J.P.Morgan

PRIVATE BANK

The Risks and Rewards of a Concentrated Stock Position

Europe Edition

There are many ways to build wealth. It might be earned by an entrepreneur or business owner, accrued by an executive, passed down through an inheritance, or accumulated through a well-timed investment.

Michael Cembalest's influential paper *The Agony & the Ecstasy* (updated most recently in 2021), explored the risks and rewards of concentrated wealth for U.S. investors, presenting a range of diversification strategies that families can deploy. Building on this work, we broaden the scope to Europe. In this paper, we aim to quantify the risks of concentrated stock positions (through an example of the U.K. stock market), highlight several case studies of business failure in Europe, and examine strategies to manage concentrated portfolio risk.[1]

A study of concentrated portfolio risks

From fashion to fintech, Europe's industries have created great fortunes. Yet, the growth of this wealth has not come without risks. Core to the story of competition and success has been creative destruction. As industries evolve and change, some firms have adapted and thrived, while others have struggled to survive. New and innovative businesses have disrupted or displaced incumbents.

These experiences, both positive and negative, may be magnified by the level of concentration an investor holds in a specific company. While one investor might experience the thrill of rapid wealth creation, another could confront the pain of wealth erosion.

In short, while concentrated stock positions can create substantial wealth, they also come with a high probability of dramatic losses that can potentially derail the financial future you envision for you and your family.

In 2022, we saw how macro challenges can add layers of complexity to managing concentrated risk. Investors have grappled with heightened market volatility amid an energy crisis fueled by the war in Ukraine, elevated inflation, faltering growth and rapidly tightening monetary conditions—a stark departure from the stable economic conditions and easy money of recent years. While 2022 was one of the worst years in decades for both stocks and bonds, over the long term, diversification can help deliver stronger portfolio returns.

[1] A concentrated position refers to a situation in which an investor holds a significant portion of their portfolio in one single investment, typically a stock.

An example of the U.K. stock market

How likely is it to invest in a "losing" company? History suggests the risks are high. Here, we take the example of the U.K. stock market, analyzing all historical constituents in the FTSE All-Share ex-Investment Trusts Index from January 1986 through October 2022 (as far back as data is publicly available).

Just over 40% of all companies that were ever traded in the index experienced a "catastrophic price loss" where the stock declined 70% or more from peak levels and has not since recovered. In all sectors but utilities, 20% or more of each sector's index constituents experienced catastrophic loss. In the technology-enabled and consumer discretionary sectors, upended by disruption, pain has been especially acute.

Further, a substantial majority (83%) of stocks experiencing catastrophic loss tend to be smaller companies, a pertinent point for business owners and executives.

As another way to think about concentration risk, consider how often an investor would have been better off owning cash, or the broader market, instead of the concentrated position. Based on our historical analysis, **a concentrated position in a single stock would have experienced negative absolute returns roughly 40% of the time,** underperforming a simple investment in cash. And around 60% of the time, a concentrated position in a single stock would have underperformed a diversified position in the FTSE All-Share Index ex-Investment Trusts Index.

Rarely can a stock come out on top—and then stay there. While the most successful companies generated massive wealth over the long run, only 11% of all stocks in the index since 1986 met the definition of "mega winners," defined as outperforming the index by over 500%.

Analysis of the FTSE All-Share ex-Investment Trusts Index, 1986–2022

Sector	% of stocks experiencing catastrophic loss	% of stocks experiencing negative absolute return	% of stocks experiencing negative excess returns vs Index	% of stocks defined as mega winners
All	**42%**	**41%**	**61%**	**11%**
Information Technology	66%	53%	65%	8%
Energy	49%	49%	67%	6%
Consumer Discretionary	48%	48%	67%	8%
Health Care	44%	45%	60%	11%
Communication Services	43%	37%	55%	15%
Real Estate	40%	50%	69%	8%
Industrials	37%	33%	58%	13%
Materials	36%	35%	63%	10%
Financials	35%	43%	61%	11%
Consumer Staples	27%	27%	57%	14%
Utilities	10%	7%	19%	12%

Source: FactSet, Bloomberg Finance L.P., London Stock Exchange, J.P. Morgan Private Bank. Data as of October 2022.

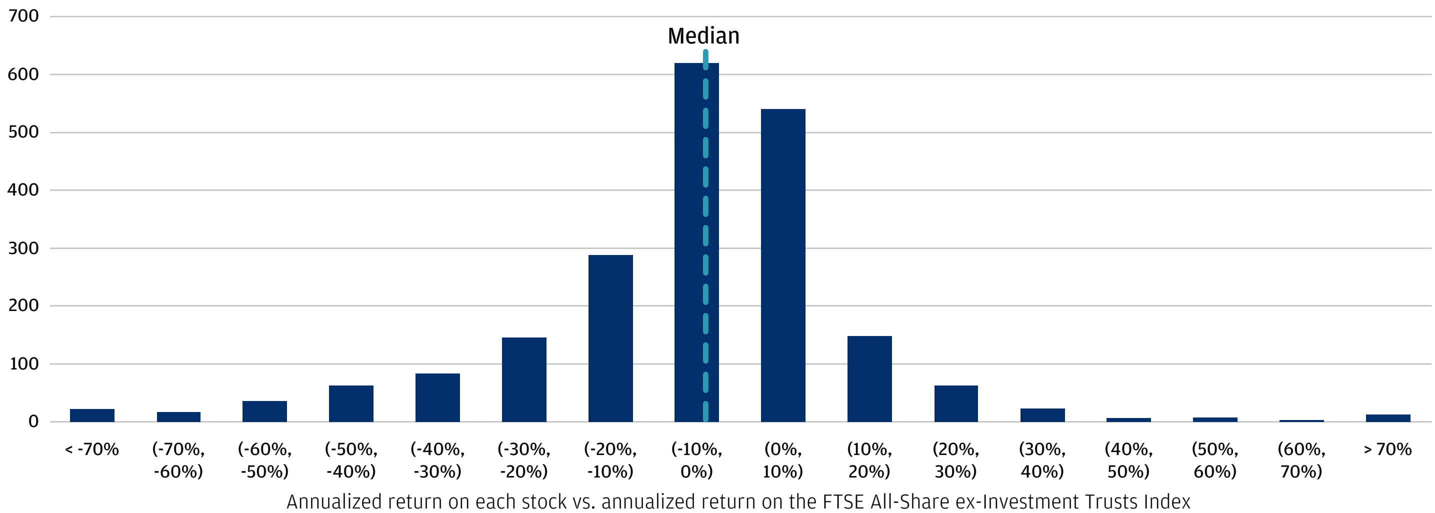
Market cap at high	% of market cap threshold experiencing catastrophic loss	% share of total stocks experiencing catastrophic loss
Small	44%	83%
Mid	31%	12%
Large	32%	4%

Source: FactSet, J.P. Morgan Private Bank. Data as of October 2022.
Note: Large >$10bn, Small <$2b, Mid between; ~13 companies with inaccessible market value data.

