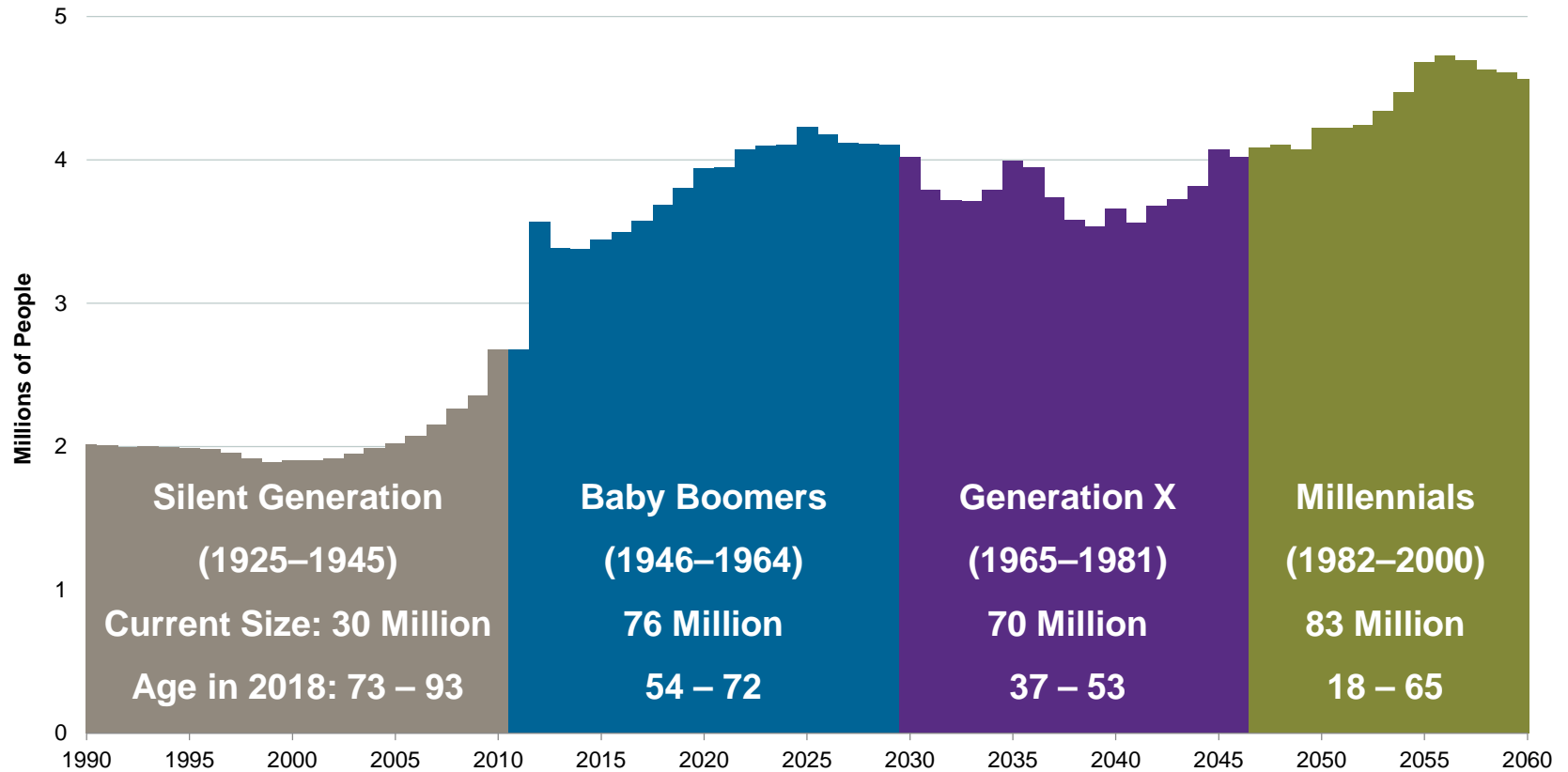


Guide to RetirementSM

Social Security: demographics module

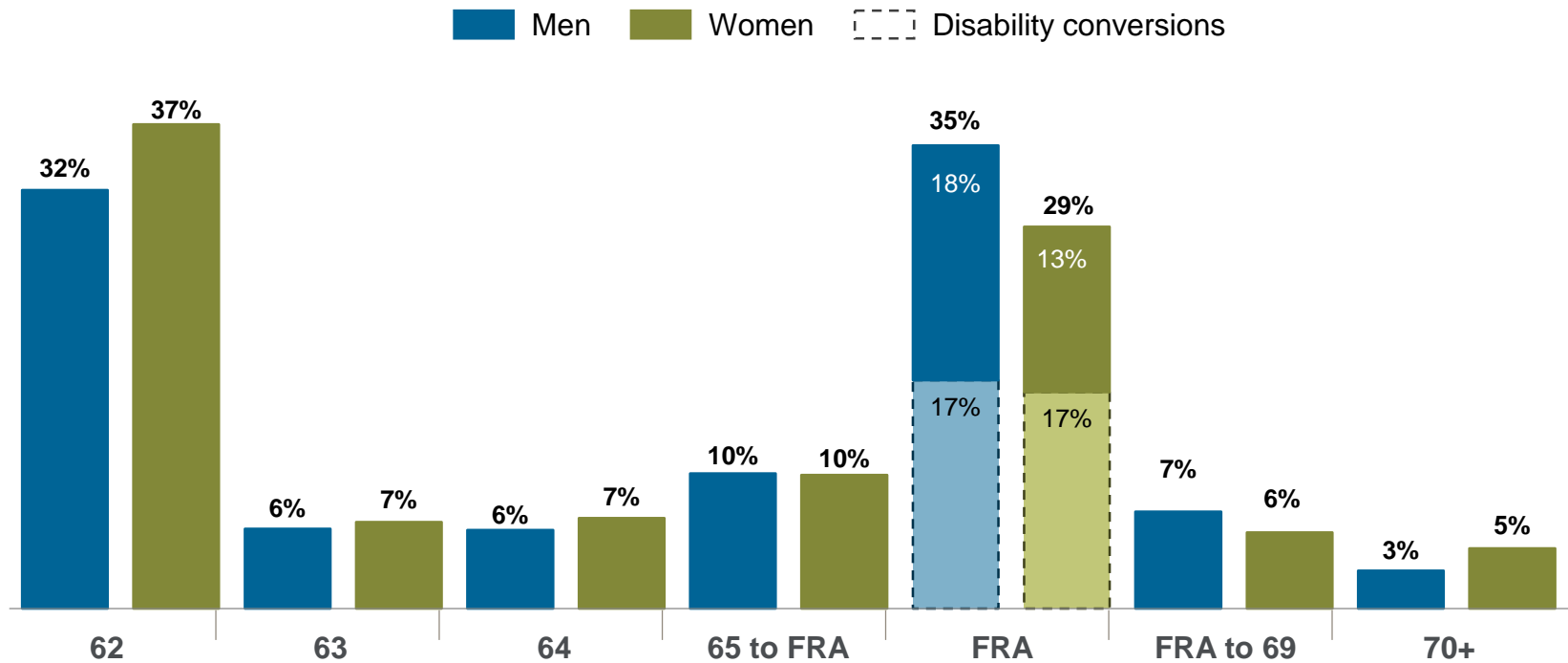
J.P. Morgan

The number of people turning 65-years-old



Source: U.S. Census Bureau, J.P. Morgan Asset Management. The Census graph data does not reflect the full size of the Millennial generation, which would extend out to 2065. The Census estimates the size of the Millennial generation at 83 million.

Social Security claiming rates



For illustrative purposes only.

