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Agenda

- Company Overview
- SWOT Analysis
- Ratio Analysis
- Valuations
- Risk Metric Changes
- Weighting Changes
- Exit Strategy
- Final Vote

The logo for J.P. Morgan, featuring the text "J.P. Morgan" in a white, serif font centered on a dark blue rectangular background.

J.P. Morgan

Company Overview

- JP Morgan Chase is the largest bank in the world
- Founded 1799 and merged with Chase Manhattan in 2000
- Opened a new global headquarters in NYC this year
- They hold \$3.9 trillion in assets worldwide
- They have a presence in over 100 countries and employ more than 300,000 people
- In Q4 2025, they reported revenue up 7% YoY
- SMIF owned since 2016 with an unrealized gain of 456.15%

Upcoming Initiatives

- Launching Security and Resiliency Initiative: 10-year plan to invest in supply chain, defense, energy independence, and frontier technologies in the U.S.
- Chase is becoming the new issuer of the Apple Card
- Reached over 200,000 employees using LLM Suite, which also saved JPM \$2 billion in 2025
- Partnership with Coinbase in July 2025 and rollout of partnership features through 2026

Potential Risks

- At the end of 2025, JPM purchased \$350 billion in treasuries.
- JPM could potentially be lending to volatile lenders which further increases repo risk as suggested by a report in January 2025
- Changes in consumer credit rules
- Drastic changes in interest rates would also pose risks

SWOT Analysis

Strengths

- Largest U.S. bank with diversified revenue streams
- Strong capital, liquidity, and balance sheet stability
- Heavy investment in AI, digital banking, and future tech
- Global brand trust and institutional relationships

Weaknesses

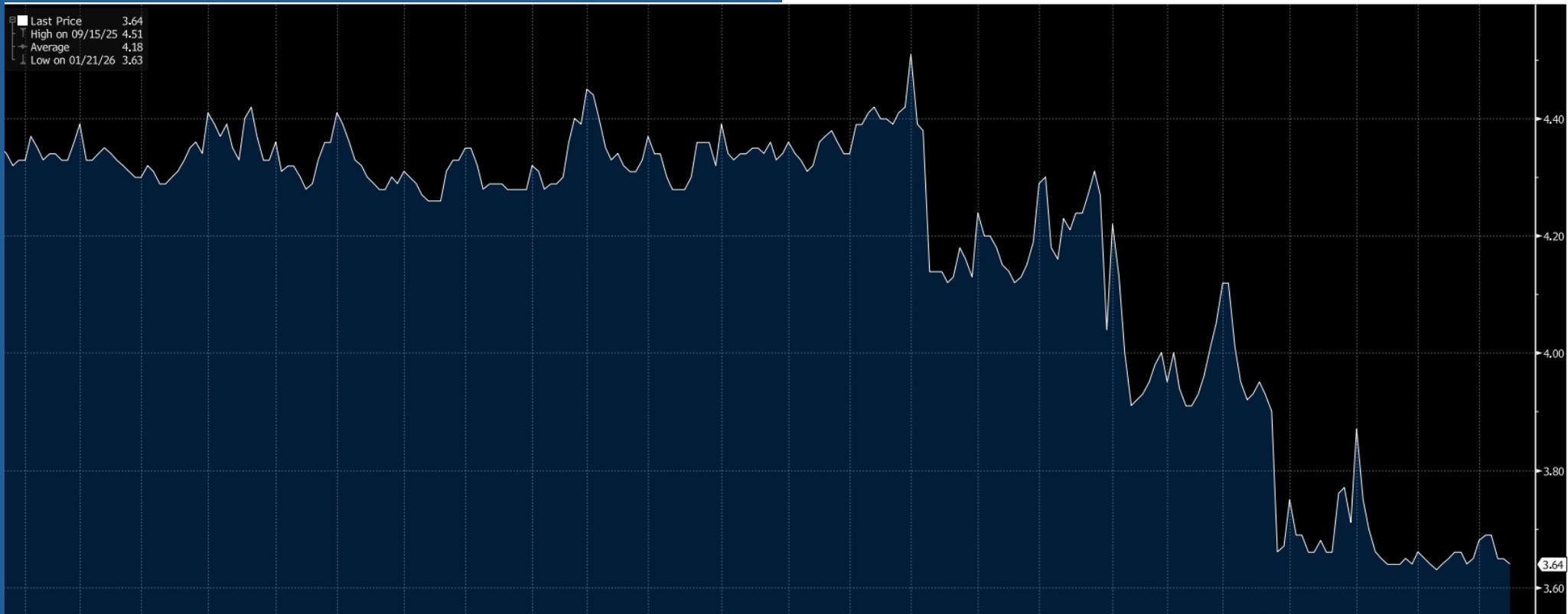
- Exposure to repo-market default and liquidity stress
- High regulation and compliance costs tied to size
- Complex structure that can slow decisions and raise operational risk
- Earnings sensitivity to capital-markets activity

