

J.P. Morgan Large Cap Growth Strategy

Separately Managed Account

TOPLINE (3Q 2020)

Strategy ▲ 16.24%	Benchmark ▲ 13.22%
Benchmark: Russell 1000 Growth Index	
Markets: US equity markets continued their move higher with the S&P 500 Index up 8.9% in the third quarter. Growth continued to be rewarded with the Russell 1000 Growth Index returning 13.22% versus 5.59% for the Russell 1000 Value Index.	
Helped: Stock selection in the consumer discretionary and information technology sectors aided performance.	
Hurt: Stock selection in financial services and health care detracted from returns.	
Outlook: Consumer discretionary and financials remain the top overweight exposures. The information technology sector remains the largest underweight, followed by consumer staples.	

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 appreciation primarily through a diversified portfolio of high-growth U.S. equity securities.

APPROACH

- Typically invests in a diversified portfolio of large cap companies with above-average growth prospects
- Invests primarily in large, well established companies
- Looks for companies with attractive fundamentals, potential to exceed market expectations and positive price momentum

QUARTER IN REVIEW

- **The JPMorgan Large Cap Growth Strategy outperformed the benchmark**, the Russell 1000 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, driven by the ongoing secular shift to electric 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 **Advanced Micro Devices, Inc.** also contributed. Shares traded higher on further evidence of share gains in the datacenter business as well as continued operational headwinds at Intel, a major competitor. We continue to have conviction in the company's ability to take share from Intel going forward.
- An overweight position in **BioMarin Pharmaceutical, Inc.** was the top detractor. Shares traded lower following a disappointing response from the FDA regarding a therapy for hemophilia, which delay the process for potential approval. We maintain our position as we see other catalysts that could drive the stock over a multi-year period.
- 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 in the name.

LOOKING AHEAD

- **Consumer discretionary and financials** remain the top overweights as we continue to build conviction in companies whose growth characteristics are being underappreciated by the market.
- **Semiconductors are an area of high conviction.** However, information technology is the largest underweight as we have reduced exposure to software and remain underweight in the mega-caps.
- **Consumer staples** also remain a top underweight.

PERFORMANCE

RETURN (%)

	3 MOS	YTD	1 YR	3 YRS	5 YRS	10 YRS
Strategy (gross of fees)	16.24	40.23	54.12	28.91	23.82	19.14
Strategy (net of max. allowable fees - 300 bps) ¹	15.41	37.21	49.71	25.17	20.22	15.66
Benchmark	13.22	24.33	37.53	21.67	20.10	17.25

Benchmark: Russell 1000 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.

HOLDINGS

TOP 10 (%)

Apple	7.9
Tesla Motors	7.2
Amazon	5.6
Microsoft	5.3
Advanced Micro Devices	3.5
Facebook	3.5
Paypal Holdings	3.5
Nvidia	3.2
Mastercard	2.4
Seagen	2.3

HOLDINGS

EQUITY SECTORS (%)

Sector	Weighting	Compared to benchmark
Information Technology	39.5	-5.0
Consumer Discretionary	23.5	7.0
Health Care	13.5	-0.5
Communication Services	9.0	-1.9
Financials	4.7	2.7
Industrials	4.2	-0.4
Consumer Staples	2.2	-2.6
Materials	2.2	1.4
Real Estate	0.9	-1.0
Energy	0.3	0.2
Utilities	0.0	0.0

PORTFOLIO ANALYSIS

Market capitalization	\$515.5bn
P/E ratio (1 yr forecast)	32.5x
P/B ratio	11.8x
Dividend yield	0.4%
Earnings growth (5 Year)	18.2%
Return on assets	12.0%
Return on equity	22.6%
Trailing 12-month turnover	42.8%
Number of holdings	73
Beta ²	1.10
Standard deviation ²	21.41
Information ratio ²	1.45
Tracking error ²	5.13
Sharpe ratio ²	1.23

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.

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 1000 Growth Index is an unmanaged index measuring the performance of those Russell 1000 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.

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

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