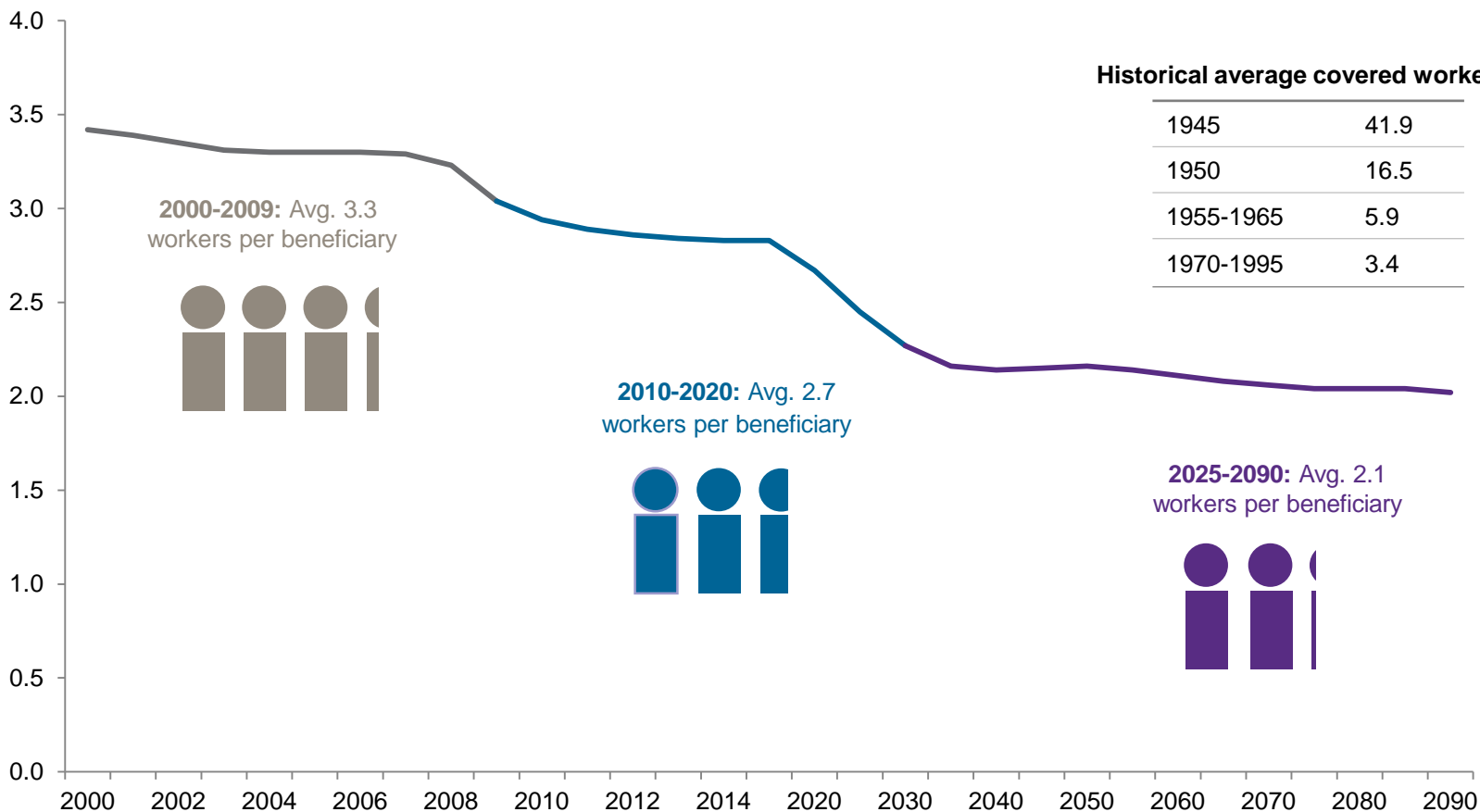
Source: Social Security Administration Annual Statistical Supplement, Table 6.B5.1, 2017, preliminary version as of October 2017. Data is as of 2016. 70+ includes combined data from age ranges of 70-74 and 75+. FRA = Full Retirement Age.

