

J.P. Morgan U.S. Tech Leaders Strategy

Separately Managed Account

TOPLINE (3Q 2020)

Strategy ▲ 15.56%	Benchmark ▲ 8.09%
Benchmark: Russell 1000 Equal Weight Technology Index	
Markets The US equity market traded higher in the third quarter with the S&P 500 Index returning 8.93%. The technology sector continued to post positive returns with Russell 1000 Equal Weight Technology Index returning 8.09%. Within the index every sector had positive returns, with the internet and semiconductors sectors leading the way.	
Helped Stock selection in hardware (8.5% portfolio weighting) and software (33.8% portfolio weighting) contributed most.	
Hurt An underweight allocation to the service provider (2.7% portfolio weighting) sector was the only detractor although this was more than offset by positive stock selection.	
Outlook Internet (18.4% portfolio weighting) and semiconductors (29.9% portfolio weighting) are the largest overweight positions, while software (33.8% portfolio weighting) and information technology services (5.0% portfolio weighting) 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 deliver capital appreciation over the long term through investments in technology and technology-enabled companies.

APPROACH

- Actively invests in innovative technology companies across market capitalizations with underappreciated growth opportunities
- Seeks to capitalize on high-conviction opportunities that may emerge from technology-driven disruption
- Managed by an experienced, technology-focused team leveraging the collective insights of the broader equity research platform

QUARTER IN REVIEW

- The **JPMorgan U.S. Technology Leaders Strategy** outperformed the benchmark, the Russell 1000 Equal Weight Technology Index, for the quarter ended September 30, 2020.
- An overweight position in **Tesla** (4.2% portfolio weighting) 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 electronic 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** (4.3% portfolio weighting) also contributed. Shares traded higher on further evidence of share gains in the datacenter business as well as ongoing 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 **Lemonade** (0.6% portfolio weighting) detracted from performance after the stock cooled down following a strong initial public offering. Lemonade is a provider of a cloud-based direct-to-consumer platform designed to simplify the purchase of renters and homeowners insurance products. We initiated a new position following the IPO as we believe the company's proprietary technology platform, utilization of machine learning and AI, and efficient claims and underwriting processes will lead to continued market share gains within the insurance space.
- An overweight position in **Lyft** (0.8% portfolio weighting) also traded lower during the period, largely due to the impact of social distancing and travel restrictions from the COVID-19 pandemic. We still view Lyft favorably and believe that the company can continue to take share in the ride-sharing business over the long term.

LOOKING AHEAD

- Sector positioning did not materially change during the quarter as semiconductors (29.9% portfolio weighting) and internet (18.4% portfolio weighting) remain the largest overweight allocations within the portfolio. While conviction in the fundamentals within software (33.8% portfolio weighting) remains, the team continued to pare back exposure, given the magnitude and duration of outperformance and the sector is now the largest underweight allocation. The information technology services (5.0% portfolio weighting) sector is the next largest underweight exposure.

HOLDINGS**EQUITY SECTORS (%)**

Sector	Weighting
Software	33.8
Semiconductors	29.8
Internet	18.4
Hardware	8.5
IT Services	5.0
Service Provider	2.7
Data-Comm/Tele-Comm	1.7
Other Assets	0.0
Others	0.0

TOP 10 (%)

Advanced Micro Devices	4.3
Tesla Motors	4.2
Synopsys	3.2
Nvidia	3.0
Facebook	2.9
Paypal Holdings	2.9
Apple	2.5
Match Group	2.5
Analog Devices	2.3
Twilio	2.2

RETURN (%)

	3 MOS	YTD	1 YR	3 YRS	5 YRS	10 YRS
Strategy (gross of fees)	15.56	48.79	64.65	34.18	31.23	21.26
Strategy (net of max. allowable fees - 300 bps)	14.73	45.60	59.96	30.30	27.43	17.73
Benchmark	8.09	20.91	33.37	21.87	22.85	17.19

Benchmark: Russell 1000 Equal Weight Technology Index.

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

PORTFOLIO ANALYSIS

	Portfolio	Benchmark
Market capitalization	\$259.3bn	\$72.6bn
P/E ratio (1 yr forecast)	29.8x	19.2x
Earnings growth (5 Year)	19.5%	13.8%
Beta - 3yr	1.03	1.00
Tracking error - 3yr	6.49	N/A
Turnover - 3yr	53.40	N/A
Active share	71.40	N/A
Number of holdings	64	137

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

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. Sector risk: The chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme or volatile than fluctuations in the overall market. Because the Strategy invests all, or substantially all, of its assets in the information technology sector, the Strategy's performance largely depends – for better or for worse – on the general condition of that sector. Companies in the information technology sector could be affected by, among other things, overall economic conditions, short product cycles, rapid

obsolescence of products, competition, and government regulation. Sector risk is expected to be high for the Strategy. Non-diversification risk: The chance that the Strategy's performance may be hurt disproportionately by the poor performance of relatively few stocks or even a single stock. The Strategy is considered non diversified, which means that it may invest a greater percentage of its assets in the securities of a small number of issuers as compared with other Strategies. Because the Strategy tends to invest a relatively high percentage of its assets in its ten largest holdings, fluctuations in the market value of a single Strategy holding could cause significant changes to the Strategy's value. Non-diversification risk is expected to be high for the Strategy.

PORTFOLIO ANALYSIS DEFINITIONS

Exclusive of negative earners.

P/E ratio is the number by which earnings per share is multiplied to estimate a stock's value.

Earnings growth is a measure of growth in a company's net income over 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.

Tracking Error The active risk of the portfolio, which determines the annualized standard deviation of the excess returns between the portfolio and the benchmark.

INDEXES

The Russell 1000 Equal Weight Technology Index is an unmanaged index measuring the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Managed Accounts have fees that reduce their performance; indexes do not. You cannot invest directly in an index.

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

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