Liquidity Management Strategy

Helping you grow your assets with access to liquidity

In an environment where yield is low and market volatility is high, it can be challenging to find strategies that help meet your goals. We created a new strategy that seeks to help grow your assets with access to liquidity.

Portfolio

- The portfolio is actively managed to help you invest for big purchases, like a home down payment, growing emergency reserves or simply feeling risk adverse in today’s market.
- The portfolio has the flexibility to cut risk and raise cash to protect capital.
- If you foresee needing to access your cash within 12-18 months of investing, this could be a suitable option for you.

Results

- We seek to provide income in a low yield world with a goal to preserve capital by investing in high quality fixed income.
- The benefits of diversification this strategy provides help produce a compelling risk/reward vs. single strategies.

Experience

- The portfolio investment team has investment experience across key areas including portfolio management, fixed income and FX research and manager selection.
- The team will also engage with buy-side, sell-side and industry experts in the pursuit to achieve its investment objectives.

With cash rates near zero, it’s challenging to generate yield on intermediate cash needs

![Graph showing yield data from 2000 to 2020](image)


Helping you meet your liquidity needs

In an environment where yield is low and market volatility is high, it can be challenging to find investment strategies that help meet your goals. We are here to help.

How do we do that? Based on your time horizon and your liquidity needs, we group your goals into three buckets.

<table>
<thead>
<tr>
<th>DAY-TO-DAY LIQUIDITY</th>
<th>RESERVE LIQUIDITY</th>
<th>INVESTIBLE ASSETS</th>
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<tbody>
<tr>
<td>Horizon: 0-9 months</td>
<td>Horizon: 9-18 months</td>
<td>Horizon: Over 18 months</td>
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**Goal: Have enough liquidity to use for your daily needs**
- Liquidity typically used for daily needs
- May be subject to unforeseen expenses
- Requires preservation of principal
- Same-day liquidity

**Goal: Have liquidity on reserve, same-day access is not needed**
- Fairly static, same-day access not needed
- Liquidity set aside for possible future investments, and/or large purchases

**Goal: Potentially earn more by taking on added risk for long-term financial goals**
- Funds set aside for college or retirement

INVESTMENT AND INSURANCE PRODUCTS ARE:
- NOT FDIC INSURED
- NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY
- NOT A DEPOSIT OR OTHER OBLIGATION OF, OR GUARANTEED BY, JPMORGAN CHASE BANK, N.A. OR ANY OF ITS AFFILIATES
- SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED
How we put our expertise and experience into action

We consider limiting drawdowns, while generating yield and positive rolling returns in 12- to 18-month periods when constructing your portfolio.

Experienced portfolio management

Research and insights through PM team discussions of fixed income market developments, sector and portfolio construction analysis and vehicle selection.

The Portfolio Management team has several key internal partnerships they will utilize for regular insights, including their broader team within the Advisory Solutions group, which incorporates proprietary macro-economic and asset class research in fixed-income and multi-asset portfolio management. Additionally, they partner closely with the Manager Solutions team to identify vehicles for portfolio inclusion, and the Capital Markets Solutions teams.

Investing in securities involves risk of loss of income and capital that clients should be prepared to bear. The investment performance and success of any particular investment cannot be predicted or guaranteed, and the value of a client’s investments will fluctuate due to market conditions and other factors. Investments are subject to various risks, including but not limited to, market, liquidity, currency, economic, and political risks, and will not necessarily be profitable.
IMPORTANT INFORMATION

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Liquidity Management Strategy (the “Strategy” or the “Portfolio”) is a discretionary strategy managed by J.P. Morgan Private Investments, Inc. (“JPPI”) which offers the Strategy through separately managed wrap fee account programs, sponsored by J.P. Morgan Securities LLC (“JPMS”) for JPMS investment advisory clients. JPMS is a broker-dealer and investment advisor registered with the Securities and Exchange Commission (“SEC”), and is a member of the Financial Industry Regulatory Authority (“FINRA”) and Securities Investor Protection Corporation (“SIPC”). JPPI is an investment advisor registered with the SEC. JPMS and JPPI are affiliates and subsidiaries of JPMorgan Chase & Co. References in this report to "J.P. Morgan" are to JPMorgan Chase & Co., its subsidiaries and affiliates worldwide.