Opportunities

- Expansion into crypto, blockchain, and tokenization services
- AI and automation improving efficiency, fraud detection, and margins
- Continued growth in wealth management and private banking demand

Threats

- Political litigation and reputational risk from external lawsuits (Trump)
- Federal Reserve policy uncertainty and broader economic volatility
- Interest rate risk



Repo Market

- SOFR rates are dropping, assumption is from market expectations for FED rate cuts.
- Losses on profit to loan could prove problematic especially if 10% cap on credit cards is issued
- We are already seeing this with the balance sheet reallocations move toward treasuries and increase in expected cash outflows

JPM vs S&P 500 Historically

Over the past 12 months, JPM has outperformed S&P 500 by 4.81%.



Over the past 5 years, JPM has outperformed S&P 500 by 78.09%.



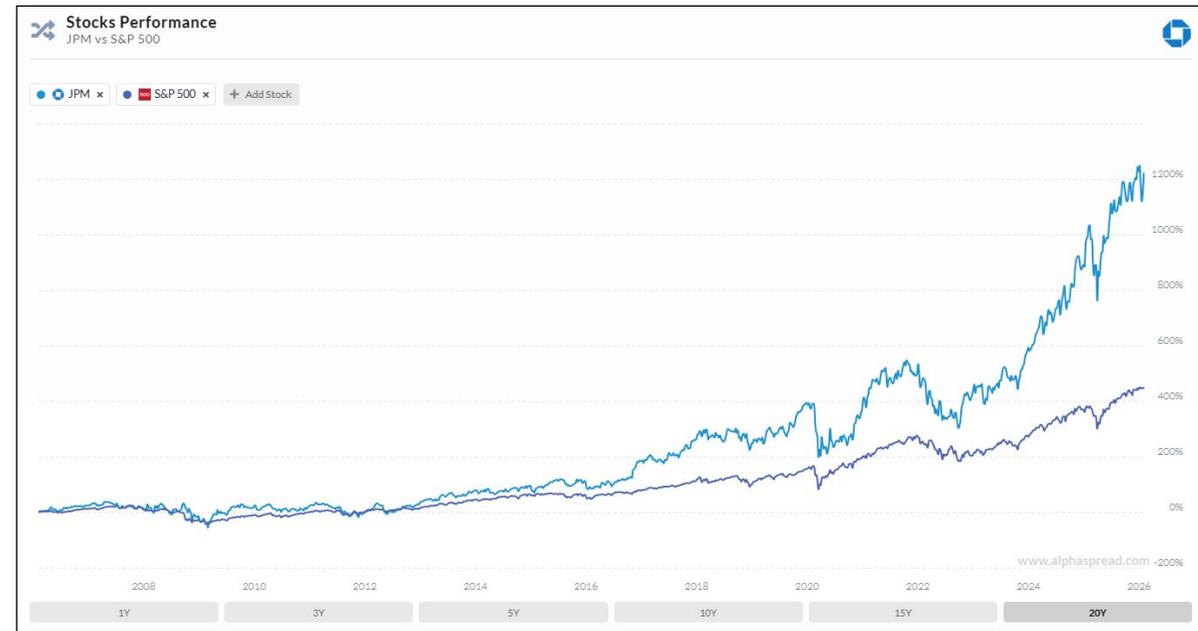
Over the past 10 years, JPM has outperformed S&P 500 by 366.4%.



Over the past 15 years, JPM has outperformed S&P 500 by 511.73%.



Over the past 20 years, JPM has outperformed S&P 500 by 775.22%.