Here's another visualization. The winners have generated enormous excess returns, but the median stock has underperformed the FTSE All-Share ex-Investment Trusts Index.[2]

Distribution of excess lifetime returns on individual stocks vs. FTSE All-Share ex-Investment Trusts Index, 1986-2022

Number of stocks



Source: FactSet, J.P. Morgan Private Bank. Data as of October 2022.

Finally, stocks with catastrophic losses experienced their declines over many years. In our analysis, it took on average around five years for these stocks' share prices to fall from their highs to their lows—demonstrating that the experience of wealth erosion can be a long, painful process.

A review of business failure in Europe

What causes a business to fail?

Hindsight is 20/20. The causes of most catastrophic losses may appear obvious after the fact. Yet, at the height of a company's success, many involved—either direct participants such as management, boards of directors and employees, or external observers such as stock analysts and credit rating agencies—are lulled into believing the strong returns of the past will persist. But in most instances, the cause of business failure tends to be out of management's control: government policy changes, regulation, commodity price risks, foreign competition, technological innovation, fraud or changes in consumer behavior.

We see these dynamics at play in our study of business failures in broader Europe over the last several decades. The ones we selected from among hundreds of cases illustrate the different causes of substantial and lasting stock price loss. The narratives we present here reflect what we perceive to be the primary causal factors of business failure; other explanations may be just as plausible.

[2] Similar results emerge in Michael Cembalest's study of the U.S. stock market. From 1980 to 2020, 44% of stocks in the Russell 3000 Index experienced catastrophic loss, 42% experienced negative absolute returns, 66% experienced negative excess returns versus the Russell 3000 Index, and 10% were defined as "mega winners."

Shop ’til you drop

Even before the pandemic, high street shopping was going out of vogue. Many failing retailers continued to focus on in-store experiences over the growth of e-commerce (in the United Kingdom, online sales reached a peak of 30% of overall retail sales during the pandemic, before settling at 25% today—still higher than the pre-pandemic figure of 21%).[3] Others failed to acknowledge that consumers were looking for good discounts with fast fashion. By the time these companies realized the crowd had shifted, they faced other problems, and it was too late to course correct.

Today another evolution is underway. After driving big brick-and-mortar retailers out of the market, fast fashion is starting to go out of fashion with the rise of an eco-conscious consumer and a focus on corporations’ carbon footprints.

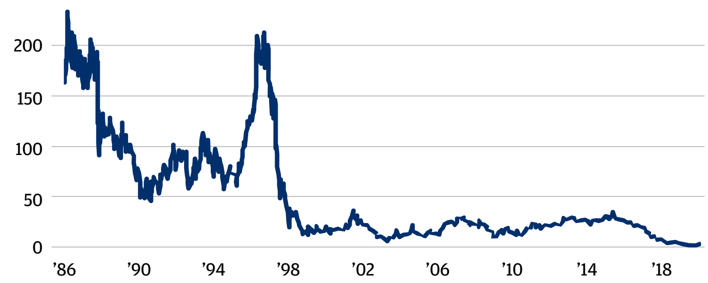
DEBENHAMS: slow to shift online and adapt new trends, a credit squeeze amid ambitious expansion

GBp

Source: FactSet. Data as of May 2019. GBp is £0.01.

LAURA ASHLEY: faltering brand identity, disruption as consumers moved online, COVID victim

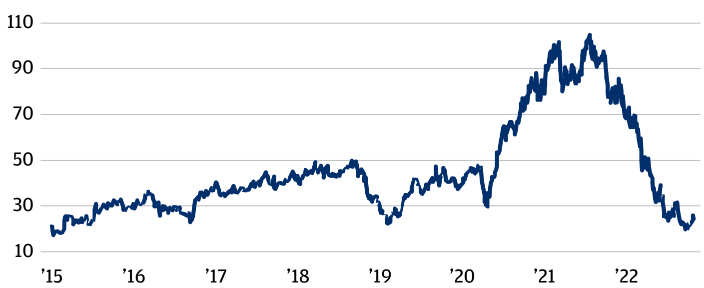
GBp



Source: FactSet. Data as of March 2020. GBp is £0.01.

ZALANDO: when the pandemic e-commerce boom loses steam

EUR



Source: FactSet. Data as of October 2022.

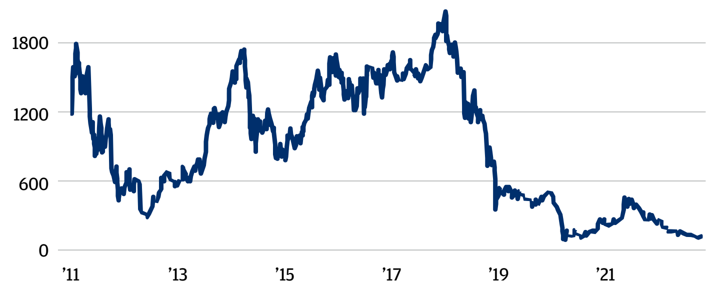
ASOS: warehouse wobbles and capex heavy amid global expansion push, supply chain struggles post-Brexit and COVID

GBp

Source: FactSet. Data as of October 2022. GBp is £0.01.

SUPERDRY: bold branding lost momentum as fashion trends evolved and consumers shifted online

GBp



Source: FactSet. Data as of October 2022. GBp is £0.01.

[3] Source: Office for National Statistics as of October 2022.