A note on "Disability conversions": Disabled worker benefits automatically convert to retired worker benefits in the month the worker attains FRA. Data may not add to 100% due to rounding.

Funding ratios for Social Security

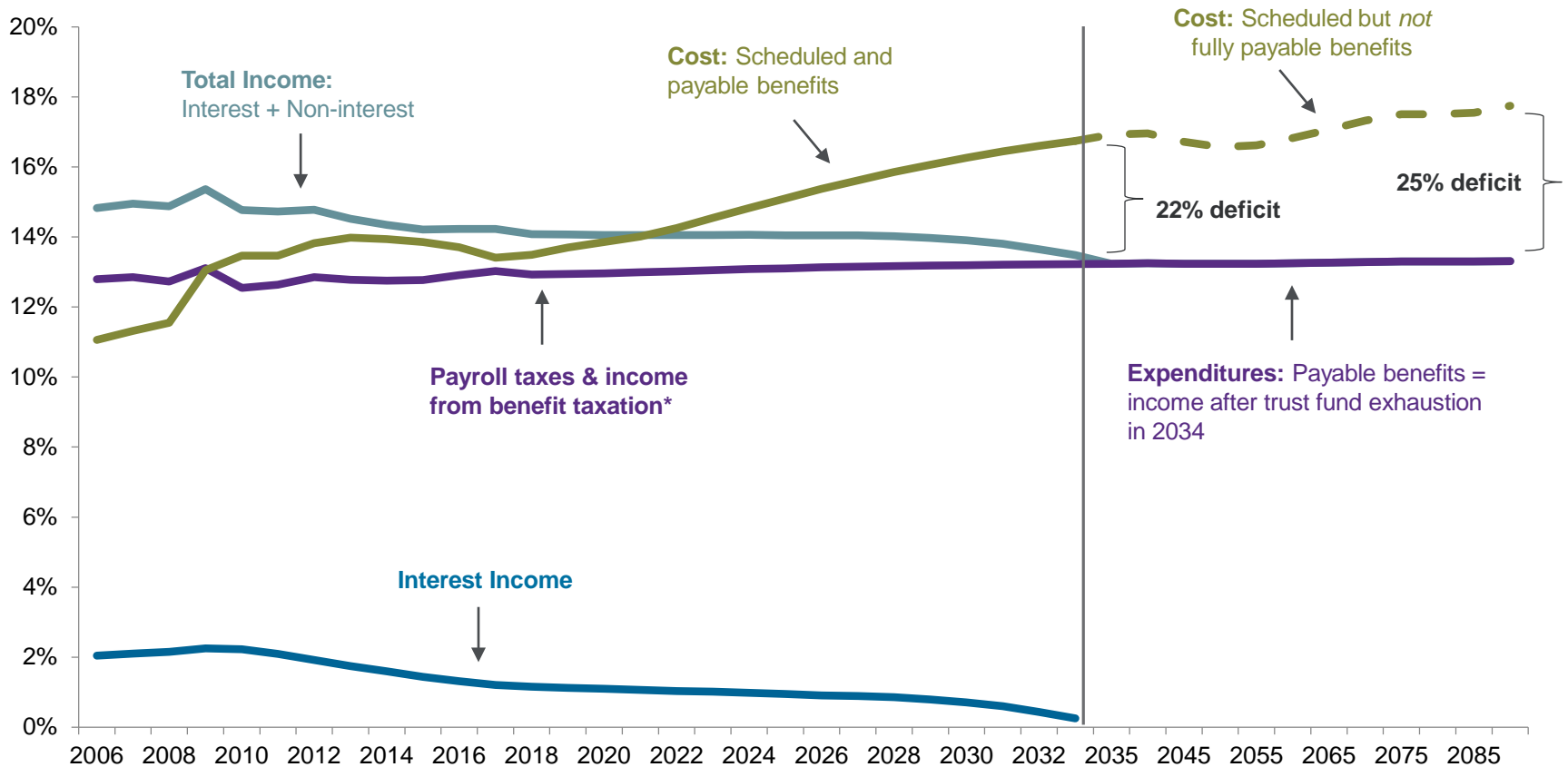
Covered workers per OASDI beneficiary

Under Intermediate Assumptions



OASDI income, cost and expenditures as percentages of taxable payroll

