

J.P. Morgan Customized Municipal Bond Portfolio

Tax-aware fixed income strategies with manager and credit oversight, tailored to individual objectives

The portfolio offers a strategic approach for navigating the complexities of the municipal bond market designed to create a predictable stream of tax-aware income while focusing on capital preservation.

- Experience**
- Highly experienced team of portfolio managers, traders and credit analysts specializing in the municipal bond market.
- Portfolio**
- Diversified, laddered buy-and-hold portfolio of high-quality municipal bonds (A3/A- or higher) with credit oversight.
 - Customizations include maturity structure, duration target, credit quality, final maximum bond maturity, in state preferences, and more.
- Results**
- Portfolios of individual bonds tailored to specific objectives and desired outcomes.
 - Access the breadth of J.P. Morgan's research capabilities, security selection and institutional execution.

PLATFORM FUNDAMENTALS



REDUCING VOLATILITY IN YOUR PORTFOLIO

Fixed income investments can be an attractive source of income that also offer important diversification benefits.

Historically, high-quality bonds have had low correlation to stocks, reducing overall portfolio volatility. A “smoother ride” gives you peace of mind in challenging markets.

HIGH-QUALITY BONDS MAY OFFER DIVERSIFICATION BENEFITS

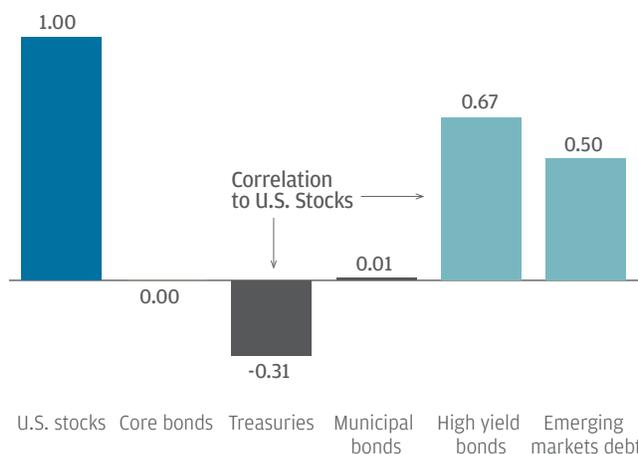


Chart source: J.P. Morgan Asset Management. Data as of 12/31/18. For illustrative purposes only. Past performance is not indicative of future returns. Barclays Capital Inc., DJ UBS, MSCI Inc., Standard & Poor's. Indexes used: U.S. Stocks: S&P 500 Index; Core Bonds: Bloomberg Barclays U.S. Aggregate Bond Index; Treasuries: Bloomberg Barclays U.S. Treasury Index; Municipal Bonds: Bloomberg Barclays U.S. 1-15 blend (1-17) Municipal Bond Index; High Yield Bonds: Bloomberg Barclays U.S. High Yield Index; Emerging Markets Debt: Bloomberg Barclays U.S. EMD Index. All correlation coefficients calculated based on monthly total return data for period 2/1/99 to 12/31/18.

MUNICIPAL BONDS OFFER TAX BENEFITS

Interest income that municipals generate is generally exempt from federal income tax, and may be exempt from state and local taxes as well.

Tax rates remain high and the interest income generated by municipal bonds is not subject to the 3.8% Medicare Contribution Tax.

MUNICIPAL BONDS CAN PROVIDE ATTRACTIVE AFTER-TAX YIELDS

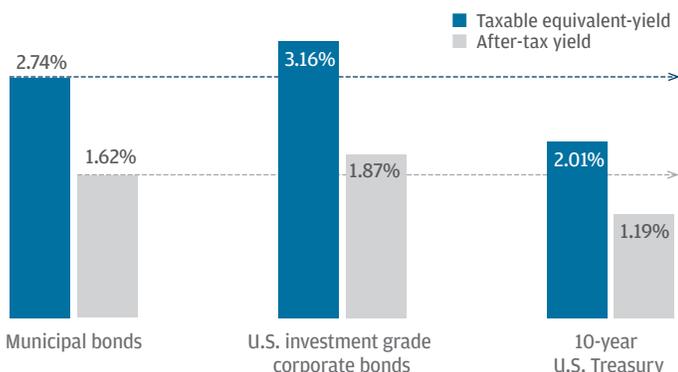


Chart source: Bloomberg Finance L.P., data as of 6/30/19. Assumes 37% federal tax rate plus 3.8% Medicare surtax.

SEEKING STRATEGIC ADVANTAGES IN A HIGHLY COMPLEX MARKET

Our experienced team offers clients a strategic investment approach to navigating the complexities of the municipal bond market while focusing on capital preservation:

<ul style="list-style-type: none"> Diversified portfolios with defensive laddered maturities of high-quality municipal bonds 	<ul style="list-style-type: none"> Dedicated Municipal Credit team with strong sell discipline 	<ul style="list-style-type: none"> Cost-efficient platform and process 	<ul style="list-style-type: none"> Customize by state, quality, maturity structure; fund with cash or bonds; reinvest or withdraw income; harvest tax losses upon request

EXPERIENCED PORTFOLIO MANAGEMENT

- Extensive experience managing billions of dollars in individual, customized municipal bond portfolios.
- The team includes seasoned municipal bond portfolio managers and credit analysts with collectively over 160 years of investment experience.

CREDIT OVERSIGHT IS CRITICAL...

Municipal issuers face fiscal and political challenges, including headwinds from high-profile distressed issuers, growing pension and other retiree benefit obligations and near disappearance of insured bonds.

...DESPITE LOW DEFAULT RATES

Municipal bonds generally exhibit lower default rates and rating volatility than corporates. But credit concerns can hide in plain sight, so close monitoring is important. Our team focuses on buying high-quality general obligation and essential services revenue bonds.

Rating (Moody's)	Municipal bonds	Corporate bonds
Aaa	0.00%	0.37%
Aa	0.02%	0.78%
A	0.11%	2.10%
Baa	1.13%	3.70%

Source: Moody's Investor Service. Data as of 8/6/19.

INVESTING IN FIXED INCOME WITH J.P. MORGAN

We have the experience and global network to navigate markets, and seek to add value through a disciplined investment process.

Our longstanding relationships enable us to effectively negotiate in an over-the-counter market.

The services we offer are generally only available to institutional clients, including:

- Deep access to bonds, and liquidity, through a vast network of institutional and regional broker dealers.
- Robust portfolio analytics that assess the potential risk/return of trades under consideration.
- Potential to identify and transition out of credits in anticipation of negative changes.

Debbie Fierro



Portfolio Manager
 • 20 years of industry experience, 10 at J.P. Morgan

Jen Gonzalez



Portfolio Manager
 • 15 years of industry experience, 12 at J.P. Morgan

RISK SUMMARY

The following risks could cause the Strategy's portfolio to lose money or perform more poorly than other investments.

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. The risk of a municipal obligation generally depends on the financial and credit status of the issuer. Changes in a municipality's financial health may make it difficult for the municipality to make interest and principal payments when due. Under some circumstances, municipal obligations might not pay interest unless the state legislature or municipality authorizes money for that purpose. Municipal obligations may be more susceptible to downgrades or defaults during recessions or similar periods of economic stress.

Investors should understand the potential tax liabilities surrounding a municipal bond purchase. Certain municipal bonds are federally taxed if the holder is subject to Alternative Minimum Tax (AMT). Capital gains, if any, are federally taxable. Investor should note that the income tax-free municipal bond funds may be subject to state and local taxation and the AMT.

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