<https://www.alphaspread.com/comparison/nyse/jpm/vs/indx/gspc>

Ratio Analysis

Ratios	JPM	GS
P/B	2.53	2.63
CET1 Ratio	14.1	14.4
Efficiency	64.00%	64.40%
Tier 1 Capital Ratio	16.78%	16.80%
LCR	124%	126%

Valuations

Valuation	JPM
ERP	6.22%
Actual ROE	16.69%
BV/Share	126.99
RF Rate	4.20%
Beta	1.114
Intrinsic Value	\$ 228.91
Price at Market Close 2/6/2026	\$ 322.40

Risk Metric Changes

Before Decision

Sharpe	1.20
Sortino	2.20
Treynor	18.58%
Alpha	5.92%
Beta	1.03
Upside Capture	121.84%
Downside Capture	93.22%
Maximum Drawdown	-21.13%

After Divestment

Sharpe	1.10
Sortino	1.9
Treynor	17.38%
Alpha	4.49%
Beta	0.96
Upside Capture	108.74%
Downside Capture	88.15%
Maximum Drawdown	-24.68%

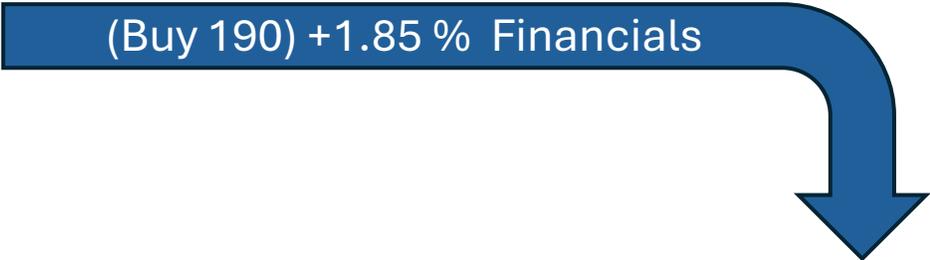
After Investment

Sharpe	1.10
Sortino	1.89
Treynor	17.29%
Alpha	4.43%
Beta	.97
Upside Capture	109.42%
Downside Capture	88.9%
Maximum Drawdown	-25.19%

Portfolio Weighting Changes

Sector	Our Weightings	Benchmark	Over/Under
Communication Services	4.77%	10.77%	Underweight
Consumer Discretionary	15.82%	9.95%	Overweight
Consumer Staples	13.50%	5.15%	Overweight
Energy	8.82%	3.39%	Overweight
Financials	14.42%	12.89%	Overweight
Health Care	5.41%	9.91%	Underweight
Industrials	18.03%	9.05%	Overweight
Technology	22.50%	32.92%	Underweight
Utilities	1.17%	2.21%	Underweight
Materials	0.00%	1.98%	Underweight
Real Estate	0.00%	1.78%	Underweight

(Buy 190) +1.85 % Financials



Sector	Our Weightings	Benchmark	Over/Under
Communication Services	4.66%	10.77%	Underweight
Consumer Discretionary	15.48%	9.95%	Overweight
Consumer Staples	13.20%	5.15%	Overweight
Energy	8.62%	3.39%	Overweight
Financials	16.27%	12.89%	Overweight
Health Care	5.30%	9.91%	Underweight
Industrials	17.64%	9.05%	Overweight
Technology	22.02%	32.92%	Underweight
Utilities	1.14%	2.21%	Underweight
Materials	0.00%	1.98%	Underweight
Real Estate	0.00%	1.78%	Underweight

-2.58% Financials

(Sell 250)



Sector	Our Weightings	Benchmark	Over/Under
Communication Services	4.91%	10.77%	Underweight
Consumer Discretionary	16.30%	9.95%	Overweight
Consumer Staples	13.90%	5.15%	Overweight
Energy	9.08%	3.39%	Overweight
Financials	11.84%	12.89%	Underweight
Health Care	5.58%	9.91%	Underweight
Industrials	18.58%	9.05%	Overweight
Technology	23.18%	32.92%	Underweight
Utilities	1.20%	2.21%	Underweight
Materials	0.00%	1.98%	Underweight
Real Estate	0.00%	1.78%	Underweight

Exit Strategy

- Holding leaves an unrealized gain of 456.15%
- If we choose to buy more, the numbers to reevaluate at are:

Upside: \$370.76 (15%)

Downside: \$274.04 (15%)

Final Decision / Vote

- Sell 250 shares
- \$66,107.50 profit

- Buy 190 Shares
- \$61,256.00

JPM Pitch

