

J.P. Morgan Value Advantage Strategy

Separately Managed Account

TOPLINE (3Q 2020)

| Strategy ▲ 3.57% | Benchmark ▲ 5.42% |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Benchmark: Russell 3000 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 the energy and real estate sectors contributed to performance. | |
| Hurt: Stock selection in the consumer staples 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 long-term total return primarily through a portfolio of attractively valued U.S. equity securities across all market capitalizations.

APPROACH

- Invests in a portfolio of large, mid and small cap companies with attractive fundamentals and valuations
- Employs bottom-up stock selection based on company fundamentals and proprietary fundamental analysis
- Seeks to identify companies that appear to be undervalued and have the potential to grow their intrinsic values per share and to purchase these companies at a discount

QUARTER IN REVIEW

- **The JPMorgan Value Advantage Strategy underperformed the benchmark**, the Russell 3000 Value Index, for the quarter ended September 30, 2020.
- Relative to the benchmark, stock selection was positive in the energy sector given a more conservative approach. However, on an absolute basis, given the significant underperformance of the energy sector, **ConocoPhillips (COP)** was the #1 stock specific detractor amidst a continued slide in crude oil prices. Despite a challenging macroeconomic backdrop, we continue to feel that COP is well positioned given its sturdy balance sheet, well positioned acreage, and thoughtful management team.
- Weak stock selection and an overweight allocation to the financials was a headwind to performance. Despite being better capitalized going into this recession, investors are seemingly unwilling to pay up for banks until we have further clarity on what the credit loss cycle will look like and evidence of upward pressure on interest rates. Given this backdrop, our position in **Citigroup, Inc. (C)** was a laggard. Specific to C, news came out that federal regulators are weighing taking actions against C for deficiencies in the bank's risk & control functions. Despite these negative headlines, we feel the stock is oversold, trading well below book value and will be well positioned to rebound as the economic environment improves.
- **Berkshire Hathaway, Inc., (BRK.B)** was the #1 stock-specific contributor as shares rallied strongly in the third quarter. Their structure as a conglomerate holding company gives us enviable exposure to various segments of the marketplace which we feel is underappreciated.
- With a leading position in consumer electronics, **Best Buy Co., Inc.(BBY)** has been one of the largest beneficiaries of behavioral shifts due to COVID-19. BBY's strategic focus on omni-channel & advice has differentiated them vs. peers, a testament to management's prudent operational execution. We think BBY is well positioned, in a pocket of retail that will likely prove more resilient.

LOOKING AHEAD

- **We are sticking with our value orientation** by leaning into companies where valuations are depressed due to exogenous shocks but have reasonable quality characteristics, including prudent management teams, strong franchises and sturdy balance sheets.
- **Financials remain an area of high conviction**, as historically attractive valuations reflect heightened levels of pessimism. While we've trimmed some of the relative outperformers, we continue to feel that many of these companies still have room for multiple expansion.
- Similarly, we stick with a **well-diversified approach to energy**, focusing companies with strong and well-located assets led by prudent management teams.
- While we want to be cautious about brick-and-mortar retail, it is clear that parts of the **consumer wallet are resilient**. We've added to well-positioned companies in the home improvement and dining space.
- **There's a bifurcation within real estate investment trusts** in terms of the haves (data, logistics, towers) and have nots (office and shopping centers). We continue to feel that grocery-anchored, open-air shopping centers and class A office buildings are compelling opportunities as their fundamentals are superior to the pessimism reflected in current valuations.

PERFORMANCE**RETURN (%)**

| | 3 MOS | YTD | 1 YR | 3 YRS | 5 YRS | 10 YRS |
|------------------------------------------------------------------------|-------|--------|--------|-------|-------|--------|
| Strategy (gross of fees) | 3.57 | -16.19 | -9.86 | 1.39 | 6.46 | 10.26 |
| Strategy (net of max. allowable fees - 300 bps) ¹ | 2.81 | -18.10 | -12.56 | -1.61 | 3.32 | 7.03 |
| Benchmark | 5.42 | -12.23 | -5.67 | 2.11 | 7.43 | 9.75 |

Benchmark: Russell 3000 Value 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 (weighted average) | \$96.5bn |
| P/E ratio (1 yr forecast) | 11.1x |
| P/B ratio | 1.5x |
| Dividend yield | 2.5% |
| Earnings growth (5 Year) | 10.8% |
| Return on assets | 8.6% |
| Return on equity | 12.7% |
| Trailing 12-month turnover | 25.4% |
| Number of holdings | 117 |
| Beta ² | 1.05 |
| Standard deviation ² | 19.68 |
| Information ratio ² | -0.48 |
| Tracking error ² | 2.32 |
| Sharpe ratio ² | 0.07 |

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 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 | 29.9 | 11.3 |
| Health Care | 12.0 | -1.9 |
| Communication Services | 7.8 | -1.4 |
| Industrials | 7.8 | -5.5 |
| Consumer Discretionary | 7.7 | -0.2 |
| Real Estate | 7.6 | 2.7 |
| Energy | 6.2 | 2.2 |
| Utilities | 5.9 | 0.0 |
| Consumer Staples | 5.3 | -2.8 |
| Information Technology | 5.1 | -4.3 |
| Materials | 4.6 | -0.2 |

TOP 10 (%)

| | |
|------------------------|-----|
| Bank Of America | 3.6 |
| Berkshire Hathaway | 2.6 |
| Verizon Communications | 2.2 |
| PNC Financial Services | 2.1 |
| Johnson & Johnson | 2.0 |
| Loews | 2.0 |
| Bristol Myers Squibb | 1.9 |
| Capital One Financial | 1.8 |
| Procter & Gamble | 1.8 |
| Wells Fargo | 1.6 |

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 3000 Value Index is an unmanaged index measuring the performance of those Russell 3000 companies (largest 3000 U.S. 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.

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.

©JPMorgan Chase & Co., October 2020