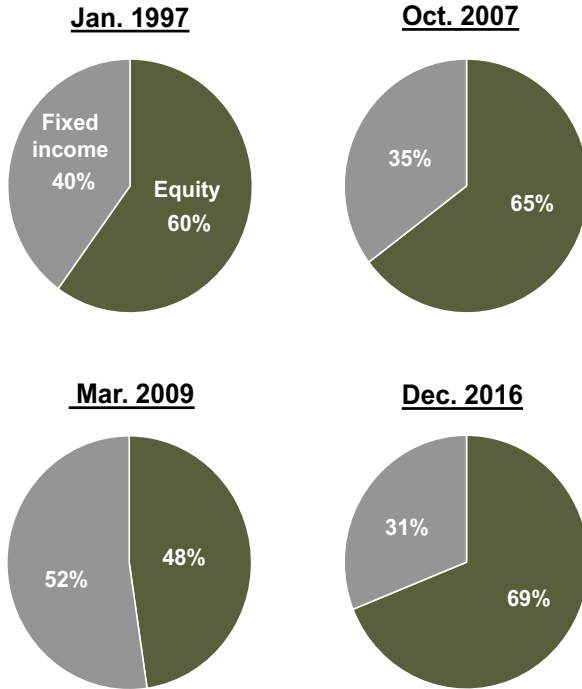


Rebalancing & Risk Management

Actual portfolio drift in a buy-and-hold portfolio

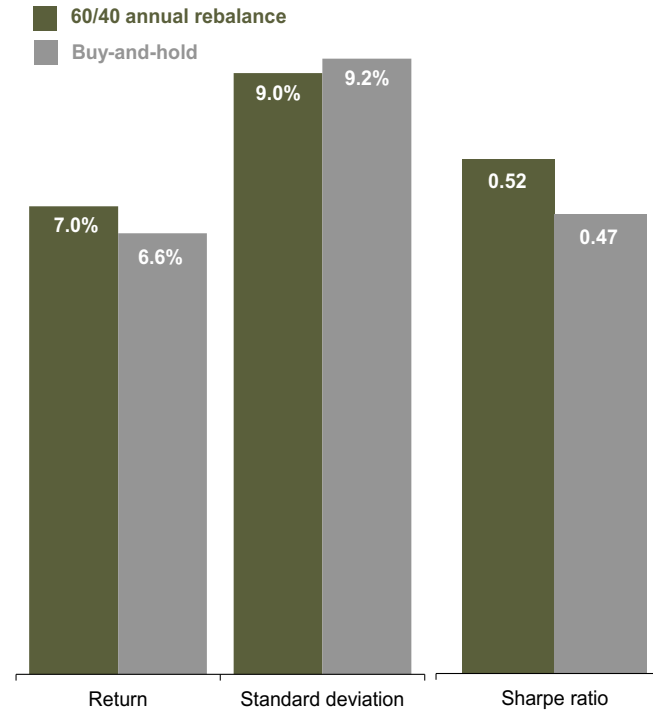
Portfolio drift of a 60% equity, 40% fixed income buy-and-hold portfolio



Investing principles

Risk/return for rebalanced vs. buy-and-hold strategy*

60% equity and 40% fixed income portfolio, 20-year holding period



Source: Standard & Poor's, Barclays, FactSet, J.P. Morgan Asset Management.

*Annual rebalance and buy-and-hold strategies are composed of S&P 500 and Barclays U.S. Aggregate total return indexes on a monthly basis.

Annualized risk and return statistics are calculated from 1/31/1996 – 12/31/2016 using monthly data. The risk-free rate is represented by the Barclays 1-3 month Treasury Bellwether index.

Guide to the Markets – U.S. Data are as of March 31, 2017.