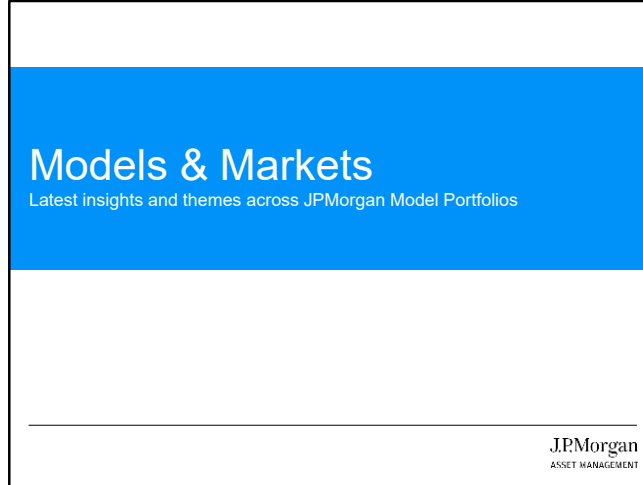




Thank you for joining this quarter's Models and Markets update – where we walk through key themes across our portfolios and pair them with relevant Guide to the Market slides.

Key Investment Themes

As of September 2026

Latest investment themes

 <p>MACRO</p> <h4>Measured Optimism</h4> <p>Expect trend-like global growth with room for easing inflation pressures</p> <ul style="list-style-type: none"> Strong corporate fundamentals & consumer spending underpin our overweights in equities & credit Fed ambiguity and geopolitical tensions may lead to greater interest rate volatility 	 <p>EQUITIES</p> <h4>Backed by Earnings</h4> <p>Continued strength and optimism in US earnings with broadening across sectors</p> <ul style="list-style-type: none"> US companies with AI exposure remain positioned to deliver strong earnings growth EM benefits from improving fundamentals and exposure to AI infrastructure beneficiaries
 <p>FIXED INCOME</p> <h4>Opportunity for Income</h4> <p>Higher for longer rate environment with expected volatility around Fed signaling</p> <ul style="list-style-type: none"> Preference for credit despite tight spreads given attractive yields & healthy fundamentals Core fixed income remains key source of diversification over a market cycle 	 <p>INVESTMENT PRINCIPLES</p> <h4>Discipline Over Headlines</h4> <p>Active risk management and diversification remain central to efficiently managing portfolio</p> <ul style="list-style-type: none"> Conditions to monitor: consumer balance sheet health and earnings durability Risk to views: upward inflation pressure leading to aggressive Fed tightening cycle

Source: J.P. Morgan Asset Management. 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
ASSET MANAGEMENT

This page provides an overview of our latest key investment themes and how we’re translating them into portfolio positioning.

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



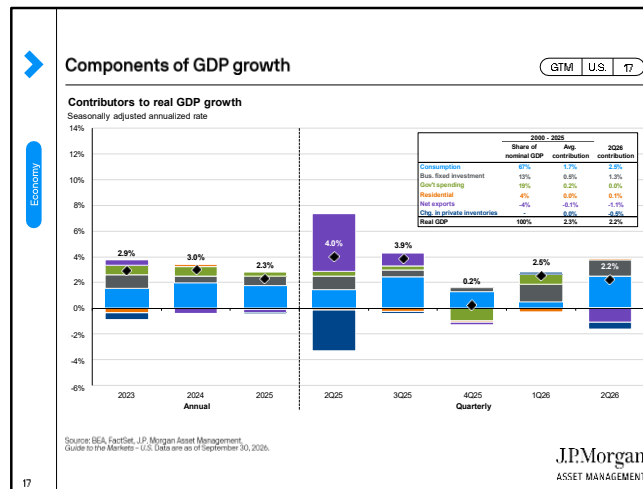
This page provides an overview of our latest key investment themes and how we're translating them into portfolio positioning.

Our first theme, **"Measured Optimism,"** reflects a baseline of trend-like global growth with room for inflation pressures to continue easing. The foundation for this view is straightforward: consumer spending and corporate fundamentals remain supportive, which underpins our continued preference for risk assets—particularly equities and credit. At the same time, we expect markets to remain sensitive to policy signals, with **Fed uncertainty and geopolitical tensions** creating the potential for **episodes of interest-rate volatility**.