Under Intermediate Assumptions

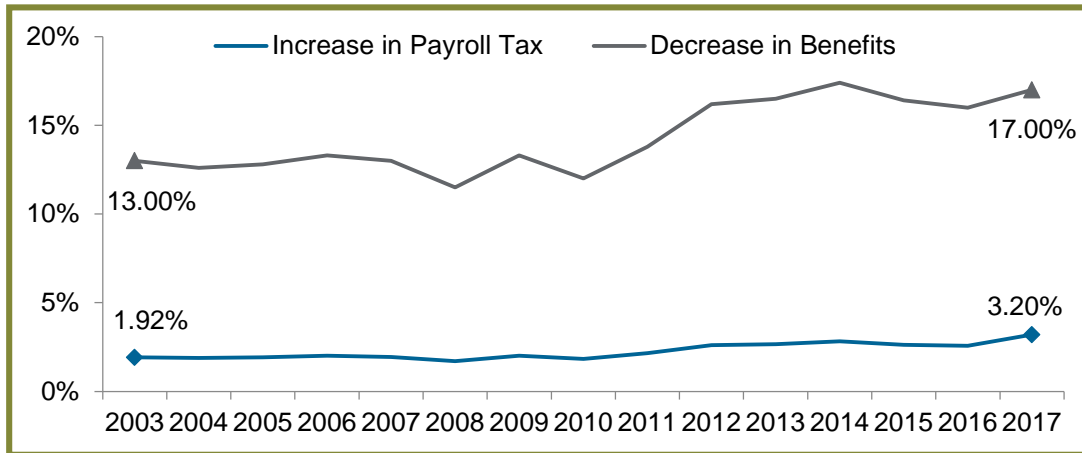


* Net of administrative expenses. A portion of the taxation of Social Security benefits is used to fund Social Security benefits and a portion is used to fund Medicare benefits. Includes reimbursements from the general treasury for temporary payroll tax reductions.

Source: 2017 OASDI Trustees Report, J.P. Morgan Analysis.



