

J.P. Morgan Growth Advantage Strategy

Separately Managed Account

TOPLINE (3Q 2020)

Strategy ▲ 14.78%	Benchmark ▲ 12.86%
Benchmark: Russell 3000 Growth Index	
Markets: The US equity market traded higher in the third quarter with the S&P 500 Index returning 8.93%. Growth as a style continued to be rewarded as growth outperformed value across the market-cap spectrum.	
Helped: Stock selection in the information technology sector followed by stock selection and an overweight allocation to the consumer discretionary sector aided performance.	
Hurt: Stock selection in communication services and an overweight allocation in financials detracted from returns.	
Outlook: We are finding attractive opportunities in industrials and consumer discretionary, which are the largest overweight exposures. We have notable underweights in consumer staples and communication services.	

Past performance is not indicative of future returns. Performance is shown gross of fees. If fees were included, returns would be lower. Please see following page for additional performance.

STRATEGY OVERVIEW



Designed to provide long-term capital growth primarily through a portfolio of high-growth U.S. stocks across all market capitalizations.

APPROACH

- Invests in a portfolio of large, mid and small cap companies with above average growth prospects
- Looks for companies with leading competitive positions, durable business models and management that can achieve sustained growth
- Seeks to identify stocks with a history of achieving, or the potential to achieve, above-average growth

QUARTER IN REVIEW

- The JPMorgan Growth Advantage Strategy outperformed the benchmark, the Russell 3000 Growth Index, for the quarter ended September 30, 2020.
- An overweight position in **Tesla, Inc.** was the top contributor as the company was rewarded for its continued strong execution and resilience amidst a weak economic backdrop. The team continues to have conviction in the company, given the ongoing secular shift to electronic vehicles, positive free cash flow generation and improved operational efficiencies as well as the company's significant competitive advantage in autonomous software.
- An overweight position in **Generac Holdings, Inc.** also contributed after the company reported earnings and revenue that beat expectations and raised guidance. The strong results were primarily driven by increased demand for home standby generators due to the COVID-19 pandemic, rising black outs and wild fires as well as elevated storm threats. We continue to have conviction in the name and believe upcoming new product launches and grid offerings will drive market share gains.
- An underweight position in **Apple, Inc.** also detracted as the stock outperformed. Better-than-expected quarterly results and optimism around the company's upcoming 5G-enabled smartphone release drove shares higher. We remain underweight.
- An overweight position in **FTI Consulting, Inc.** also detracted as investors favored companies positioned to benefit directly from an economic recovery. We modestly added to our position as we believe that the company's business transformation and restructuring segments will benefit from disruptions following the COVID-19 pandemic.

LOOKING AHEAD

- We are finding attractive opportunities in industrials and consumer discretionary, which are the largest overweight exposures. Within the consumer space, we continue to identify businesses well-positioned to benefit from a shift in consumer preferences, including more time spent outdoors and greater investment in the home.
- We have notable underweights in consumer staples and communication services.

PERFORMANCE

RETURN (%)

	3 MOS	YTD	1 YR	3 YRS	5 YRS	10 YRS
Strategy (gross of fees)	14.78	33.03	49.70	25.55	22.71	19.95
Strategy (net of max. allowable fees - 300 bps) ¹	13.96	30.15	45.40	21.90	19.14	16.45
Benchmark	12.86	23.00	36.12	20.73	19.51	16.91

Benchmark: Russell 3000 Growth Index.

Past performance is not indicative of future returns. Performance includes the reinvestment of any income.

¹Please note, actual fees associated with this strategy may be lower.

PORTFOLIO ANALYSIS

Market capitalization	\$528.7bn
P/E ratio (1 yr forecast)	27.2x
P/B ratio	7.6x
Dividend yield	0.6%
Earnings growth (5 Year)	15.8%
Return on assets	12.3%
Return on equity	25.5%
Trailing 12-month turnover	41.8%
Number of holdings	83
Beta ²	1.06
Standard deviation ²	20.59
Information ratio ²	1.48
Tracking error ²	3.11
Sharpe ratio ²	1.13

²Based on three-year data points.

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.

HOLDINGS

EQUITY SECTORS (%)

Sector	Weighting	Compared to benchmark
Information Technology	40.1	-3.1
Consumer Discretionary	20.7	4.4
Health Care	15.7	0.5
Industrials	10.1	4.9
Communication Services	7.1	-3.3
Financials	5.3	3.2
Consumer Staples	1.0	-3.7
Energy	0.0	-0.1
Materials	0.0	-0.9
Real Estate	0.0	-1.9
Utilities	0.0	-0.1

TOP 10 (%)

Amazon	7.3
Microsoft	7.3
Apple	6.8
Tesla Motors	3.9
Alphabet	2.7
Nvidia	2.5
Mastercard	2.4
Unitedhealth Group	2.4
Paypal Holdings	2.2
Amgen	2.1

GENERAL DISCLOSURES

The Strategy might not achieve its objectives. Asset allocation/diversification does not prevent investment loss. Nothing in this document is an investment recommendation. Total return figures (for the Strategy and any index quoted) assume payment of fees and reinvestment of dividends (after the highest applicable foreign withholding tax) and distributions. Without fee waivers, strategy returns would have been lower. Due to rounding, some 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

The following risks could cause the Strategy's portfolio to lose money or perform more poorly than other investments.

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.

There is no guarantee that companies will declare, continue to pay or increase dividends.

PORTFOLIO ANALYSIS DEFINITIONS

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

P/B ratio is the relationship between a stock's price and the book value of that stock.

NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

Dividend yield is a ratio that shows how much a company pays out in dividends each year relative to its share prices. In the absence of any capital gains, the dividend yield is the return on investment for a stock.

Earnings growth is a measure of growth in a company's net income over a specific period.

Return on equity (ROE) is the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

Return on assets is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings.

Trailing 12-month turnover is a percentage of holdings that are sold in a specific period.

RISK ANALYSIS DEFINITIONS

Risk measures are calculated based upon the broad-based index as stated in the prospectus.

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

Standard deviation is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. The greater the degree of dispersion, the greater the risk.

Information ratio is a ratio of portfolio returns above the returns of a benchmark to the volatility of those returns.

Tracking Error The active risk of the portfolio, which determines the annualized standard deviation of the excess returns between the portfolio and the benchmark.

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.

INDEXES

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

The Russell 3000 Growth Index is an unmanaged index measuring the performance of those Russell 3000 companies (largest 3000 U.S. companies) with higher price-to-book ratios and higher forecasted growth values.

Past performance is no guarantee of future results.

TOP HOLDINGS

The top 10 holdings listed reflect only the Strategy's long-term investments. Short-term investments are excluded. Holdings are subject to change. The holdings listed should not be considered recommendations 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 Strategy and does not include the use of derivative positions, where applicable.

ENTITIES

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

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