield<br>12.6%   | High Yield<br>7.0%    | High Yield<br>1.0%    | Large Cap<br>-18.1%    | Small Cap<br>2.7%    | DM Equity<br>2.3%    | High Yield<br>13.0%   |
| REITs<br>-37.7%        | Comdty.<br>18.9%      | DM Equity<br>8.2%     | DM Equity<br>-11.7%   | Fixed Income<br>4.2%  | Fixed Income<br>-2.0% | EM Equity<br>-1.8%   | Small Cap<br>-4.4%    | Fixed Income<br>2.6% | Fixed Income<br>3.5%  | Comdty.<br>-11.2%     | Fixed Income<br>8.7%  | Cash<br>0.5%          | Cash<br>0.0%          | EM Equity<br>-19.7%    | REITs<br>1.7%        | EM Equity<br>1.0%    | Asset Alloc.<br>12.4% |
| DM Equity<br>-43.1%    | Fixed Income<br>5.9%  | Fixed Income<br>6.5%  | Comdty.<br>-13.3%     | Cash<br>0.1%          | EM Equity<br>-2.3%    | DM Equity<br>-4.5%   | EM Equity<br>-14.6%   | DM Equity<br>1.5%    | Comdty.<br>1.7%       | DM Equity<br>-13.4%   | Comdty.<br>7.7%       | Comdty.<br>-3.1%      | Fixed Income<br>-1.5% | Small Cap<br>-20.4%    | Cash<br>1.1%         | Cash<br>0.6%         | Fixed Income<br>4.2%  |
| EM Equity<br>-53.2%    | Cash<br>0.1%          | Cash<br>0.1%          | EM Equity<br>-18.2%   | Comdty.<br>-1.1%      | Comdty.<br>-9.5%      | Comdty.<br>-17.0%    | Comdty.<br>-24.7%     | Cash<br>0.3%         | Cash<br>0.8%          | EM Equity<br>-14.2%   | Cash<br>2.2%          | REITs<br>-5.1%        | EM Equity<br>-2.2%    | REITs<br>-24.9%        | Comdty.<br>-8.0%     | Comdty.<br>-2.6%     | Cash<br>0.4%          |

Investing Principles

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.  
 Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg US Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg US Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period from 12/31/2007 to 12/31/2022. Please see disclosure page at end for index definitions. All data represents total return for stated period. The "Asset Allocation" portfolio is for illustrative purposes only. Past performance is not indicative of future returns.  
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