Performance results reflect returns for all discretionary accounts invested in the Strategy through JPMS’ wrap fee advisory program (the “Program”). Net performance results net of the highest applicable advisory program client fees of 0.40% (see definition of Composite Net Returns below). A particular client’s fees may be less than the fees reflected.

Strategy Description: The Strategy seeks to deliver income while preserving capital primarily through allocations of high-quality, short-term, fixed income funds and cash and liquidity funds.

Important Information About Your Investments and Potential Conflicts of Interest

Conflicts of interest will arise whenever J.P. Morgan has an actual or perceived economic or other incentive in its management of a client’s account. For example, if we act in a way that benefits J.P. Morgan, Conflicts will result, for example to the extent the following activities are permitted in your account: (i) when J.P. Morgan invests in an investment product, such as a mutual fund, separately managed managed account or hedge fund issued or managed by J.P. Morgan; (ii) when J.P. Morgan entity obtains services, including trade execution and trade clearing, from an affiliate; (iii) when J.P. Morgan receives payment as a result of purchasing an investment product for a client’s account; or (iv) when J.P. Morgan receives fees for providing services (including shareholder servicing, recordkeeping or custody) with respect to investment products purchased for a client’s portfolio. Other conflicts will result because of relationships that J.P. Morgan has with other clients or when J.P. Morgan acts for its own account.

Investment strategies are selected from both J.P. Morgan and third-party asset managers and are subject to a review process by our management team. From this pool of strategies, our portfolio construction teams select those strategies we believe fit our asset allocation goals and forward-looking views in order to meet the portfolio's investment objective. As a general matter, we do not manage strategies.

We expect the proportion of J.P. Morgan managed strategies will be high (in fact, up to 100 percent) in strategies such as, for example, cash and high-quality fixed income, subject to changes to our overall strategy, which is subject to periodic review.

• Alternatives. Investments in alternative investments, such as hedge funds, involve specialized risks that depend on the type of strategies undertaken by the manager. These can include distressed or event-driven strategies, long/short strategies, using arbitrage (exploiting price inefficiencies), international investing, and using leverage, options or derivatives. Although hedge fund managers may aim to reduce volatility and produce positive absolute return under a variety of market conditions, hedge funds may hold a high degree of risk and are suitable only for investors of substantial financial means who could bear the entire loss of their investment. So-called “liquid alternative funds” use strategies similar to those of hedge funds, and pay similar fees to hedge funds, but they differ significantly from both hedge funds and traditional mutual funds. Because they can be redeemed on any business day, they are said to be “liquid.” Such funds do not follow the typical buy and hold and strategy of a traditional mutual fund and generally hold non-traditional investments and use more complex trading strategies than a traditional mutual fund, which may make investment in a liquid alternative fund riskier.

Past performance is no guarantee of future results.

Investing in securities involves risk of loss of income and capital that clients should be aware of. The investment performance and success of any particular investment cannot be predicted or guaranteed, and the value of a client’s investments will fluctuate due to market conditions and other factors. Investments are subject to various risks, including but not limited to, market, liquidity, currency, economic, and political risks, and will not necessarily be profitable. There is no guarantee of any specific level of performance or guarantee that investment decisions or overall investment advice will be successful or that the client’s investment objectives will be met. JPMS requires clients to open a separate account for each investment strategy selected. Clients with existing accounts are responsible for ensuring that investments are managed as per their overall strategy. JPMS must open a separate account for each investment strategy. In managing the Strategy, JPPI or JPMS will consider assets owned by a client outside of a particular account. Dividend reinvestment and other income are not guaranteed a profit or protect against a loss in declining markets. All investments are subject to risk, including the risk of loss of principal. Any type of continuous or periodic investment plan does not guarantee a profit or protect against a loss. Since such a plan involves continuous investment in securities regardless of fluctuating price levels of such securities, you should consider your financial ability to continue your purchases through periods of low price levels.

