

# JPMorgan Large Cap Growth Strategy

Separately Managed Account

## Topline (4Q 2025)

Strategy (gross)	Strategy (net)	Benchmark
▼ -1.73%	▼ -2.47%	▲ 1.12%
<b>Benchmark:</b> Russell 1000 Growth Index		
<b>Markets</b> Despite a significant drawdown to start the year, U.S. equity markets continued to post strong returns with the S&P 500 Index returning 2.7% in Q4 and 17.9% for the full year. While the large-cap growth space performed best overall, the market showed signs of broadening leadership with positive returns across all style boxes in 2025. In Q4, the Russell 1000 Value outperformed the Russell 1000 Growth, returning 3.8% versus 1.1%, but Growth led for the year with an 18.6% return versus 15.9% for Value.		
<b>Helped</b> Stock selection in industrials and consumer staples.		
<b>Hurt</b> Stock selection in communication services and consumer discretionary.		
<b>Outlook</b> Positioning evolved throughout 2025 and adapted to a wider opportunity set. Eight of the top ten overweight positions are new compared to the end of 2024. High-conviction opportunities are found in information technology — especially among AI beneficiaries and infrastructure providers — as well as in newer healthcare and fintech holdings with inflecting fundamentals and in less conventional growth stocks we believe are underappreciated.		

Past performance is not indicative of future returns. Please see following page for additional performance.

## Strategy Overview

Designed to provide long-term capital appreciation primarily through a portfolio of underappreciated growth stocks.

### Approach

- Invests in a portfolio that is diversified across a range of holdings and sectors
- Primarily invests in large, well-established companies
- Seeks companies with attractive fundamentals, potential to exceed market expectations and positive price momentum

## Quarter in Review

- **The J.P. Morgan Large Cap Growth Strategy underperformed** the benchmark, the Russell 1000 Growth Index, for the quarter ended December 31, 2025.
- **An overweight position in Oracle was a top detractor.** The company reported mixed results and higher than expected CapEx, which, coupled with further skepticism around OpenAI's ability to fund its future commitments, weighed on the stock. We pared the position to manage risk.
- **An underweight position in Eli Lilly also detracted.** The company reported strong quarterly sales of its weight loss drug. A significant pricing agreement with the Trump administration was also announced, which is expected to expand Medicare and Medicaid coverage for obesity drugs. The team added to the holding during the quarter to manage relative risk, but it remains an underweight position.
- **On the positive side, an overweight position in Natera, a biotechnology company** specializing in non-invasive genetic testing and diagnostics, contributed. The company reported a substantial increase in revenue and gross margin, driven by record growth in its new tumor testing product. Management also raised revenue guidance for the year.
- **Insmed, a biotechnology company, is developing treatments** for pulmonary hypertension and chronic lung disease. The stock contributed following its successful drug launch. Initial sales were strong, and the number of new patient prescriptions significantly exceeded initial expectations.

## Looking Ahead

- **Consistent with the process, positioning evolved throughout 2025** and adapted to a wider opportunity set. Activity was robust and included a mix of position-size adjustments to manage risk, as well as a host of new initiations across various sectors. Eight of the top ten overweight positions are new compared to the end of 2024.
- **High-conviction opportunities are found in information technology —** especially among AI beneficiaries and infrastructure providers — as well as in newer healthcare and fintech holdings with inflecting fundamentals and in less conventional growth stocks we believe are underappreciated.

Performance

Return (%)

	3 mos	YTD	1 yr	3 yrs	5 yrs	10 yrs
Strategy (gross of fees)	-1.73	14.10	14.10	27.84	13.25	18.90
Strategy (net of max. allowable fees - 300 bps) <sup>1</sup>	-2.47	10.76	10.76	24.13	9.93	15.43
Benchmark	1.12	18.56	18.56	31.15	15.32	18.13

Benchmark: Russell 1000 Growth Index  
Past performance is not indicative of future returns. Performance includes the reinvestment of any income.  
<sup>1</sup>Please note, actual fees associated with this strategy may be lower.

Top 10 (%)

NVIDIA	13.0
Microsoft	9.6
Apple	7.4
Alphabet	5.8
Broadcom	4.9
Tesla	3.9
Amazon	2.9
Mastercard	2.8
Meta Platforms	2.6
Eli Lilly	2.1

Holdings

Equity Sectors (%)

Sector	Weighting	Compared to Benchmark
Information Technology	50.1	-0.2
Consumer Discretionary	12.2	-1.1
Communication Services	9.8	-2.3
Health Care	9.5	1.4
Financials	8.2	1.8
Industrials	6.4	0.5
Consumer Staples	3.2	0.8
Utilities	0.3	0.0
Energy	0.1	-0.2
Materials	0.0	-0.3
Real Estate	0.0	-0.4

Portfolio Analysis

Market Capitalization	\$1,764.9bn
P/E ratio (1 yr forecast)	26.9x
P/B ratio	11.7x
Dividend Yield	0.5%
Earnings growth (5 Year)	15.9%
Return on assets	12.1%
Return on equity	26.0%
Trailing 12-month turnover	57.8%
Number of holdings	75
Beta <sup>2</sup>	1.00
Standard deviation <sup>2</sup>	15.33
Information ratio <sup>2</sup>	-0.98
Tracking error <sup>2</sup>	3.29
Sharpe ratio <sup>2</sup>	1.50

<sup>2</sup>Based 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 12/31/2025, gross of fees, 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%.

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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.

Composite

The composite includes all discretionary separately managed accounts invested according to JPMIM's Large Cap Growth strategy. This strategy invests in a diversified portfolio, typically holding 55-90 U.S. large cap equities. The overall investment objective of the strategy is to outperform the Russell 1000® Growth Index over a full market cycle, which is defined as three to five years. The strategy's philosophy is that long-term out-performance can be achieved by investing in companies that have large and/or changing addressable markets, sustainable competitive advantages and a stock that is demonstrating positive price momentum. The inception date is August 01, 2004.

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.

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.

**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.

Entities

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