Lacking fiber

Among collapsing European businesses, telecommunications companies have been some of the hardest hit. Many failed to innovate, unlike rivals who identified promising opportunities. For example, messaging apps such as WhatsApp lured away SMS (text messaging) revenues, and app developers monetized the 4G revolution when telcos couldn't. Telcos also struggled to identify other key growth opportunities, such as content creation (Netflix) and video communication (Zoom).

In addition, regulation in the mid-2000s slashed industry revenues, upfront capex burdened balance sheets, and leverage ballooned amid high dividend payouts. Some of these pressure points are beginning to dissipate, but returns are still broadly below the cost of capital.

TELEFONICA: balance sheet struggles amid currency fluctuations, dividend overextension

EUR

Source: FactSet. Data as of October 2022.

NOKIA: late to adapt to the smartphone revolution, disruption from other big players

EUR

Source: FactSet. Data as of October 2022.

Financial scars

Some cuts are just too deep, as many European banks can attest. Hit in quick succession by the global financial crisis (GFC) and eurozone sovereign debt crisis, required to restructure under the weight of new regulations, and more recently forced to play catchup to fintech—no wonder many European banks have suffered material losses. As they look ahead, many banks are now investing heavily in technology and restructuring away from branches to cut down on costs and recapture consumer market share. Those seem like sensible strategies—but will they be enough?

BARCLAYS: GFC overhang, litigation forces out products, and fintech disruption

GBp

Source: FactSet. Data as of October 2022. GBp is £0.01.

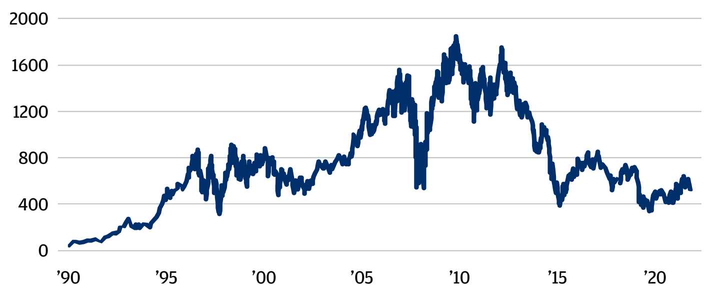
LLOYDS BANK: another UK bank, same story

GBp

Source: FactSet. Data as of October 2022. GBp is £0.01.

STANDARD CHARTERED: commodity swings, competition outside of core Asian franchises

GBp



Source: FactSet. Data as of October 2022. GBp is £0.01.

SOCIETE GENERALE: regulation, market stress, and geopolitics

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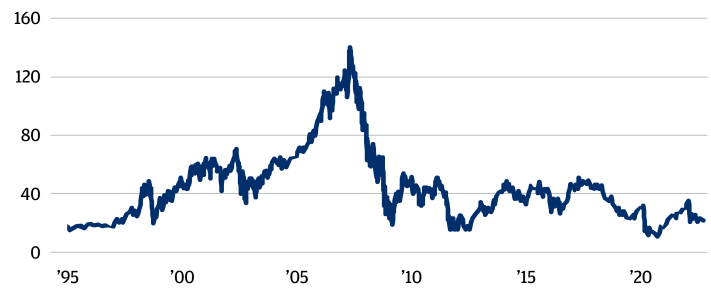

Sources: FactSet. Data as of October 2022.

COMMERZBANK: GFC losses, negative interest rate policy difficulties amid a fragmented German banking market

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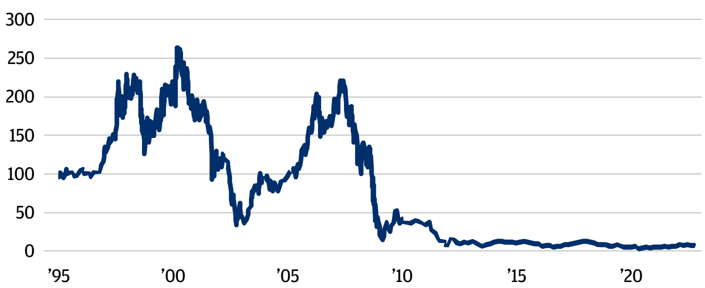

Source: FactSet. Data as of October 2022.

BANKIA: beleaguered IPO in aftermath of Spanish banking crisis, negative interest rate policy pressure

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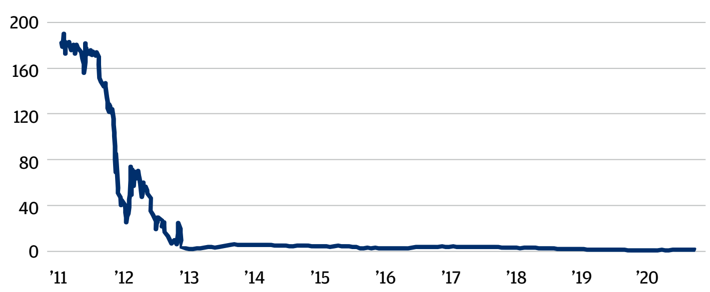


Sources: FactSet. Data as of March 2021.

Lights out

Catastrophic losses have been less common in utilities than in other sectors, but the 2022 energy crisis led to the collapse of a handful of power suppliers. More failures seem likely over the next few years. But even before this crisis, utilities providers faced pressure from government intervention and regulatory policies, intense competition from rivals, and of course, the boom and bust of commodity cycles.

EDF: hopes for regulatory reform fell short of expectations, commodity price fluctuations, high debt

EUR

Source: FactSet. Data as of October 2022.

CENTRICA: balance sheet stress amid intense supply market competition and government regulation

GBp

Source: FactSet. Data as of October 2022. GBp is £0.01.

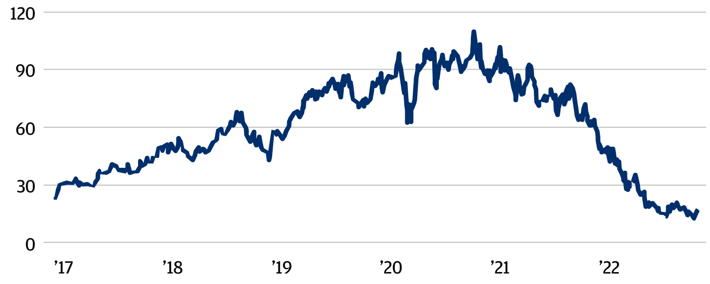
Food fight

Food retailers have also struggled with the disruption caused by online shopping, even as e-grocery sales have grown. Companies that moved into non-food discretionary items have been under particular pressure in 2022 as a cost-of-living crisis squeezes consumers. Complexity surrounding Brexit also forced store closures in several cases.