Our second theme, **"Backed by Earnings,"** keeps equity positioning anchored to what matters most: fundamentals. We continue to see **constructive U.S. earnings momentum**, with strength broadening across sectors, and we view **AI-exposed companies** as well-positioned to sustain solid earnings growth. In addition, we remain balanced with **emerging markets**, where **improving fundamentals** and **exposure to AI infrastructure beneficiaries** help strengthen the opportunity set.

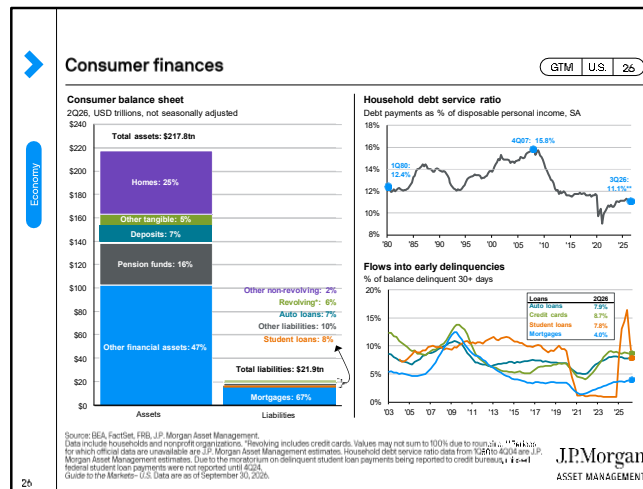
Next is fixed income, where our theme is **"Opportunity for Income."** In a higher-for-longer rate environment—and with volatility likely around Fed communication—**income has re-emerged as a meaningful component of returns**. While spreads are tight, we still **prefer credit** given attractive all-in yields and generally healthy fundamentals. At the same time, we continue to emphasize **core fixed income** for diversification benefits and resilience across a full market cycle.

Our final theme, **"Discipline Over Headlines,"** brings our investment principles to the forefront. We continue to prioritize **active risk management and diversification** as the most efficient way to navigate shifting conditions. Key areas we are monitoring include **consumer balance sheet health and earnings durability**, while the primary risk to our views would be **renewed inflation pressure** that triggers a more aggressive Fed tightening cycle. Overall, the goal is to stay consistent and measured—remaining constructive where compensation for risk is attractive, without becoming reactive to day-to-day headlines.



This slide shows the contributors to U.S. GDP growth. The table breaks out each major component—such as consumption, business investment, government, and net exports—and shows their contributions across **annual growth for 2023–2025**, along with the **quarterly breakdown for 2025 and 2026**.

The central message is that the economy has **remained resilient** even amid tighter monetary policy, led by steady consumer demand. Recent volatility in reported growth has been amplified by swings in inventories and trade flows, including tariff-related effects, and growth was also weighed down by the government shutdown in 4Q25. Looking through this noise, **momentum is moderating** but the underlying expansion **remains on solid footing**.

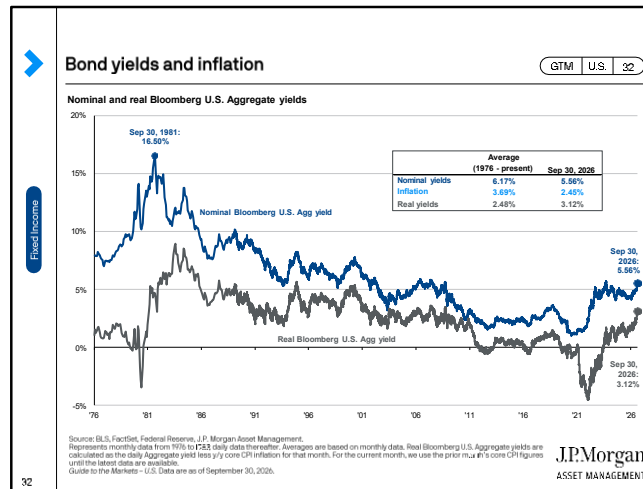


This slide summarizes **U.S. household finances** by showing the size of **household balance sheets** (assets versus liabilities), the **debt service ratio** (the share of after-tax income used for required debt payments), and **early-stage delinquency flows** across major consumer credit categories

