

# J.P. Morgan Intermediate Municipal Strategy

## Separately Managed Account



**Designed to** deliver monthly income (excluded from federal gross income) and capital preservation by investing in municipal bonds.

### APPROACH

- Invests primarily in a diversified portfolio of intermediate-term municipal bonds in an effort to protect after-tax investment value
- Aims to help minimize tax liability while producing income
- Conducts extensive risk/reward analysis to select securities

### EXPERTISE

**Strategy manager(s) and years of experience**  
Richard Taormina, Head of Tax Aware Strategies, 30 yrs  
20 Portfolio Managers, 22yrs average experience  
9 Credit Analysts, 19 yrs average experience

### STRATEGY INFORMATION

**Launch date**  
May 31, 1982

## CUSTOMIZED PORTFOLIOS

**National portfolios:** Broadest, most highly geographically diversified strategy, client can exclude specific states.

**State specific portfolios:** Target 80% in a given state, offered in states such as **CA, MI, NJ, NY, OH, PA, and UT<sup>1</sup>**

**State focused portfolios:** Target 50% in a given state, offered in states such as **AZ, CA, CO, CT, GA, IN, KS, LA, MA, MD, MI, MN, MO, NC, NJ, NM, NY, OH, OR, PA, SC, TN, UT<sup>1</sup>, VA, and VT**

**Customization by additional factors such as credit quality or maturity is also available.**

### PERFORMANCE DISCLOSURES

*Past performance is not indicative of future returns. Returns will fluctuate and sell prices may be more or less than original cost. Net-of-fees returns are calculated by deducting the maximum managed account fee of 1.50%. Total returns include reinvestment of any income.*

<sup>1</sup>UT exempts bonds from AK, DC, FL, NC, NV, SD, TX, WA, WY; the 50/80% could be reached utilizing the exempt states.

<sup>2</sup>Supplemental to annual performance report.

<sup>3</sup>The tax rate used to calculate the tax-equivalent yield is the 37% federal tax and the 3.8% ACA tax. Tax equivalent yield is calculated as tax-exempt yield divided by one minus the tax rate. Source: Perform /JPMAM.

## PERFORMANCE

**S1** Strategy (gross of fees)

**S2** Strategy (net of maximum allowable fees - 150 bps)\*

**B** Benchmark: Bloomberg Barclays U.S. 1-15 Yr Blend (1-17) Muni Bond Index

\*Please note, actual fees associated with this strategy may be lower.

## GROWTH OF \$100,000



Since inception with dividends and capital gains reinvested. There is no direct correlation between a hypothetical investment and the anticipated performance of the Strategy.

## CALENDAR YEAR PERFORMANCE (%)<sup>2</sup>



## COMPOSITE PERFORMANCE (%)<sup>2</sup>

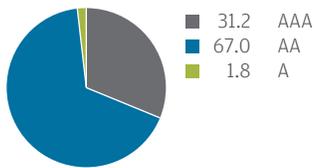
	3 mos	YTD	1 year	3 years	5 years	10 years
<b>S1</b>	0.81	4.13	4.68	3.80	3.17	2.94
<b>S2</b>	0.44	2.97	3.13	2.26	1.64	1.41
<b>B</b>	1.15	3.35	4.19	3.82	3.35	3.42

## YIELD (%)

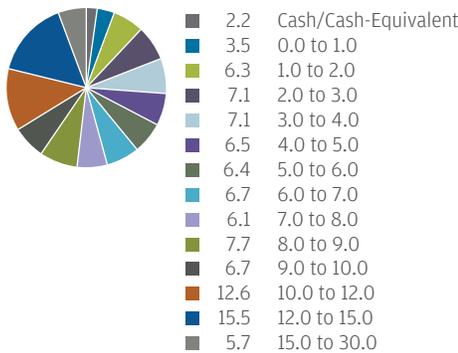
	Strategy	Benchmark
Yield to maturity (%)	1.49	1.84
Yield to worst (%)	0.69	0.96
Tax equivalent yield to maturity (%) <sup>3</sup>	2.51	3.10
Tax equivalent yield to worst (%) <sup>3</sup>	1.16	1.63

