

J.P. Morgan Customized Preferreds Portfolio

Preferred securities portfolio strategies with credit oversight, tailored to individual objectives

The portfolio offers a strategic approach for navigating the complexities of the preferred securities and deferrable subordinated debt markets to create a tax efficient stream of higher income over a credit cycle.

- Experience**
- Highly experienced team of portfolio managers, traders and credit analysts specializing in the preferred securities and deferrable subordinated debt market.
- Portfolio**
- Concentrated portfolio of preferred securities and deferrable subordinated debt with credit oversight.
 - Customizations may include dividend/coupon type, tax treatment and industry sector.
- Results**
- Portfolios of individual securities tailored to specific objectives and desired outcomes.
 - Access the breadth of J.P. Morgan's research capabilities, security selection and institutional execution.

PLATFORM FUNDAMENTALS

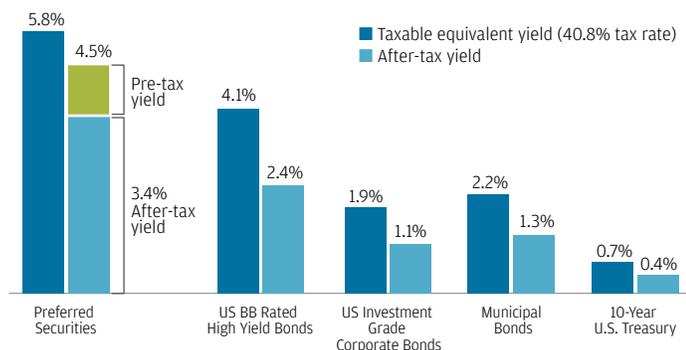


PREFERRED MAY PROVIDE ATTRACTIVE YIELDS WHEN COMPARED TO TRADITIONAL BONDS...

We believe the additional yield compensates investors for the greater credit risk. Certain securities may have the added tax benefit of paying qualified dividend income for US taxpaying investors.

For individual taxpayers, dividends from qualified-dividend eligible preferred stock may be taxed at long-term capital gains, rather than ordinary income rates, if the requisite holding period is met.

COMPARATIVE FIXED INCOME YIELDS

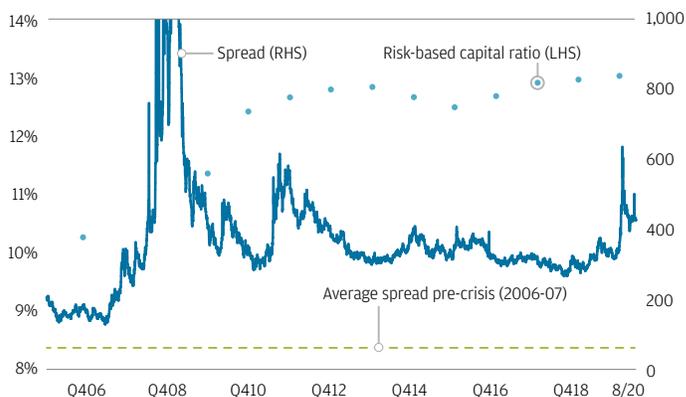


Source: Barclays, Bloomberg. Data as of 8/3/20. Preferred securities yields represent the Yield to Perpetuity on a hypothetical C-PREP portfolio. **For illustrative purposes – subject to change. See important disclosure continued on page 3.**

...AS SPREADS REMAIN ELEVATED TODAY...

Despite stronger bank balance sheets post Global Financial Crisis, financial preferred security spreads remain elevated. This can provide an attractive investment opportunity.

FINANCIAL PREFERRED SECURITIES SPREADS

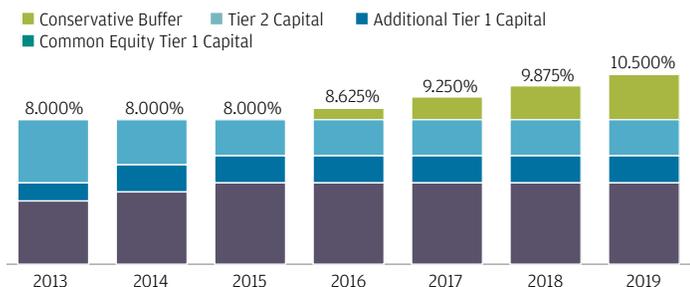


Source: Capital ratios are from the FDIC as of 12/31/19. Spreads are from the Wells Fargo Hybrid and Preferred Securities Financials Index and represent the differential between the current yield of the securities in the index and 30 year U.S. Treasury yields. Spread data as of 8/3/20. The maximum spread level on this index was 2,393 on 3/9/09. Capital ratios are from the FDIC as of 12/31/19. **For illustrative purposes only – subject to change.**

...DESPITE TIGHTER REGULATIONS THAT HAVE LED TO STRONGER BANK BALANCE SHEETS

Regulatory reforms required that banks increase capital in order to improve their stability and resilience in times of stress.