Overall, the **consumer remains in a relatively strong position**—supported by the pandemic-era fiscal bridge and, more recently, **rising equity markets and home prices**—but higher interest rates have pushed borrowing costs and debt service burdens higher from pandemic lows. At the same time, delinquencies have been drifting upward and are now above pre-pandemic levels, underscoring the need to monitor pockets of credit stress even as aggregate balance sheets remain healthy.

The key takeaway is that the **U.S. consumer remains a pillar of resilience**—household balance sheets are still strong overall—but **higher borrowing costs** are contributing to rising delinquencies, which warrants close monitoring.

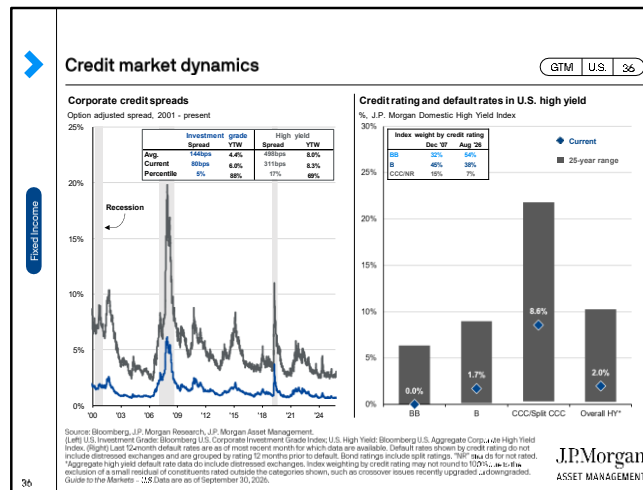
Overall, this supports our first theme of “**Measured Optimism**” as strong corporate fundamentals and consumer spending drive our decisions to lean into risk – with overweights in equities and credit. Yet underlying inflation uncertainty, volatility, and geopolitical tensions keep us remaining vigilant and measured in our approach.



This slide charts the **Bloomberg U.S. Aggregate Index yield** since 1976 in both nominal and real terms, highlighting the **peak in yields** during the early 1980s and the subsequent four-decade bond bull market as rates trended lower.

While today's yields remain well below historical highs, the post-pandemic increase in rates has **restored meaningful income to fixed income markets** and pushed real yields back into positive territory.

The key takeaway is that income is again a meaningful feature of fixed income, and **increased government borrowing** alongside **tariff-related inflation pressures**, has allowed yields to remain elevated.

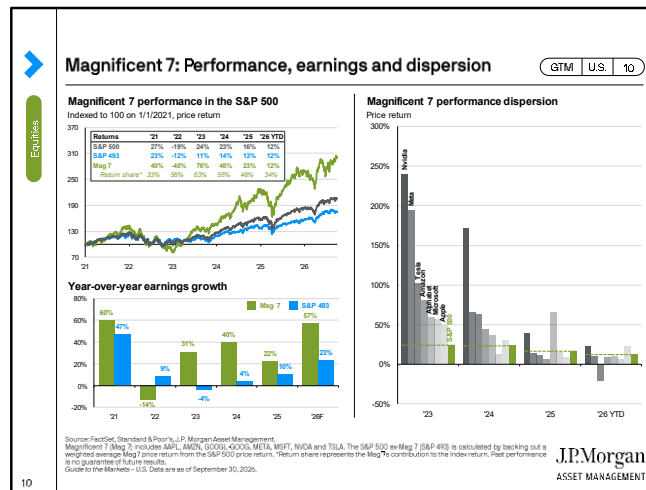


The **left chart** shows that **credit spreads remain tight**, supported by solid economic activity and resilient earnings. At the same time, **all-in yields remain attractive**—meaning investors are still being compensated for holding credit despite limited spread cushion.