JPMS clients may refer to the JPPI ADV Form Part 2 disclosure brochure for more information about particular risks associated with the Strategy which may be obtained through your advisor, or at the SEC’s website at www.adviserinfo.sec.gov.

Definitions

• Benchmarks represent an index or blend of indices and investments used by hedge funds, but they differ significantly from hedge funds.

• Composite is an aggregation of a number of client portfolios that follow the same investment strategy and meet certain criteria. The composite returns do not represent the return of any individual portfolio. The composite itself is not a financial product and is not directly investable.

• Composite Net returns reflect those fund fees and also the actual client fees paid to J.P. Morgan for the portfolios, including fees for certain J.P. Morgan services, any product fees, and transaction fees.

Internal dispersion measures the spread of annual returns of individual portfolios within a composite. It is calculated using the asset-weighted standard deviation of the gross returns of portfolios that were included in the composite for the full year.

Volatility measures the extent to which returns vary over time. Volatility is calculated using the standard deviation of returns and shown since inception as annualized standard deviation.

Indices are shown for illustrative purposes only. An index is unmanaged, is not an investment product, and may not be considered for direct investment. Index returns do not reflect the deduction of any fees or expenses, and assume reinvestment of dividends and interest. All indices are denominated in U.S. dollars unless noted otherwise. Indices are inherently weak predictive or comparative tools.

Indices provide a hypothetical representation for use as a benchmark. The index might not be a meaningful comparison to retail investors. Index returns are not intended to reflect the performance of any actual portfolio. Indices are included for comparison purposes only and reflect the actual client fees paid to J.P. Morgan for the portfolios, any product fees, and transaction fees.

The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets.

The MSCI Emerging Markets Equity Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the emerging markets.

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The Barclays Capital U.S. Universal Index represents the union of the Barclays Capital U.S. Aggregate Index, Barclays Capital U.S. Corporate High Yield Index, Barclays Capital Investment Grade 144A Index, Barclays Capital Eurodollar Index, Barclays Capital U.S. Emerging Markets Index, and the Barclays Capital CMBS Index. The Index covers USD-denominated, taxable bonds that are rated either investment grade or high-yield.

The ICE BofA US Treasury Bill Index tracks the performance of US dollar denominated US Treasury Bills publicly issued in the US during the previous calendar year. The Qualifying issues must have at least one year, one month or one day remaining term to final maturity and a minimum amount outstanding of $1 billion. Securities issued or marketed primarily outside the US are excluded.

The ICE US Overnight Offered Rate is the average interest rate at which a selection of banks in London are prepared to lend to one another in American dollars with a maturity of 1 day.

JPMS Advisory Program Fees

Investment in the Strategy through a JPMS wrap fee program requires payment of an advisory program fee. JPMS pays a portion of this fee to JPPI. In addition to this advisory program fee, certain clients will also be charged a proportion of the fees and expenses incurred by certain mutual funds, exchange traded funds or exchange traded notes (together “Funds”) that are included within expense ratios as outlined in the applicable prospectuses. Investors should carefully consider the investment objectives, risks, charges, fees and expenses of any Funds before investing. This and other important information can be found in the Fund prospectus. Fund prospectuses, including the prospectus for the index funds, are available by writing to the index sponsor.

For more information about a wrap fee advisory program, including, fees and services, please refer to the applicable JPMS Form ADV Part 2, wrap fee disclosure brochure or other disclosure documents, which may be obtained through your advisor, or at the SEC’s website at www.adviserinfo.sec.gov.
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Commentary provided is based on a representative portfolio. The representative portfolio might not reflect the experience of all portfolios in the composite and could change over time.

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