Even those earlier-stage, growth-oriented food retailers that moved online early have struggled in the face of falling consumer budgets and higher interest rates.

JUST EAT TAKEAWAY: meal delivery craze cooldown, fierce competition

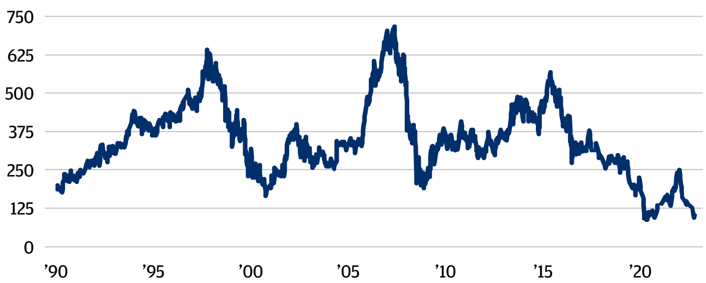
EUR



Source: FactSet. Data as of October 2022.

MARKS & SPENCER: broader retailer decline, disruption from online rivals, Brexit complexities

GBp



Source: FactSet. Data as of October 2022. GBp is £0.01.

OCADO: re-opening as shoppers return in-stores, increasing costs pinch consumers, high debt

GBp

Source: FactSet. Data as of October 2022. GBp is £0.01.

Across a wide range of sectors, business failures have led to catastrophic price losses. In all the narratives, one theme is inescapable: While concentrated positions from well-timed investments or successful business ventures may drive substantial wealth creation, overexposure can also increase the probability of significant losses.

Today's winners may not be tomorrow's winners—a dynamic that can dramatically complicate how a concentrated stock investor plans for the future.

Managing a concentrated portfolio: Diversification and hedging strategies

However a position is acquired, it leads to outsized, idiosyncratic risks when it represents a concentrated position in a portfolio. While the position may have created great wealth, it increases the probability of dramatic losses and reduces the certainty of financial plans.

Many investment and wealth planning strategies are designed to help investors manage a concentrated position. These strategies seek to allow the investor to de-risk, access capital from and/or diversify the position. Investors often select a combination of customized strategies to optimize for their investment views, personal financial goals, the transaction costs or market impacts, tax circumstances, as well as legal and regulatory implications.

We focus on three approaches to managing concentrated positions: sell, monetize and hedge.

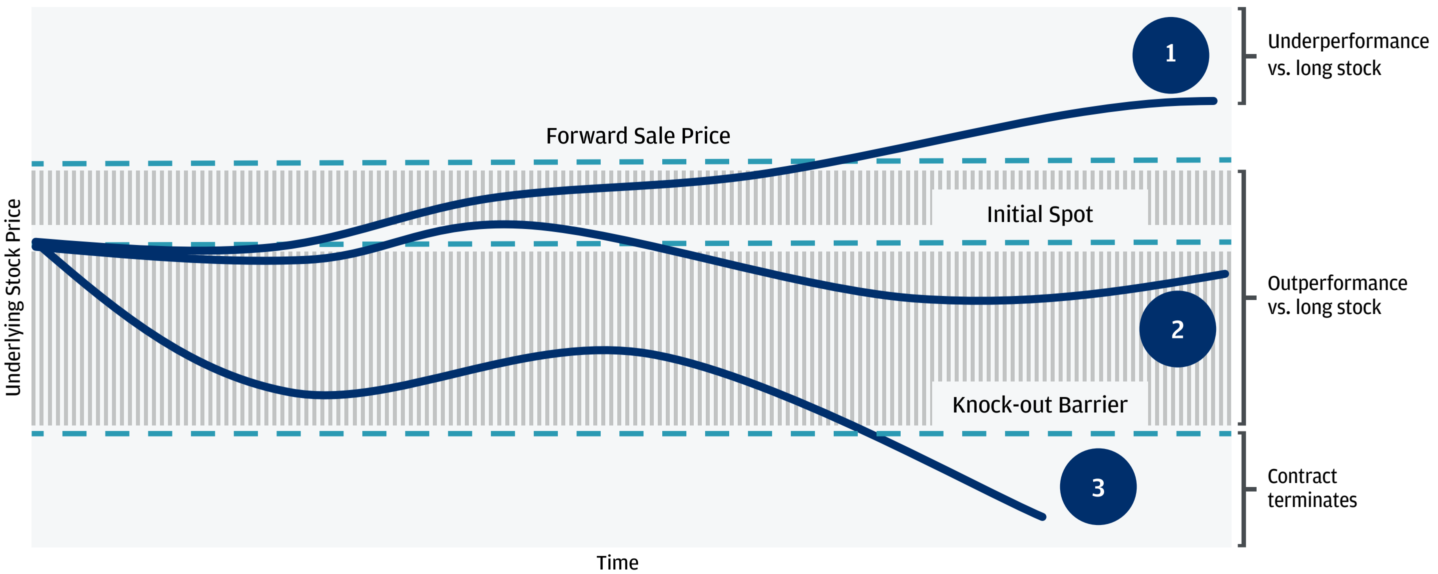
Sell the position

An outright sale is the most direct path to mitigating the idiosyncratic risks of a concentrated stock position. Sales strategies come in many shapes and sizes. Most are trade-offs between price and speed of execution.

Staged selling

Staged selling involves creating a plan that details the quantity of shares to sell, the timeframe and qualifying price levels. The main benefit is that it may mitigate the downward pressure of selling a large position. It also helps deal with the challenge of predicting the best time to make a sale. Investors can also consider which shares will be sold; they may prefer to sell stock that has appreciated less first to mitigate taxes. "Transaction cost analysis," measuring the price impact of each sale in the market, can be helpful. Investors should consider volume limits when trading to avoid inadvertently affecting the stock price. The best plans are well defined and committed, but also retain enough flexibility to adapt to unforeseen price swings or unplanned liquidity needs.