The **right chart** highlights that **U.S. high yield default rates remain low** relative to their 25-year range, pointing to **generally healthy credit fundamentals**. Historically, defaults have been concentrated among the lowest-quality issuers (particularly CCC-rated), but in the current market the default mix appears less concentrated in CCCs than in prior cycles, with BB-rated bonds representing a larger share of the index.

Overall, **attractive all-in yields** and **subdued default levels** continue to support credit in a stable-growth, “higher-for-longer” rate environment.

This supports our fixed income theme, “**Opportunity for Income**” where we favor credit as elevated all-in yields and solid fundamentals help offset tight spreads, and we continue to view core fixed income as an important diversifier over a full market cycle.



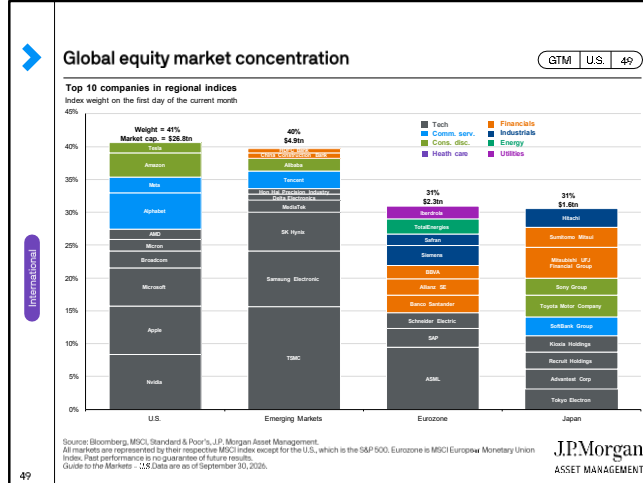
This slide breaks the “Magnificent 7” story into three parts: performance, earnings, and how differently the stocks are behaving from one another.

The **top-left chart** compares the price returns of the Magnificent 7 versus the rest of the S&P 500 (the S&P 493) and the full index, and the table shows—year by year—how much of the S&P 500’s return came from the Mag 7 versus everyone else.

The key message is that these names have been a major swing factor for the index in recent years, **driving a large share of both the gains and the pullbacks.**

The **bottom-left chart** then **shows earnings growth for the Mag 7** compared with the S&P 493, including estimates for 2026, which helps explain why they’ve carried such a large weight in the market.

Finally, the chart on the right highlights that the Mag 7 are not moving in lockstep—**dispersion has widened**, and in 2025 only a handful have outperformed the broader S&P 500—so **being selective matters more** than treating them as one trade.



This slide provides a **snapshot of concentration in major equity indices** by showing the **10 largest companies** in the U.S., Emerging Markets, the Eurozone, and Japan, along with their combined index weight and market capitalization. The color coding highlights each **company's sector**, illustrating how some indices can be **highly concentrated** in a handful of large companies and in specific sectors.

The key takeaway is that this creates a more compelling **overseas opportunity set**, as some of the most important companies in the AI value chain are based in Emerging Markets.

This brings us to our theme for Equities, **"Backed By Earnings"** which have remained strong due to AI exposure, and have seen a broadening out across sectors and regions.

J.P. Morgan Asset Management – Definitions

Other asset classes:

The Alerian MLP Index is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs) that provide investors with an efficient, comprehensive benchmark for the asset class.

The Bloomberg Commodity Index and related sub-indexes are composed of futures contracts on physical commodities and represents broadly two separate commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc.

The Cambridge Associates U.S. Global Buyout and Growth Index is based on data compiled from 1,768 global U.S. & ex

-U.S. liquid and growth equity funds, including fully liquidated partnerships, formed between 1986

and 2013.

The CDO-Tremont Hedge Fund Index is compiled by Credit Suisse-Tremont Index, LLC. It is an asset-weighted hedge fund index and includes only funds in operation at least six months. The index uses the Credit Suisse-Tremont database, which tracks over 4500 funds, and consists only of funds with a minimum of US\$50 million under management at 12-monthly funds. Annualized audited financial statements. It is calculated and rebalanced at a quarterly basis, and shows net of all performance fees and expenses. It is the exclusive property of Credit Suisse-Tremont Index, LLC.