## HOLDINGS

### CREDIT QUALITY (%)



### MATURITY (%)



## PORTFOLIO ANALYSIS *See definitions below.*

	Portfolio	Benchmark
Average price	\$120.37	\$114.41
Average maturity (years)	7.71	7.92
Effective (OA) duration (years)	4.80	4.37
Average credit quality	AA	AA
Average coupon (%)	4.84	4.54
Average life (years)	5.30	4.78
% AMT	0.01	3.77
Turnover range	10-30%	N/A
Average number of holdings <sup>4</sup>	15-25	N/A

<sup>4</sup>Number of positions may vary by account size and parameters.

Source: J.P. Morgan Asset Management, FactSet.

The above characteristics are from a representative portfolio. Actual account characteristics of individual accounts may be different. Portfolio characteristics are as of 9/30/2020 and are based on individual securities in the Portfolio on that date. Securities in the Portfolio are subject to change. Statistics shown are not indicative of future statistics and are not representative of future Portfolio performance.

Due to rounding, values may not total 100%.

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.

#### RISK SUMMARY

Because this Strategy invests primarily in bonds, it is subject to interest rate risks. Bond prices generally fall when interest rates rise.

For some investors, income may be subject to the Alternative Minimum Tax. Capital gains, if any, are federally taxable. Income may be subject to state and local taxes.

Managed accounts are subject to market risks. Investment return and principal value will fluctuate so that when an account is liquidated, it may be worth more or less than the original value.

The securities highlighted have been selected based on their significance. They are not recommendation to buy or sell. Contact your financial professional for a complete list of firm recommendations in the Portfolio for the last year or to assist you in evaluating your investment objective, and to make specific recommendations regarding your account. Representative portfolios and/or individual accounts may, or may not, hold the stocks mentioned above. Actual accounts will differ based on individual client account restrictions, investment guidelines, and account inception dates.

Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. We believe the information provided here is reliable, but do not warrant its accuracy or completeness.

This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The view and strategies described may not be suitable for all investors.

This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, accounting, legal or tax advice. References to future returns are not promises or even estimates of actual returns a client portfolio may achieve. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation.

#### CREDIT QUALITY

J.P. Morgan Investment Management (JPMIM) receives credit quality ratings on underlying securities of the portfolio from the three major ratings agencies - S&P, Moody's and Fitch. When calculating credit quality breakdown, JPMIM selects the middle rating of the agencies when all three rate a security, the lower of two ratings if only two rate a security, and one rating if that is all that is provided. Securities that are not rated by all three agencies are reflected as such.

#### INDEXES

Separately Managed Accounts have fees that reduce their performance: indexes do not. You cannot invest directly in an index.

The Bloomberg Barclays U.S. 1-15 Year Blend (1-17) Municipal Bond Index represents the performance of municipal bonds with maturities from 1 to 17 years.

*Past performance is no guarantee of future results.*

#### PORTFOLIO ANALYSIS DEFINITIONS

**Duration:** Measures price sensitivity of fixed income securities to interest rate changes.

**Average Life:** The length of time the principal of a debt issue is expected to be outstanding.

Depending on the interest rate cycle, historical annual turnover has typically ranged between 10-30% per annum but may be higher or lower depending on market conditions. In periods where interest rates were at their lowest, turnover was low. In periods where interest rates were at their highest, turnover was high. There is typically a higher level of trading during periods of high interest rates due to tax loss harvesting and the increased opportunities to rebook securities at higher book yields.

#### ENTITIES

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

Issued by: J.P. Morgan Asset Management, 277 Park Avenue, Floor 8, New York, NY 10172, dedicated broker support 1-800-556-8103.

If you are a person with a disability and need additional support in viewing the material, please call us at 1-800-343-1113 for assistance.

©JPMorgan Chase & Co., October 2020