J.P. Morgan Upper Tier High Yield Strategy

Separately Managed Account

TOPLINE (3Q 2020)

Strategy	Benchmark
▲ 4.25%	▲ 4.53%

Benchmark: Bloomberg Barclays US High Yield BB Registered Only 2% Capped Index

Markets Risk-on themes from the second quarter persisted into the third, and high yield continued to rally on improving fundamentals and strong technicals.

Helped Avoiding riskier issuers in the finance sector most exposed to COVID-19 risks aided performance.

Hurt High-quality names in the technology sector that underperformed in the quarter detracted from results.

Outlook High yield will be directionally dependent on the evolution of the virus and vaccine efforts, but is reasonable value for the risk at current spread levels.

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 a high level of income with lower volatility than the broad high yield market

APPROACH

- Invests in a diversified portfolio of high yield (below investment grade) corporate debt securities
- Focuses on higher quality, more liquid issues rated B/BB or better
- Combines bottom-up analysis with top-down insights, actively managing credit profile against market risk

QUARTER IN REVIEW

- The JPMorgan Upper Tier High Yield Strategy underperformed its index, the Bloomberg Barclays US High Yield BB Registered Only 2% Constrained Index, for the quarter ended September 30, 2020.
- **Owning a handful of low-beta technology names** that are less macroeconomically dependent detracted from returns in the quarter.
- **An overweight in the health-care sector,** also a part of our defensive sector bias, also hurt returns.
- **An allocation to B-rated credit**, which is out-of-index, added to performance in the quarter.
- **The strategy's 0.00% weight in a group of consumer-finance-oriented issuers** also added to performance as COVID-19 has continued to hurt riskier consumer borrowers.

LOOKING AHEAD

- **Valuations improved in September** to bring the high-yield market close to our view of fair value. Fundamentals remain extremely challenged in a handful of sectors, but most high-yield issuers have the liquidity or business models to sustain the current environment into 2021.
- **Despite the unprecedented intervention of the Federal Reserve** (Fed) into the high-yield market this year, returns moving forward will be increasingly dependent on fundamentals--both the evolution of the virus/vaccine and individual issuers' adaptation to the current economic environment.
- **As direct Fed support is mostly behind us**, we expect security selection to be the most important driver of returns moving forward, especially as default rates increase through the end of the year. Despite the challenges, high yield's nearly 6% yield is reasonable value for the opportunity set we see in a fixed income landscape that remains starved for yield.

PERFORMANCE

YIELD (%)

Yield to maturity (%)	4.39
Yield to worst (%)	4.04

RETURN (%)

	3 MOS	YTD	1 YR	3 YRS	5 YRS	10 YRS
Strategy (gross of fees)	4.25	1.44	3.90	4.38	6.40	6.38
Strategy (net of max. allowable fees - 150 bps)	3.87	0.31	2.35	2.83	4.83	4.81
Benchmark	4.53	5.33	8.19	5.97	7.48	6.94

Benchmark: Bloomberg Barclays US High Yield BB Registered Only 2% Capped Index.

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

PORTFOLIO ANALYSIS

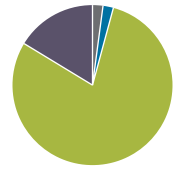
Average price	$106.96
Average maturity (years)	7.09
OAS	370.44
Average credit quality	BB
Average coupon (%)	5.68
Average life (years)	5.75

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

CREDIT QUALITY (%)

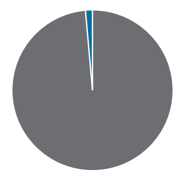


- 2.1 A
- 2.1 BAA
- 79.4 BA
- 16.3 B

EQUITY SECTORS (%)

Sector	Weighting	Compared to benchmark
Consumer Non-cyclical	15.5	8.3
Communications	16.1	4.3
Cash	2.1	2.1
Technology	7.4	1.7
Utility	2.9	0.3
Consumer Cyclical	16.7	0.2
Basic Industry	6.7	-0.3
Industrial Other	0.6	-0.4
Capital Goods	5.8	-0.5
Transportation	0.7	-0.9
Finance	10.1	-6.1
Energy	15.2	-8.7

YIELD TO MATURITY



- 98.6 Under 8.0%
- 1.4 8.0%-8.9%

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.

Securities rated below investment grade are considered "high-yield," "non-investment grade," "below investment-grade," or "junk bonds." They generally are rated in the fifth or lower rating categories of Standard & Poor's and Moody's Investors Service. Although they can provide higher yields than higher rated securities, they can carry greater risk.

Investments in derivatives may be riskier than other types of investments. They may be more sensitive to changes in economic or market conditions than other types of investments. Derivatives may create leverage, which could lead to greater volatility and losses that significantly exceed the original investment.

Investments in bonds and other debt securities will change in value based on changes in interest rates. If rates rise, the value of these investments generally drops.

This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, accounting, legal or tax advice. References to future returns are not promises or even estimates of actual returns a client portfolio may achieve. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation.

Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. We believe the information provided here is reliable, but do not warrant its accuracy or completeness.

This material is not intended as an offer or solicitation for the for the purchase or sale of any financial instrument. The view and strategies described may not be suitable for all investors.

CREDIT QUALITY

J.P. Morgan Investment Management (JPMIM) receives credit quality ratings on underlying securities of the portfolio from the three major ratings agencies - S&P, Moody's and Fitch. When calculating credit quality breakdown, JPMIM selects the middle rating of the agencies when all three rate a security, the lower of two ratings if only two rate a security, and one rating if that is all that is provided. Securities that are not rated by all three agencies are reflected as such.

PORTFOLIO ANALYSIS DEFINITIONS

Option-adjusted spread (OAS) is the spread relative to a risk-free interest rate, usually measured in basis points, that equates the theoretical present value of a series of uncertain cash flows of an instrument to its current market price. OAS can be viewed as the compensation an investor receives for assuming a variety of risks (e.g. liquidity premium, default risk, model risk), net of the cost of any embedded options.

Average Life: The length of time the principal of a debt issue is expected to be outstanding.

Duration: Measures price sensitivity of fixed income securities to interest rate changes.

INDEXES

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

The High Yield Upper Tier Blended Benchmark includes Bloomberg Barclays US High Yield Ba 2 Issuer Cap B/M from 05/31/02 - 08/31/17 and Bloomberg Barclays US HY Ba 2% Sec from 09/01/17 to present.

Past performance is no guarantee of future results.

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.

If you are a person with a disability and need additional support in viewing the material, please call us at 1-800-343-1113 for assistance.