The longer we wait, the greater the pain²

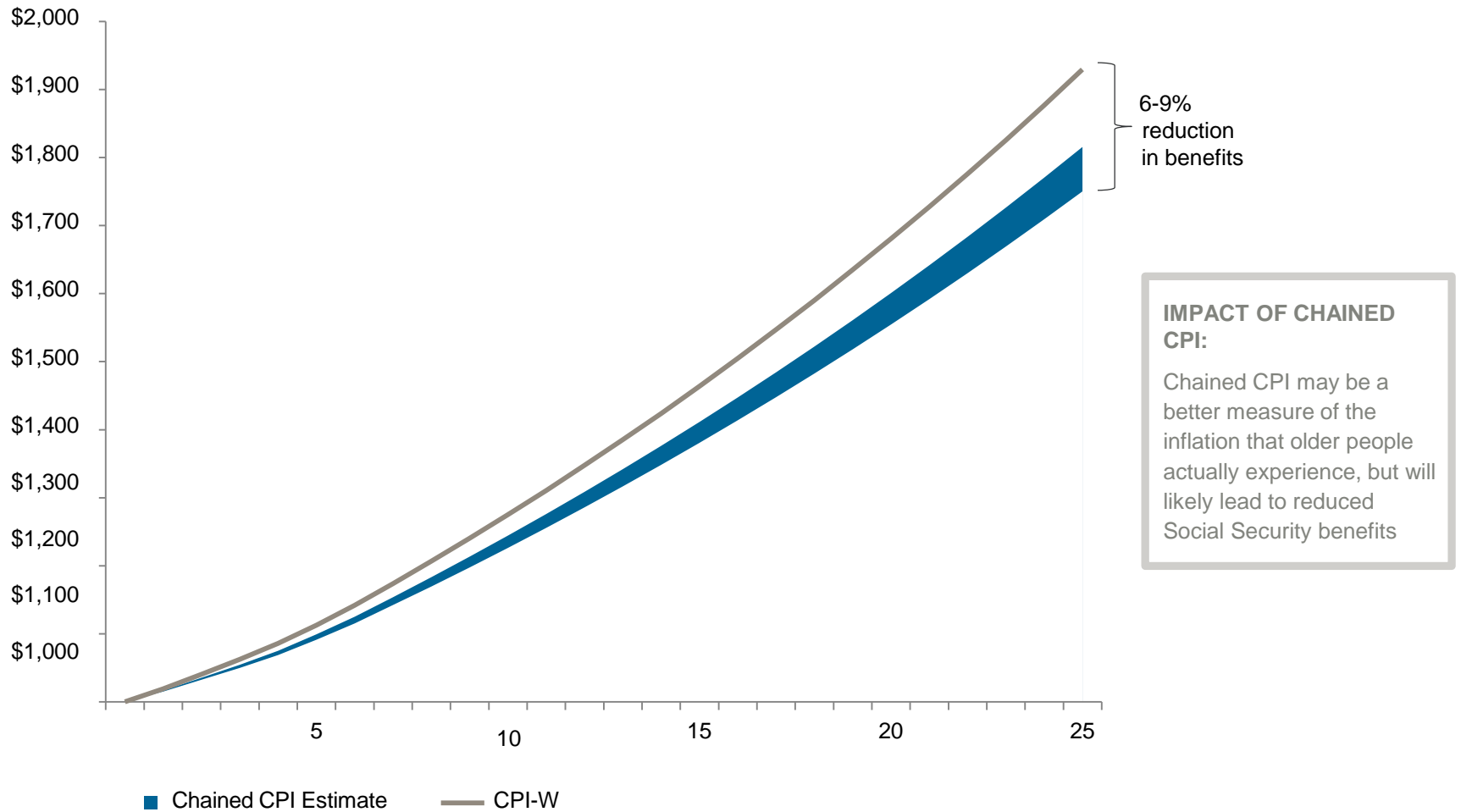


Source: 2003 - 2017 OASDI Trustees Reports.

¹ Reserves represent values at the start of given year

² The increase in payroll tax would bring the trust funds to fully funded for the entire 75-year period. The % value differs from the actuarial deficit value as the actuarial deficit value requires 1 year of SS costs to be retained in reserve.