Staged selling can help mitigate the downward pressure of selling a large position



Source: J.P. Morgan Private Bank. **FOR ILLUSTRATIVE PURPOSES ONLY.** Strategy underperforms when the stock price rises above the forward price. Strategy outperforms when the stock price trades between the forward price and the knock-out barrier. Strategy terminates when the stock price trades below the knock-out barrier.

Executives, board members, large shareholders, and certain other insiders of U.S.-listed companies may utilize a format of a staged selling strategy referred to as a 10b5-1 plan. It is established by the insider and approved by the company when the insider/seller has no material non-public information. This phased, pre-programmed plan specifies when and how much stock may be sold, and at what price (market or limit pricing). The plan may be far less flexible than a conventional selling strategy.

Once a 10b5-1 plan is established, trades are executed within the plan at some point in the future, regardless of whether the insider/seller has material non-public information at time of trade. The insider/seller should have no further influence over the transactions under the plan. There is a somewhat similar construct for executives and certain insiders in some international securities which can replicate the 10b5-1 plan that is used in the United States.

Premium stock sales

Premium stock sales allow an investor to sell shares at an agreed premium to the average price of a stock traded over a predetermined period. This strategy may be effective for investors who are looking to dispose of their shares in multiple transactions. While the approach can smooth out sharp price movements over time, it does introduce market timing risk.

Block trades

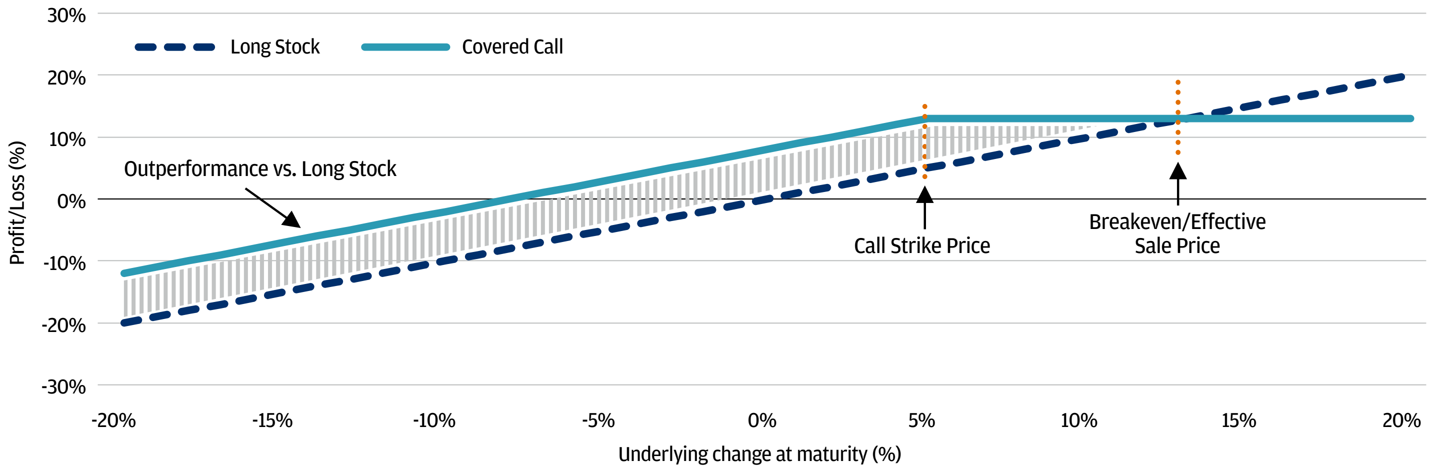
Block trades allow an investor to sell a large portion of shares quickly in the marketplace. This strategy may be effective for investors selling very large positions or significant stakes in companies with limited trading volume. One drawback: block trades are usually conducted at a discount to the last market price.

Covered call options

Covered call options allow an investor to sell shares while collecting an upfront premium. Some investors think of this like being paid to leave their stock position. An investor sets an exit (strike) price, typically above the current market price, at a predetermined date in the future. If the stock rises above the strike price, the buyer can exercise the option and receive the shares at the strike price. The seller keeps the premium whether the option is exercised or not.

Covered calls (call overwriting) may be appropriate for a client that is seeking income, is neutral to moderately bullish, and/or has a defined target sale price

Illustrative potential payout profile



Source: J.P. Morgan Private Bank. **FOR ILLUSTRATIVE PURPOSES ONLY**. Potential return on stock appreciation is capped at the call strike price. Client has downside exposure beyond premium collected. Shares are pledged as collateral for the duration of the strategy. OTC options are European-style options which are exercisable only at maturity. If unwound early, the payout may vary from expected payout at maturity.

Note: This information is intended to be a high level overview of potential hedging strategies that can be executed through OTC options to achieve specific goals. These strategies may not be suitable for all investors. This is not intended as an offer or solicitation for the purchase or sale of any financial instrument. In discussion of options and option strategies, results and risks are based solely on the hypothetical examples cited; actual results and risks will vary depending on specific circumstances. Investors are urged to consider carefully whether option or option-related products in general, are suitable to their needs. For a complete discussion of risks associated with any investment, please review offering documents and speak with your investment specialists. These are hypothetical examples to illustrate potential strategies outlined.

Target price selling strategies

Target price selling strategies (TPSS), also known as “decumulators,” may be useful for a client that has an exit price in mind at a higher price. This sophisticated instrument allows the investor to lock into a series of daily sales at a predetermined target price, which is usually 5%–15% above the current price. Each day, the client will sell an equal portion of shares at the target price. If the stock appreciates above the target price, the investor is locked in to sell and forgoes the opportunity to sell the shares for more. The strategy includes a knock-out provision if the stock declines below a certain price and could be “knocked out” early, no additional shares will be sold.

Private company sales

Private company sales allow an investor to dispossess shares in a company that has not yet gone public but has grown considerably in size. As new laws around the world made it easier for companies to remain private longer, the size of private, venture-backed companies is approaching USD2 trillion compared with USD25 billion just 15 years ago. Increasingly private companies have permitted transfers of stock for certain shareholders. The private markets remain less liquid than public markets, but may be a viable alternative for an investor that is extremely concentrated in a private company.

