J.P. Morgan Mid Cap Value Strategy

Separately Managed Account

TOPLINE (3Q 2020)

Strategy	Benchmark
▲ 4.70%	▲ 6.40%

Benchmark: Russell MidCap Value Index

Markets: The S&P 500 Index® returned 8.93% during the third quarter of 2020. Within the index, the market performers were the consumer discretionary (15.06%) and materials (13.31%) sectors, while the energy sector (-19.72%) was the only sector within the benchmark to post a negative return.

Helped: Stock selection in energy and materials sectors contributed to performance.

Hurt: Stock selection in communication services and consumer discretionary sectors detracted from portfolio results.

Outlook: While we believe the economy will recover, it will first need time to heal, and hence we remain balanced and continue to monitor incremental risks that could represent headwinds for US stocks. Through the volatility, we continue to increase our exposure to quality, focus on high-conviction stocks, and take advantage of market dislocations for compelling stock selection opportunities.

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 appreciation primarily through a portfolio of high-quality U.S. mid-cap value equity securities.

APPROACH

- Employs a bottom-up approach to invest in mid-cap stocks with attractive fundamentals
- Looks for companies with a competitive advantage, low cyclicality, significant free cash flow, strong management and attractive valuation
- Seeks to identify high quality companies that appear to be undervalued and have the potential for capital appreciation

QUARTER IN REVIEW

- **The JPMorgan Mid Cap Value Strategy underperformed the benchmark,** the Russell Midcap Value Index, for the quarter ended September 30, 2020.
- **Cigna Corp.** was a top detractor despite another strong quarter in its health services segment and sturdy earnings. While market pessimism is likely to persist through the election, attractive valuations and improving business fundamentals give us conviction in the name.
- Additionally, financials continued to struggle given macroeconomic headwinds, despite better capitalization metrics and business fundamentals than they had in the last recession. Given this backdrop, **M&T Bank Corp.** was also a top detractor, as secular headwinds paired with investor concern weighed on the stock. This considered, we continue to like M&T Bank Corp., given its fortress balance sheet, top-notch management team, and proven track record of generating strong returns for shareholders over the long term.
- In contrast, with a leading position in consumer electronics, **Best Buy Co., Inc.** has been one of the largest beneficiaries of behavioral shifts due to COVID-19, thanks to investments in online sales and curbside pick-up. Going forward, we think Best Buy is well-positioned, in a pocket of retail that will likely prove more resilient, especially with an emphasis on working from home.
- **Fortune Brands Home & Security, Inc.**, also a top contributor, enjoyed acceleration across all segments benefiting from market share gains, impressive margin execution and an improving cyclical backdrop. We remain invested as the valuation is still reasonable, especially in light of a strong macroeconomic backdrop paired with solid management execution.

LOOKING AHEAD

- **Financials remain an area of high conviction,** as historically attractive valuations reflect heightened levels of pessimism with little regard for the strength of the franchise. Our holdings are well-capitalized businesses that should earn strong returns on equity through the cycle.
- **The industrials sector is the largest benchmark weight;** while we've opportunistically added to select names, there are a number of highly cyclical businesses that simply don't fit our quality criteria, which is leaves us with a meaningful underweight versus the benchmark.
- **Within the consumer sector,** we've trimmed outperformers and added to companies with strong balance sheets that should benefit from a consumer-driven recovery.
- **Within real estate investment trusts (REITs),** there's a bifurcation between the haves (data, logistics, towers) and have nots (office and shopping centers). We continue to view open-air shopping centers and class A office buildings as compelling opportunities due to underappreciated fundamentals.
- **We've trimmed utilities and technology** in light of meaningful multiple expansion. Alternatively, we perceive there to be value in financials, REITs and media where quality characteristics do not seem to be reflected in current multiples.

PERFORMANCE

RETURN (%)

	3 MOS	YTD	1 YR	3 YRS	5 YRS	10 YRS
Strategy (gross of fees)	4.70	-13.93	-8.85	0.75	5.93	10.43
Strategy (net of max. allowable fees - 300 bps)[1]	3.93	-15.89	-11.57	-2.23	2.80	7.19
Benchmark	6.40	-12.84	-7.30	0.82	6.38	9.71

Benchmark: Russell MidCap Value Index.

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

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

PORTFOLIO ANALYSIS

Market capitalization (weighted average)	$16.7bn
P/E ratio (1 yr forecast)	16.6x
P/B ratio	1.7x
Dividend yield	2.0%
Earnings growth (5 Year)	11.1%
Return on assets (last 12 months)	4.6%
Return on equity (historical 5 Year)	12.2%
Trailing 12-month turnover	19.3%
Number of holdings	113
Beta[2]	0.97
Standard deviation[2]	20.99
Information ratio[2]	-0.28
Tracking error[2]	1.95
Sharpe ratio[2]	0.04

[2]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 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
Financials	20.5	5.7
Industrials	12.4	-4.9
Real Estate	11.5	1.1
Consumer Discretionary	10.2	-1.8
Utilities	9.4	0.4
Information Technology	8.7	-0.9
Health Care	7.8	-0.1
Materials	7.0	-0.1
Consumer Staples	5.0	0.6
Energy	3.7	0.3
Communication Services	3.5	-0.6

TOP 10 (%)

Xcel Energy	2.0
WEC Energy	1.8
Ameriprise Financial	1.7
Loews	1.7
Zimmer Biomet Holdings	1.7
AutoZone	1.6
Best Buy	1.6
T. Rowe Price Group	1.6
CMS Energy	1.5
Laboratory Corp of America Holdings	1.5

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.

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 Value Index is an unmanaged index measuring the performance of those Russell Midcap companies with lower price-to-book ratios and lower 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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