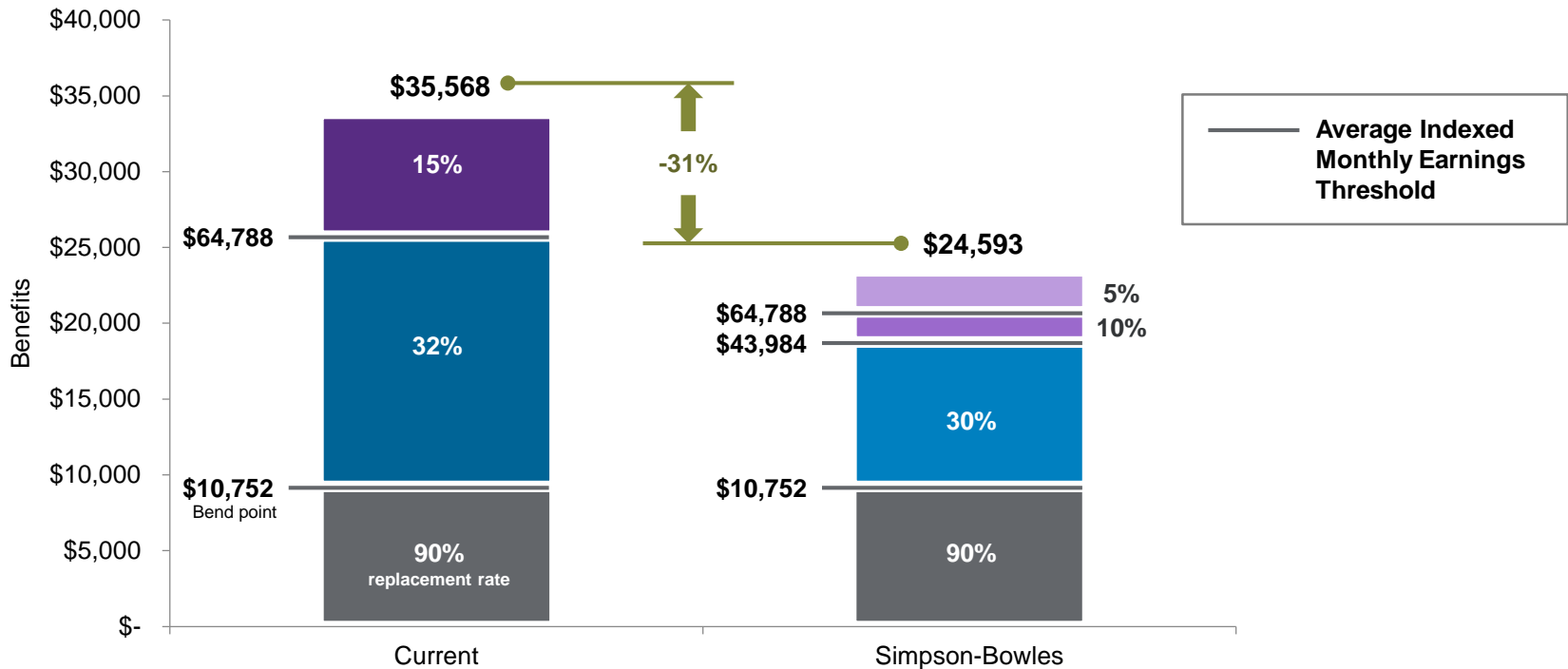
Estimated value of benefit based on CPI-W vs. Chained CPI (estimate based on 0.25-0.4% reduction in COLA)



Source: Social Security Administration. Assumes Social Security COLA projection for CPI-W. COLA reductions of .25% and 0.4% are based on estimates by the Congressional Budget Office (CBO) and J.P. Morgan Asset Management (2013). Shown for illustrative purposes only.