Of course, **taxes** are the most cited rationale for holding a concentrated position. Selling a position creates a one-time tax payment on unrealized gains. This creates “tax drag” in the portfolio since the investor will have fewer dollars in the market working towards her financial goals. There are various planning and investment strategies aimed at helping investors mitigate the impact of taxes by providing de-risking, monetization or diversification without triggering an immediate taxable event.

Monetize the position

These strategies allow a client to access the value of the concentrated position without selling it. They can generate liquidity for diversification, charitable or lifestyle goals.

Principal Installment Stock Monetization strategies

Principal Installment Stock Monetization (PrISM) strategies, also commonly referred as “Prepaid Collars” or “Prepaid Variable Forwards,” combine a hedge with an upfront cash advance on the hedged position. This nonrecourse cash advance can be used for a variety of purposes. The investor also has the benefit of de-risking since the advance can be fully repaid by the shares in the strategy regardless of the stock price at expiration. The investor may forgo upside appreciation in the shares if the stock rises above a defined upside participation limit.

Security-based lines of credit

Security-based lines of credit allow an investor to pledge her concentrated position as collateral in a lending facility. Strategies like this allow the investor to access capital without selling shares. Investors should be mindful that borrowing will actually increase the risk of the portfolio and could create situations where the client must sell declining shares to meet collateral requirements.

Hedge and borrow

Hedge and borrow strategies can combine hedging strategies like protective puts and collars (discussed in the next section) to stabilize collateral. Since the collateral is protected at a minimum value, a lender may offer higher levels of liquidity and lower costs than a traditional security-based line of credit. The strategy has the added benefit of mitigating the risk of having to sell shares if they decline to meet collateral requirements.

Hedge the position

Hedging allows an investor to protect against downside risk in the stock position without selling the position. By retaining the position, the investor will continue to receive dividends and maintain voting rights. Importantly, most hedges can be structured in a manner that does not create a taxable event, thus allowing an investor to avoid "tax drag" and leaving pre-tax dollars to compound in the investment. These are bespoke transactions, tailored to meet the investor's specific requirements in terms of size, disclosure and accounting implications when the stock position represents a significant percentage of a company.

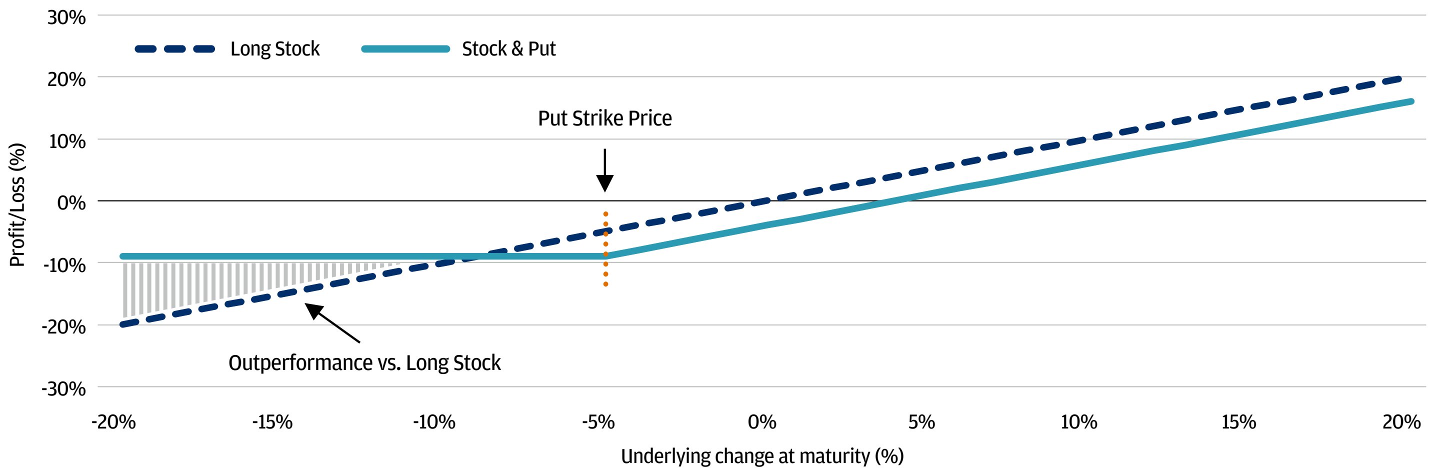
Protective puts

Protective puts are a common way to protect against downside risk. The buyer of a put option pays a premium upfront for the right to sell the stock at a predetermined "strike" price on or before the expiration date. The strategy is often compared to insurance since losses below the strike price are guaranteed by the counterparty of the trade. Like insurance, buying put options can become expensive since the buyer will lose the entire premium if the option is not exercised.

The expiration date and strike price of a protective put is more art than a science. Longer options are more expensive than shorter options since the protection lasts longer. Options with higher strikes are like insurance contracts with smaller deductibles. They protect a larger portion of the position but are more expensive.

Protective puts are often used by clients looking to protect a long equity position and are willing to pay for that protection

Illustrative potential payout profile



Source: J.P. Morgan Private Bank. **FOR ILLUSTRATIVE PURPOSES ONLY.** Stock price at maturity must be lower than the put strike price by the amount of the premium for the client to breakeven. OTC options are typically European-style options which expire at maturity; if unwound early, the payout may vary from expected payout at maturity.