REGULATORY CAPITAL REQUIREMENTS (% of risk-weighted assets)



Source: Bank for International Settlements (www.bis.org). Data as of 8/20. Conservation buffer and other additional requirements mentioned would be required to be filled with common equity tier 1 capital. **For illustrative purposes only—subject to change.**

THE MARKET AT A GLANCE

The C-PREP investable universe is comprised of hybrid securities that have characteristics of both debt and equity. Highly regulated banks, insurance companies and other financial services companies represent the largest portion of the market.



C-PREP can invest in deferrable subordinated debt. Note: Boxes are not proportional to their respective sizes within a company's capital structure. **For illustrative purposes only – subject to change.**

STRATEGIC ADVANTAGES IN A HIGHLY COMPLEX MARKET

Our experienced team offers clients a strategic investment approach navigating the complexities of the bond market:

<ul style="list-style-type: none"> Diversified portfolios heavily weighted toward highly regulated entities, such as banks and insurance companies 	<ul style="list-style-type: none"> Dedicated credit research team 	<ul style="list-style-type: none"> Cost efficient platform and process 	<ul style="list-style-type: none"> Potential customizations available such as: dividend/coupon type, tax treatment, and sector.

INVESTING IN FIXED INCOME WITH J.P. MORGAN

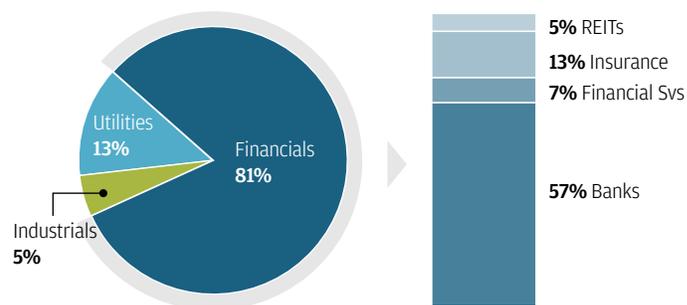
We have the experience and global network to navigate markets, and seek to add value through a disciplined investment process.

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.

INDEX SECTOR ALLOCATION



Source: BofA Merrill Lynch Fixed Rate Preferred Securities Index as of 8/3/20. Assumes REITs are financials, not industrials. The strategy may invest in other sectors outside of financials. **For illustrative purposes only and is subject to change without notice.** This is not representative of the entire C-PREP investable universe.

EXPERIENCED PORTFOLIO MANAGEMENT

- Extensive experience managing billions of dollars in individual, customized preferred securities portfolios.
- The team includes seasoned bond portfolio managers and credit analysts with collectively over 104 years of investment experience.

Debbie Fierro



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

Vik Pathani



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

Comparative fixed income yields disclosure (from page 1):

Theoretical taxable equivalent yields for municipal bonds assume a Federal Tax Rate of 37% and a Medicare Tax Rate of 3.8% (40.8% total). For illustrative purposes, preferred securities show both an after-tax yield assuming a Qualified Dividend Income (QDI) Tax Rate of 20% and a Medicare Tax Rate of 3.8% (23.8% total), and the theoretical taxable equivalent yield assuming a total tax rate of 40.8%. No state or local taxes are taken into account. The after tax yield for preferred securities makes a simplifying assumption that applies the Qualified Dividend Tax rate plus Medicare Tax Rate to a hypothetical C-PREP portfolio Yield to Perpetuity. The actual qualified dividend eligibility will vary and may be materially less than 100%. However, C-PREP allows client to choose a customizable tax treatment option that would have a minimum of 80% QDI eligible securities. Yields are for illustrative purposes only and are subject to change without notice. Your actual portfolio will be constructed based upon investments for which you are eligible and based upon your personal investment requirements and circumstances. Individual client portfolio may achieve better or worse performance in the future and may incur more or less volatility.

RISK SUMMARY

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

Because the Strategy invests in a concentrated portfolio of preferred securities and deferrable subordinated debt securities, investors in the Strategy should typically have an above moderate risk profile. In addition to those risks, investors in the Strategy should be prepared to accept higher volatility and greater concentration in the Strategy compared to investing in a portfolio diversified with various asset classes. The Portfolio may experience equity-like volatility.

Preferred securities are equity securities issued by corporate or non-corporate (for example, partnerships and trusts, including real estate investment trusts (REITs)) issuers with certain features that are characteristic of debt securities and certain features that are characteristic of common equity securities. For instance, like debt securities, preferred securities are typically issued with a fixed notional value (often referred to as the "liquidation preference amount") and pay dividends or distributions periodically at a fixed or floating percentage of their notional value. Preferred securities also may (or may not) have credit ratings, but for reasons discussed below, the credit ratings of the preferred securities of an issuer are typically lower than those of its debt securities. Like common equity securities, preferred securities generally are perpetual and do not have a maturity date, and can remain outstanding unless redeemed or repurchased by the issuer.

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. Some investors may be subject to the Federal Alternative Minimum Tax and to certain state and local taxes.

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