

J.P. Morgan Intermediate Municipal Strategy

Separately Managed Account

TOPLINE (3Q 2020)

Strategy ▲ 0.81%	Benchmark ▲ 1.15%
<p>Benchmark: Bloomberg Barclays U.S. 1-15 Yr Blend (1-17) Muni Bond Index</p> <p>Markets: The municipal market continued to stabilize through the third quarter. Demand remained strong, as seen in consistent inflows, and spreads began to tighten from their wides.</p> <p>Helped: An underweight underperforming key sectors aided performance.</p> <p>Hurt: An underweight in lower-quality bonds detracted from results.</p> <p>Outlook: The municipal market may face headwinds through the balance of the year, given uncertainties due to the US election and additional fiscal stimulus. We continue to carefully monitor the effects on the economy of COVID-19 and carefully analyze portfolio credits and opportunities.</p>	

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 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

QUARTER IN REVIEW

- **The JP Morgan Intermediate Muni Strategy underperformed the benchmark**, the Bloomberg Barclays US 1-15 Year Blend (1-17 Year) Municipal Bond Index, for the quarter ended September 30, 2020.
- **State General Obligation (GO) (10% versus 17%) bonds** returned 0.84% in the index, so the Strategy's 7% underweight helped performance. In addition, an underweight in Electric (2.6% versus 4.4%) bonds contributed as this sector returned 1.14% in the index.
- **An underweight to high-quality Prerefunded (7% versus 9%) bonds**, which returned 0.38% in the index, contributed.
- **New York (4% versus 15%) and California (1% versus 16%) state bonds** underperformed the broad index by 24 basis points (bps) and 52 bps, so the Strategy's modest allocation to these states versus the index helped performance.
- **The biggest detractor from performance was the large underweight to A-rated (2% versus 30%) and lower credits and overweight to AA-rated (98% versus 70%) and higher securities;** in the index, AAAs returned 0.78%; AAs, 0.91%; As, 1.42% and 2.96%.
- **Hurting performance was an underweight allocation** in top-performing Hospital (0% versus 6%) and Industrial Revenue/Pollution Control Revenue (0% vs. 5%) bonds, as these sectors returned 2.22% and 1.94% in the index.
- **Local GOs (27% versus 15%) bonds** underperformed, returning 0.99% in the index, so being overweight hurt.

LOOKING AHEAD

- **We continue to manage the Strategy conservatively** using our investment process built on consistency of style. Security selection will remain the driver of performance over macroeconomic bets. We employ a bottom-up, value-driven investment approach.
- **The dislocation in markets will continue to present** attractive opportunities across the curve and we look to add strong, research-recommended credits at attractive yields.
- **We will continue to take advantage of** spread stability and tightening and add to lower-rated credits where we are compensated for risk.
- **The impacts of COVID-19 are** unclear as to the magnitude and duration of lost revenues for municipal issuers. We believe that credits with a high degree of essentiality and those with strong financial positioning will have more levers to use in weathering the current crisis.

PERFORMANCE

YIELD (%)

Yield to maturity (%)	1.49
Yield to worst (%)	0.69
Tax equivalent yield to maturity (%) ¹	2.51
Tax equivalent yield to worst (%) ¹	1.16

¹The 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.

RETURN (%)

	3 MOS	YTD	1 YR	3 YRS	5 YRS	10 YRS
Strategy (gross of fees)	0.81	4.13	4.68	3.80	3.17	2.94
Strategy (net of max. allowable fees - 150 bps) ²	0.44	2.97	3.13	2.26	1.64	1.41
Benchmark	1.15	3.35	4.19	3.82	3.35	3.42

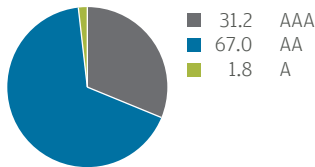
Benchmark: Bloomberg Barclays U.S. 1-15 Yr Blend (1-17) Muni Bond Index.

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

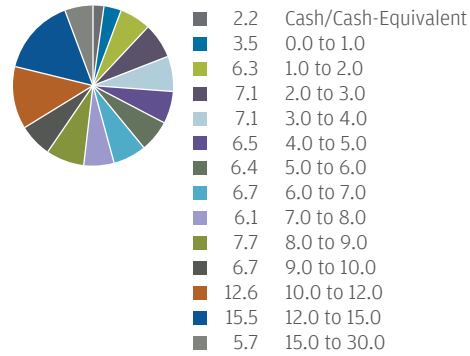
²Please note, actual fees associated with this strategy may be lower.

HOLDINGS

CREDIT QUALITY (%)



MATURITY (%)



PORTFOLIO ANALYSIS

Average price	\$120.37
Average maturity (years)	7.71
Effective (OA) duration (years)	4.80
Average credit quality	AA
Average coupon (%)	4.84
Average life (years)	5.30
% AMT	0.01
Turnover range	10-30%
Average number of holdings ³	15-25

³Number 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.

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

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 NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

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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.

PORTFOLIO ANALYSIS DEFINITIONS

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.

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

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.

ENTITIES

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