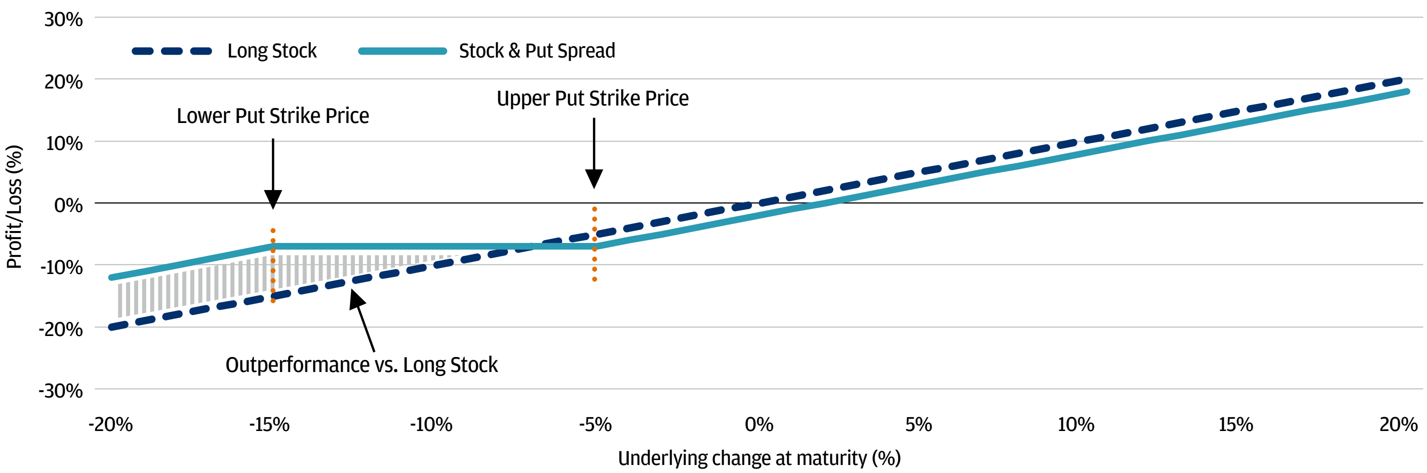
Note: This information is intended to be a high level overview of potential hedging strategies that can be executed through OTC options to achieve specific goals. These strategies may not be suitable for all investors. This is not intended as an offer or solicitation for the purchase or sale of any financial instrument. In discussion of options and option strategies, results and risks are based solely on the hypothetical examples cited; actual results and risks will vary depending on specific circumstances. Investors are urged to consider carefully whether option or option-related products in general, are suitable to their needs. For a complete discussion of risks associated with any investment, please review offering documents and speak with your investment specialists. These are hypothetical examples to illustrate potential strategies outlined.

Protective put spreads

Protective put spreads involve the purchase of a protective put option combined with the sale of a lower strike put option. The combined package is less expensive than the outright purchase of a protective put option since the protection is limited and the investor is exposed to losses below the lower put strike. This strategy has been increasingly used since the cost of lower strike options (which the investor sells) is more expensive, on a relative basis, than higher strike options. This dynamic, referred to as skew, has always existed but has become more pronounced since the global financial crisis as financial regulation has made it more difficult for market makers to sell these deep out-of-the-money options.

Protective put spreads may be appropriate for clients who are seeking downside protection but also believe a stock's potential depreciation will be rangebound

Illustrative potential payout profile



Source: J.P. Morgan Private Bank. **FOR ILLUSTRATIVE PURPOSES ONLY.** Stock price at maturity must be lower than the higher put strike by the amount of the premium for the client to breakeven. If stock goes beneath the lower put strike, client will begin to participate in downside. If unwound early, the payout may vary from expected payout at maturity.

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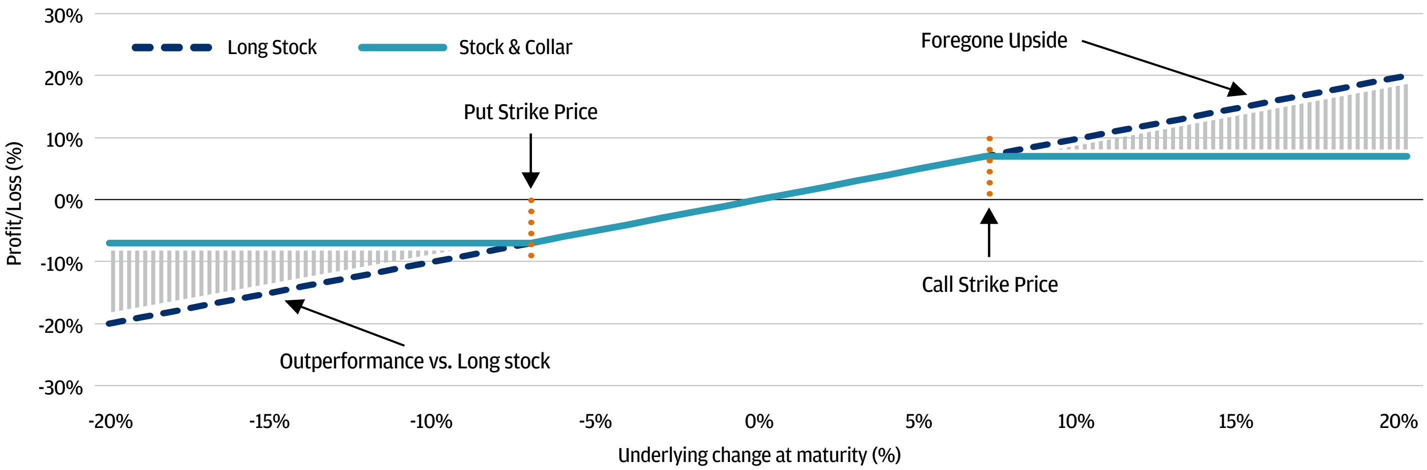
Collars

Collars are the most utilized strategy for hedging a concentrated position, as investors may not have the desire or ability to spend the premium on the protective put upfront and are typically willing to sell at a higher price in the future given the large gains they have on the position. The collar can reduce or eliminate the initial cost of the protective put in exchange for agreeing to give up potential future appreciation. In a collar, the investor purchases a protective put and sells a covered call option. The second option obligates the investor to sell shares at a strike price that is generally above the current price (or pay an amount equivalent to any upside above such level if cash settlement is elected). The combined position reduces downside exposure and upside appreciation, thus narrowing the range of potential outcomes while the collar is in place.

A collar is often used by a client who is seeking to protect a stock position and is willing to give up a portion of the upside



Source: J.P. Morgan Private Bank. **FOR ILLUSTRATIVE PURPOSES ONLY.** Client caps the potential return on the stock at the call strike price. If unwound early, the payout may vary from expected payout at maturity.

