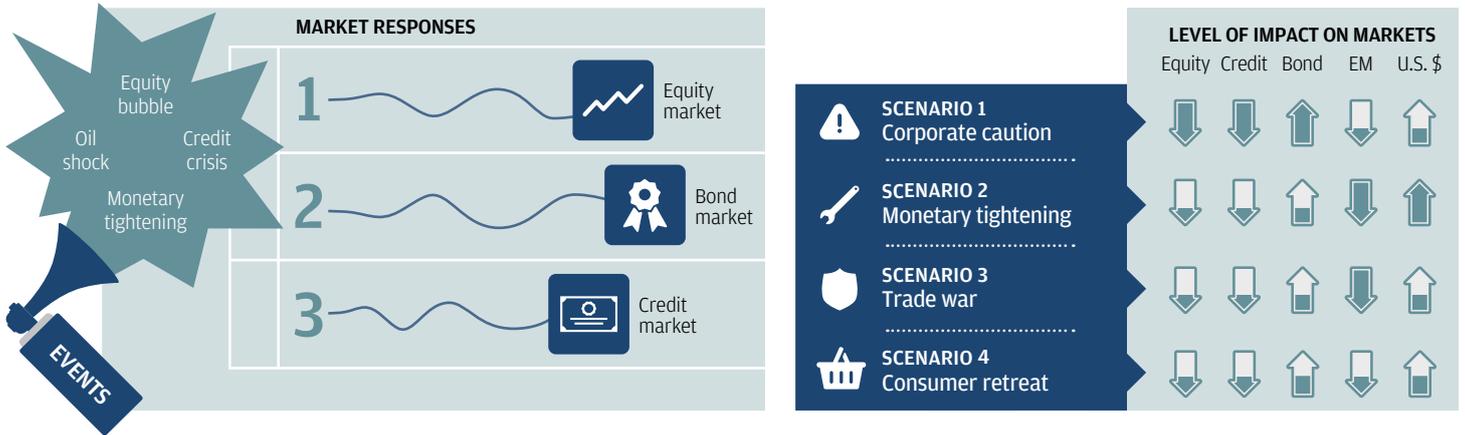


# IS YOUR PORTFOLIO FIT TO CLEAR LATE-CYCLE HURDLES?

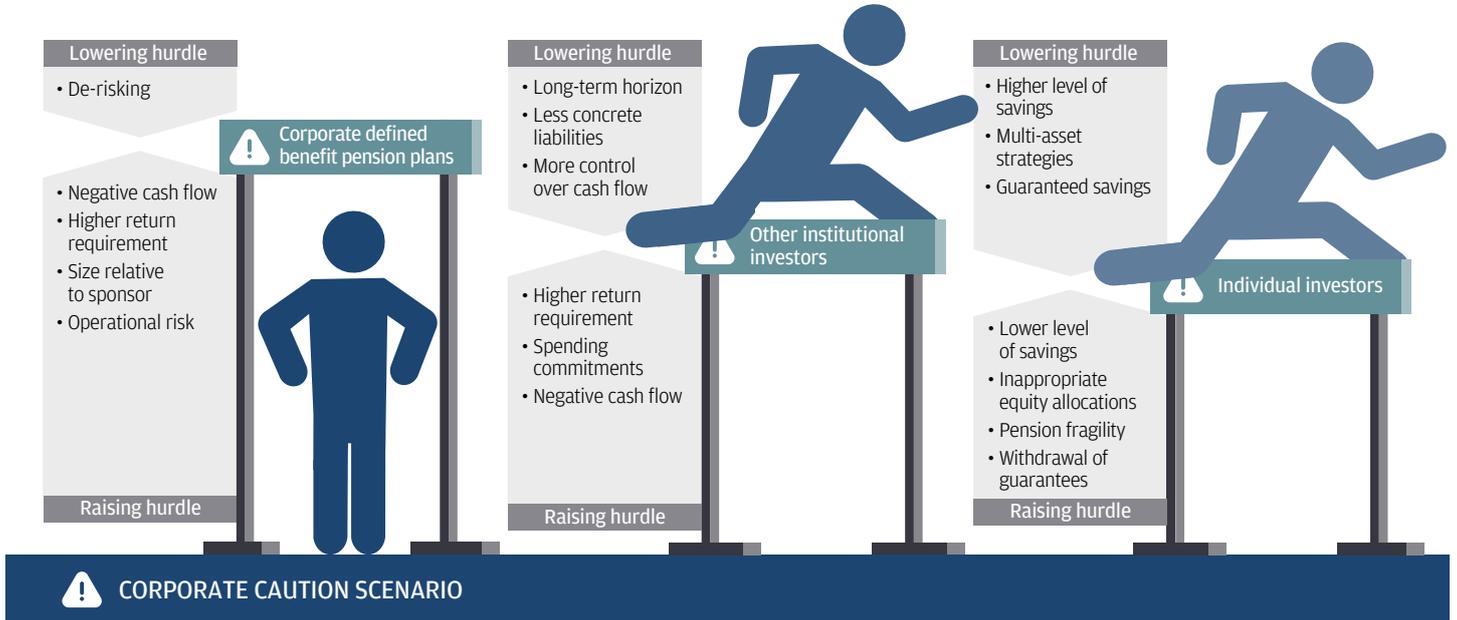
## 1 WITH THE U.S. ECONOMY FIRMLY IN LATE CYCLE, INVESTORS AROUND THE WORLD ARE CONSIDERING THE NEXT RECESSION AND HOW TO PREPARE FOR IT.

Past recessions show us that different trigger events generate a wide range of market responses.

Learning from the past, we have identified four plausible recession scenarios



## 2 WE HAVE DEVELOPED A FRAMEWORK TO HELP DIFFERENT INVESTORS ASSESS THEIR RESILIENCE TO PLAUSIBLE RECESSION SCENARIOS.



Our framework suggests **corporate defined benefit pension plans** will be most challenged by a "corporate caution" scenario, particularly those in negative cash flow.

**Other institutional investors** may be more resilient.

For **individual investors**, resilience will depend on the interaction of household net income growth and savings and strategic portfolio allocation.

**3 BROADLY, WE BELIEVE MANY LONG-TERM INVESTORS HAVE IMPROVED THEIR FITNESS LEVEL AND ABILITY TO RIDE OUT A DOWNTURN, BUT THE RISK OF FRAGILITY REMAINS.**

**NEXT STEPS**

For more information, contact your J.P. Morgan representative.



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