The HFPS Monthly Index (HFPS) are equity-weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. The HFPS are broken down into 4 main strategies each with multiple sub-strategies. All single-manager HFPS funds consistently are included in the HFPS Fund Weighted Composite, which accounts for over 2000 funds listed on the internal HFPS database.

The NAREIT EQUITY REIT Index is designed to provide the most comprehensive assessment of overall industry performance, and includes all listed real estate investment trusts (REITs) that are listed on the NYSE, the American Stock Exchange, or the NASDAQ National Market List. The NAREIT index is the NAREIT Fund Index. Chase Fund Diversified Core Equity is an index of measured returns reporting on both a historical and current basis the results of 30 diversified corporate funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s. The NAREIT index is capitalization-weighted and is reported gross of fees. Measurement is time-weighted.

Definitions:

Investing in alternative assets involves higher risks than traditional investments and is suitable only for sophisticated investors. Alternative investments involve greater risks than traditional investments, and should not be viewed as a complete investment program. They are not an efficient and a superior should consult with his/her tax advisor prior to view the Alternative Investments have higher fees than traditional investments, they may also be highly illiquid and are subject to numerous investment strategies, which can magnify the potential for investment loss or gain. The value of the investment may fall as well as rise and investors may get back less than they invested.

Bonds are subject to interest rate risk. Bond prices generally fall when interest rates rise.

Investments in commodities may have greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular security or commodity. All foreign, foreign, weather, domestic, foreign, emerging, and international economic, political and regulatory developments. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss.

Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the original investment. The use of derivatives may not be successful, resulting in investment losses, and the cost of such strategies may reduce investment returns.

Distressed Restructuring Strategies employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value or otherwise in distress (or poised at risk) as a result of other formal bankruptcy proceedings or financial market perception of near term proceedings.

Investments in emerging markets can be more volatile. The normal risk of investing in foreign countries are heightened when investing in emerging markets. In addition, the normal risk of emerging countries and the low track record may lead to a loss of liquidity, which leads to increased volatility. Also, emerging markets may not provide adequate legal protection for private or foreign investment or private property.

The price of equity securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, industry or markets, or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to stock market risk meaning that stock prices in general may decline over short or extended periods of time.

Equity market-related strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. Equity Market-Related Strategies typically maintain their maximum net equity market exposure no greater than 10% long or short.

Global macro strategies trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, real currency and commodity markets.

International-investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Some currency markets may not be as politically and economically stable as the United States and other nations.

There is no guarantee that the use of long and short positions will succeed in limiting an investor's exposure to domestic stock market movements, capitalization, sector swing or other risk factors. Using long and short selling strategies may have higher portfolio turnover rates. Short selling involves selling securities that the investor believes will decline in price. Short selling involves the possibility of unlimited loss on certain short sale positions.

Merger arbitrage strategies which employ an investment process primarily focused on opportunities in equity and equity-related instruments of companies which are currently engaged in a corporate transaction.

Mis-capitalization investing typically carries more risk than investing in well-established "blue-chip" companies. Historically, mis-capitalization stock has experienced a greater degree of market volatility than the average stock.

Price to forward earnings is a measure of the price-to-earnings ratio (P/E) using forecasted earnings. Price to book value compares a stock's market value to its book value. Price to cash flow is a measure of the market's expectations of a firm's future financial health. Price to dividends is the ratio of the price of a share in a stock exchange to the dividends per share paid in the previous year, used as a measure of a company's potential as an investment.

Real estate investments may be subject to a higher degree of market risk because of concentration in a specific industry, sector or geographic sector. Real estate investments may be subject to risks including, but not limited to, changes in the value of real estate, changes in general and economic conditions, changes in the value of the underlying property assets or the value and details of the lease.

Rapidly Rising Strategies maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities.

Small-capitalization investing typically carries more risk than investing in well-established "blue-chip" companies since smaller companies generally have a higher risk of failure. Historically, smaller companies have experienced a greater degree of market volatility than the average stock.

J.P. Morgan
ASSET MANAGEMENT

J.P. Morgan Asset Management – Risks & disclosures

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