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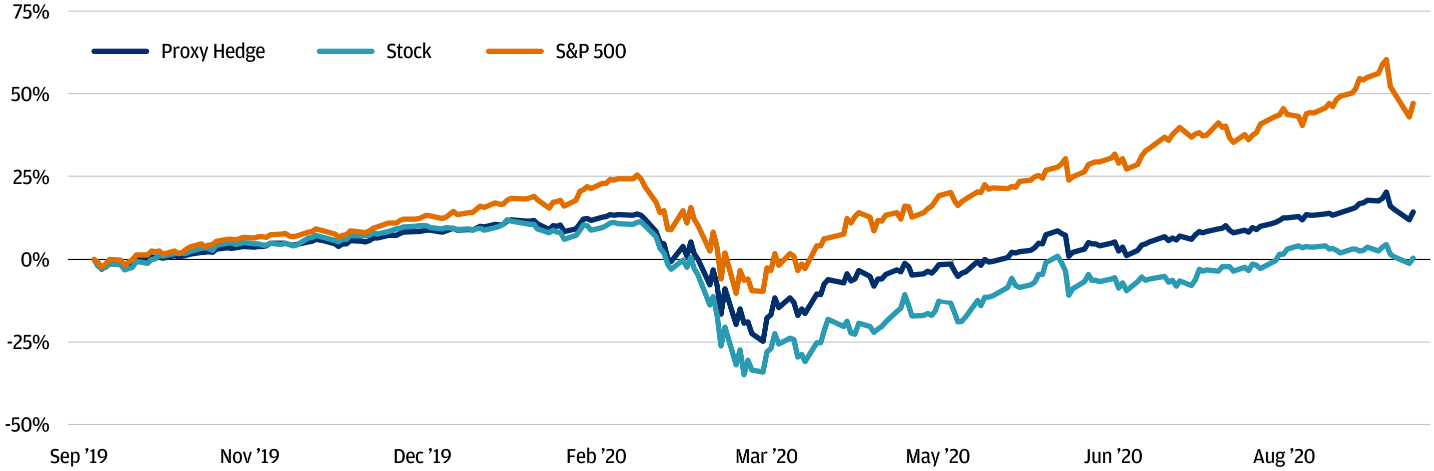
Proxy hedges

Most hedging strategies utilize derivatives linked directly to the concentrated stock. This poses a few considerations. First, the use of derivatives may create selling pressure on the underlying shares. Additionally, certain shareholders such as insiders and affiliates may be restricted from engaging in derivatives on the position itself. The shareholder may consider hedging using a proxy asset that they expect will share the same risks or anticipate will have correlated returns with the stock position they own. These strategies will never perfectly eliminate risk as the proxy asset may not trade in-line with the concentrated stock.

A proxy hedge can serve as a next best option when a direct hedge may not be possible—through buying a structure on a "proxy" rather than the underlying stock itself

Illustrative relative price return



Source: J.P. Morgan Private Bank. **FOR ILLUSTRATIVE PURPOSES ONLY.** JP Morgan can provide the historical analysis to allow a client to choose the proxy solution that best addresses their risk concerns and meets their price objectives.

Every concentrated position comes with its own set of emotional considerations in addition to the more rational factors like risk and reward. That is why we encourage investors to design a plan with their team that not only optimizes investment views, transaction costs, market impacts, tax circumstances, and legal and regulatory implications, but also fit with their family's overall personal financial goals.

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Analysis conducted as of October 2022.

Sources: Bloomberg Finance L.P., FactSet, J.P. Morgan Investment Bank, and J.P. Morgan Private Bank unless otherwise stated. Stock prices adjusted for stock splits and spinoffs, but not cash dividends. For U.K. companies, stock prices shown are in penny sterling, which is a unit of currency and denomination of sterling coinage worth one-hundredth of one pound.

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Madison Faller—Global Investment Strategist, J.P. Morgan Private Bank

MADISON FALLER is a member of the Global Investment Strategy Team. In partnership with asset class leaders and the Chief Investment Officer and team, she is responsible for developing and communicating the firm's economic and market views and investment strategies to advisors and clients. Ms. Faller is also an author of *Top Market Takeaways*, the column that delivers the rundown of political and economic events to all advisors and clients. She is based in London.

Ms. Faller has spent her entire career at J.P. Morgan and, prior to her current role, she was an investor for ultra-high net worth clients in the New York area.

She is a graduate of the University of Notre Dame, where she double-majored in Economics and Political Science with a minor in Public Policy. She is also a CFA (Chartered Financial Analyst) charterholder. She is originally from Florida and enjoys traveling and writing in her free time.

Olivia Schwern—Global Investment Strategist, J.P. Morgan Private Bank

OLIVIA SCHWERN, in partnership with asset class leaders and the Global Investment Strategy team, is responsible for developing and communicating the firm's economic and market views and investment strategies to advisors and clients. Olivia is also an author of *Top Market Takeaways*, the column that delivers the rundown of political and economic events to all advisor and clients.

She earned her B.A. in Mechanical Engineering from Tufts University. In her free time, she enjoys running, being in nature, and exploring new cities with friends.

Andrés Cassinello Herrera—EMEA Head for Strategic Equity, J.P. Morgan Private Bank

ANDRÉS CASSINELLO HERRERA leads the Strategic Equity origination efforts for EMEA in J.P. Morgan Wealth Management. In his role, Andrés is responsible for delivering bespoke, structured and complex transactions on large concentrated stock positions held by Private Bank clients, including monetization, hedging and financing transactions, between others. He is also the nexus between the Private Bank and Investment Bank to coordinate the execution of such transactions, ensuring those Private Bank clients (large family offices and certain high-net-worth individuals) have full access to J.P. Morgan's platform.

Prior to his current role, Andrés joined J.P. Morgan in 2019 as a senior Executive Director in the Strategic Equity Derivatives team at the Investment Bank, focused on the origination of large transactions in CEEMEA and Latin America. Prior to that, Andrés spent 15 years at UBS, leading the Strategic Equity Solutions effort for Southern Europe, in close cooperation with UBS's private bank.

Andrés holds a bachelor's degree in Economics from the Universidad Autonoma de Madrid, as well as an executive master's degree in Quantitve Finance from AFI.

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