

J.P. Morgan Mid Cap Growth Strategy

Separately Managed Account

TOPLINE (2Q 2021)

Strategy ▲ 7.48%	Benchmark ▲ 11.07%
Benchmark: Russell Midcap Growth Index	
Markets Mid-cap growth names traded higher in the second quarter with the Russell Mid Cap Growth Index returning 11.1%. Stylistically, growth outperformed value within the mid-cap space for the quarter, though value continues to lead across the market-cap spectrum year-to-date.	
Helped Stock selection and underweight allocations to the consumer staple and materials sectors contributed.	
Hurt Stock selection in the health care and consumer discretionary sectors detracted.	
Outlook Portfolio positioning continues to be balanced between secular growers with underappreciated market opportunities, as well as select, high-quality growth cyclicals. Industrials and health care are the largest overweight positions, while information technology and consumer discretionary are the largest underweights.	

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 capital growth primarily through a portfolio of U.S. mid-cap growth stocks.

APPROACH

- Invests in a diversified portfolio of mid cap companies with above-average growth prospects
- Looks for companies with leading competitive positions, durable business models and management that can achieve sustained growth
- Invests in mid cap stocks with market capitalizations similar to the Russell Midcap Growth Index

QUARTER IN REVIEW

- The J.P. Morgan Mid Cap Growth Strategy underperformed the benchmark, the Russell Mid Cap Growth Index, for the quarter ended June 30, 2021.
- **Contributor 1:** An overweight position in Roku (2.4% portfolio weighting) outperformed after the company posted a strong quarter, which exceeded estimates on all key metrics and provided further evidence of their transition into a mainstream performance-advertising platform. Speculation that Comcast may acquire the company also drove shares higher late in the quarter. We added to our position and the stock is now among the top overweights.
- **Contributor 2:** An overweight position in Generac Holdings (2.0% portfolio weighting) also contributed. Generac moved higher after meaningfully topping quarterly estimates and providing a 2021 outlook that highlighted strong ongoing growth in generators and new battery products. The demand backlog continues to be high, and the business is continuing to gain traction in batteries. The company remains a high-conviction position.
- **Detractor 1:** An overweight position in Array Technologies (0.0% portfolio weighting) was the top detractor. Shares fell after the company reported disappointing first quarter results in May. Management also withdrew its guidance for 2021 after experiencing high increases in material and logistics costs. We exited the position given our reduced conviction level.
- **Detractor 2:** An overweight position in Discovery Communications (0.5% portfolio weighting) underperformed as the negative sentiment and unwind from Archegos counterparties carried on into the second quarter. The announced combination of Discovery and AT&T's WarnerMedia assets also drove shares lower.

LOOKING AHEAD

- **Portfolio positioning continues to be balanced** between secular growers with underappreciated market opportunities, as well as select, high-quality growth cyclicals. The team is finding exciting opportunities in companies well positioned to benefit from the reopening of the economy. Industrials remains the top overweight position, while health care is now an overweight after the benchmark rebalanced, and the team added to select medical-equipment holdings.
- **Despite being the largest allocation by absolute weight, information technology** remains the top underweight due to the portfolio's lower exposure to software and given that the sector makes up over one third of the benchmark. Consumer discretionary is also a top underweight.

PERFORMANCE**RETURN (%)**

	3 MOS	YTD	1 YR	3 YRS	5 YRS	10 YRS
Strategy (gross of fees)	7.48	9.08	45.30	27.41	24.64	17.16
Strategy (net of max. allowable fees - 300 bps) ¹	6.69	7.48	41.13	23.71	21.01	13.73
Benchmark	11.07	10.44	43.77	22.39	20.52	15.13

Benchmark: Russell Midcap 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	\$32.2bn
P/E ratio (1 yr forecast)	24.4x
P/B ratio	6.5x
Dividend yield	0.3%
Earnings growth (5 Year)	18.1%
Return on assets	5.3%
Return on equity	12.1%
Trailing 12-month turnover	44.8%
Number of holdings	119
Beta ²	0.99
Standard deviation ²	21.82
Information ratio ²	1.40
Tracking error ²	3.54
Sharpe ratio ²	1.16

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 6/30/2021 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	28.9	-5.3
Health Care	20.3	3.0
Industrials	18.7	4.3
Consumer Discretionary	13.6	-2.4
Communication Services	8.7	2.5
Financials	7.5	3.0
Consumer Staples	1.1	-1.0
Materials	0.8	-1.2
Energy	0.6	-0.9
Real Estate	0.0	-1.8
Utilities	0.0	-0.1

TOP 10 (%)

Roku	2.4
Dexcom	2.0
Generac Holdings	2.0
Hubspot	1.7
Match Group	1.7
Trane Technologies	1.7
Agilent Technologies	1.5
Zebra Technologies	1.5
CrowdStrike Holdings	1.4
Entegris	1.4

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