Comparison of 2018 Bend Points to Simpson-Bowles Proposal

Based on 35-year average annualized AIME of \$122,124

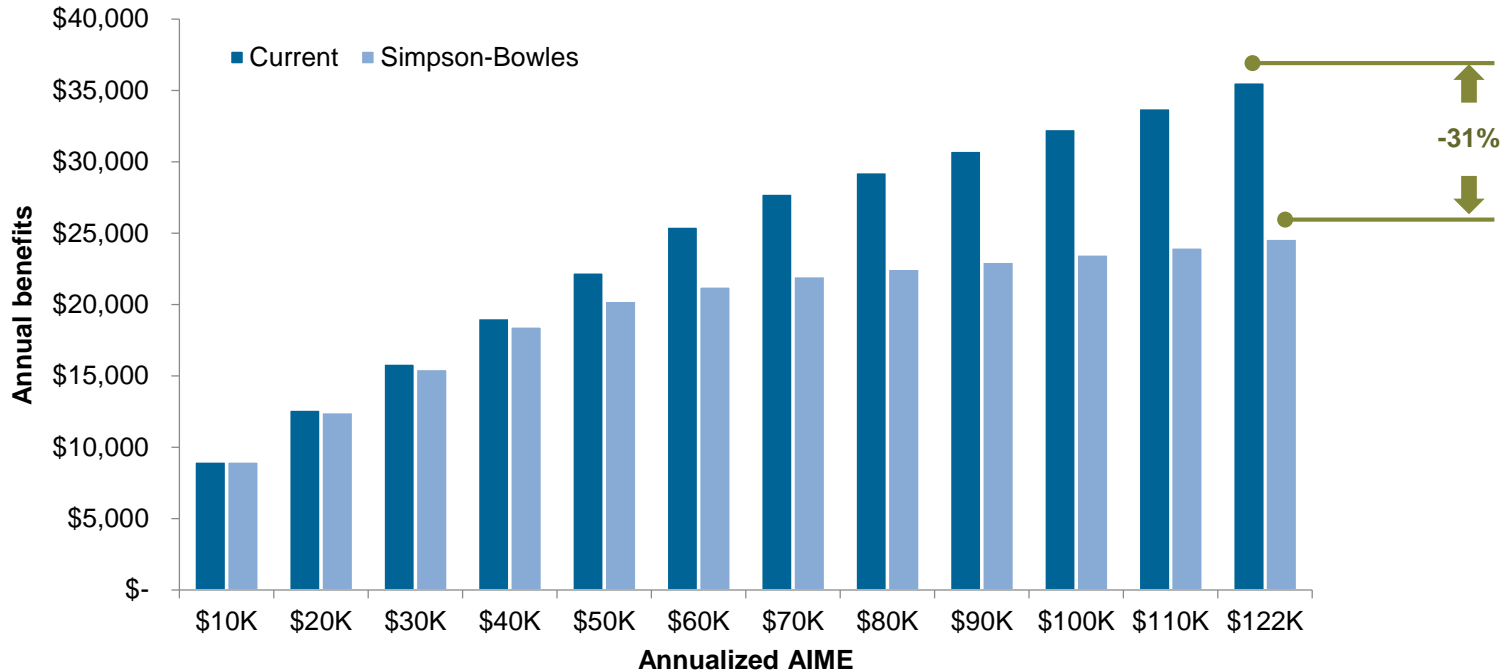


Revised bend point schedule would be phased in gradually

Source: Social Security Administration. Assumes new Simpson-Bowles bend point is 61.5% of the way between current bend points 1 and 2 following the method used by the Social Security Office of the Chief Actuary. \$122,124 annualized AIME is for a person retiring at age 66 in 2022, who earned the maximum taxable amount since age 22. Note bend points are set at age 62, regardless of actual retirement age. Forward looking data points based on forecasted amounts in the 2017 Trustees Report. **Not shown on graph: The Bipartisan Policy Center, Domenici-Rivlin Debt Reduction Task Force Plan 2.0 (Domenici-Rivlin); Dec 2010 suggested replacing the current 15% bend point with a 10% bend point and adding a new 8% bend point, phased in between 2023-2052.**

Comparison of current benefits to Simpson-Bowles Proposal

Based on 35-year average annualized AIME



Revised bend point schedule would be phased in gradually

Source: Social Security Administration. Assumes new Simpson-Bowles bend point is 61.5% of the way between current bend points 1 and 2 following the method used by the Social Security Office of the Chief Actuary. \$122,124 annualized AIME is for a person retiring at age 66 in 2022, who earned the maximum taxable amount since age 22. Note bend points are set at age 62, regardless of actual retirement age. Forward looking data points based on forecasted amounts in the 2017 Trustees Report. **Not shown on graph: The Bipartisan Policy Center, Domenici-Rivlin Debt Reduction Task Force Plan 2.0 (Domenici-Rivlin); Dec 2010 suggested replacing the current 15% bend point with a 10% bend point and adding a new 8% bend point, phased in between 2023-2052.**

J.P. Morgan Asset Management—Index definitions & disclosures

Unless otherwise indicated, all illustrations are shown in U.S. dollars.

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Indexes are unmanaged and an individual cannot invest directly in an index. Index returns do not include fees or expenses.

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This world-renowned index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the S&P 500 Index focuses on the large cap segment of the market, with approximately 75% coverage of U.S. equities, it is also an ideal proxy for the total market. An investor cannot invest directly in an index.

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