

# J.P. Morgan U.S. Large Cap Equity Strategy

## Separately Managed Account



**Designed to** provide high total return primarily through U.S. large cap stocks.

### APPROACH

- Analyzes company prospects over the upcoming eight years to evaluate long-term sustainable earnings growth potential
- Research-driven approach that focuses on identifying the most undervalued stocks in each sector
- Maintains sector weightings similar to the S&P 500 Index, seeking to outperform with similar volatility

### EXPERTISE

Strategy manager(s) and years of experience

Susan Bao, 23 yrs

Laura Huang, 16 yrs

### STRATEGY INFORMATION

Launch date

Dec 1, 2007

## PERFORMANCE

**S1** Strategy (gross of fees)

**S2** Strategy (net of maximum allowable fees - 300 bps)\*

**B** Benchmark: S&P 500 Index

\*Please note, actual fees associated with this strategy may be lower.

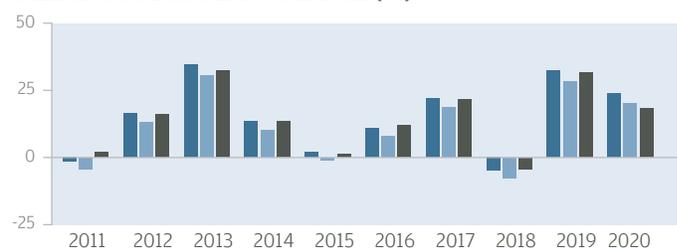
## GROWTH OF \$100,000



Since inception with dividends and capital gains reinvested. There is no direct correlation between a hypothetical investment and the anticipated performance of the Strategy.

For periods prior to 12/1/07 the U.S. Large Cap Equity Strategy Managed Account Composite calculations have been linked to the actual historical performance from the Firm's institutional Large Cap Core Composite. Prior to 12/1/07 only eligible separately managed account portfolios, which include a non-fee paying managed account, are included in the composite results.

## CALENDAR YEAR PERFORMANCE (%)<sup>1</sup>



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>S1</b>	-1.52	16.46	34.48	13.69	1.98	11.07	22.15	-4.83	32.24	23.69
<b>S2</b>	-4.44	13.05	30.59	10.36	-1.04	7.81	18.60	-7.66	28.42	20.08
<b>B</b>	2.11	16.00	32.39	13.69	1.38	11.96	21.83	-4.38	31.49	18.40

## COMPOSITE PERFORMANCE (%)<sup>1</sup>

	3 mos	YTD	1 year	3 years	5 years	10 years
<b>S1</b>	5.41	5.41	59.28	18.29	17.60	14.25
<b>S2</b>	4.63	4.63	54.74	14.84	14.17	10.91
<b>B</b>	6.17	6.17	56.35	16.78	16.29	13.91

### PERFORMANCE DISCLOSURES

Past performance is not indicative of future returns. Returns will fluctuate and sell prices may be more or less than original cost. Net-of-fees returns are calculated by deducting the maximum managed account fee of 3.00%. Total returns include reinvestment of any income.

<sup>1</sup>Supplemental to annual performance report.

**HOLDINGS****EQUITY SECTORS (%)**

Sector	Weighting	Compared to benchmark
Information Technology	31.5	4.8
Industrials	11.7	2.8
Consumer Discretionary	13.7	1.2
Communication Services	11.8	0.9
Materials	3.2	0.5
Health Care	12.5	-0.5
Utilities	1.9	-0.8
Energy	1.8	-1.0
Financials	9.0	-2.3
Real Estate	0.0	-2.5
Consumer Staples	2.9	-3.2

**TOP 10 (%)**

Microsoft	6.7
Alphabet Inc Cl-C	5.7
Amazon.com	5.7
Apple	4.4
MasterCard	3.1
UnitedHealth Group	2.9
Facebook	2.8
NXP Semiconductors NV	2.5
Paypal Hldgs Inc	2.4
Texas Instruments	2.3

**PORTFOLIO ANALYSIS** *See definitions below.*

	Portfolio	Benchmark
Market capitalization	\$507.3bn	\$468.8bn
P/E ratio (1 yr forecast)	23.9x	21.1x
P/B ratio	5.1x	4.2x
Dividend yield	1.0%	1.5%
Earnings growth (5 Year)	12.5%	13.3%
Return on equity	22.5%	23.1%
Return on assets	12.2%	8.6%
Trailing 12-month turnover	26.7%	N/A
Number of holdings	60	500
Beta <sup>2</sup>	1.05	1.00
Standard deviation <sup>2</sup>	19.45	18.40
Information ratio <sup>2</sup>	0.78	N/A
Tracking error <sup>2</sup>	2.60	N/A
Sharpe ratio <sup>2</sup>	0.91	0.86

<sup>2</sup>Based 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 3/31/2021 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.

Due to rounding, values may not total 100%.

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**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.

**INDEXES**

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

The S&P 500 Index is an unmanaged index generally representative of the performance of large companies in the U.S. stock market. Index levels are in total return USD.

*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.

**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.

**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.

**ENTITIES**

J.P. Morgan Asset Management is the brand name for the asset management business of JPMorgan Chase & Co and its affiliates worldwide.

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