# FORM ADV, PART 2A
# APPENDIX 1
# WRAP FEE PROGRAM BROCHURE
# J.P. MORGAN PERSONAL ADVISORS PROGRAM


J.P. Morgan Securities LLC

**March 30, 2022**

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This wrap fee disclosure brochure (**Brochure**) provides information about the qualifications and business practices of JPMS relating to the J.P. Morgan Personal Advisors Program. If you have any questions about the contents of this Brochure, please contact us at 1-800-392-5749. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (**SEC**) or by any state securities authority.

Additional information about JPMS is also available on the SEC's website at http://www.adviserinfo.sec.gov. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

**ITEM 2 – MATERIAL CHANGES**

This section describes the material and other changes to the Brochure since the last amendment dated November 1, 2021:

Item 4.B has been updated to provide that: (i) The Program offers different service models to clients enrolled in the Program, based on asset levels. Clients with less than $250,000 invested in the Program are generally assigned to a team of Financial Advisors. Clients with $250,000 or more invested in the Program can elect to work with a dedicated Financial Advisor; and (ii) On or after April 29, 2022, Program clients will have the ability to make certain elections, including a municipal fixed income election (for taxable accounts), a U.S. focused election, and an election for an investment strategy primarily consisting of Funds or other investments that consider environmental, social and governance (**ESG**) factors and/or focus on sustainable themes.

Item 4.F has been updated to provide that an annual, asset-based fee (of 0.40% to 0.60%, based on account assets) will apply to accounts opened on or after April 4, 2022. Effective January 1, 2023, the fee will also apply to accounts opened before April 4, 2022.

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**ITEM 4 – SERVICES, FEES AND COMPENSATION**

**A. Description of Firm and Advisory Services**

JPMS is a wholly-owned subsidiary of JPMorgan Chase & Co. (**JPMorgan**), a publicly-held financial services holding company. JPMorgan and its affiliates (together **J.P. Morgan**) are engaged in a large number of financial businesses worldwide, including banking, asset management, securities brokerage and investment advisory services. JPMS is registered as a broker-dealer and investment adviser with the SEC and is a member of the Financial Industry Regulatory Authority (**FINRA**). JPMS' investment advisory services include sponsoring a variety of wrap fee programs and providing certain consulting services to defined contribution plan sponsors. You can obtain brochures for the other programs by contacting us at 1-800-392-5749.

JPMS offers investment advisory services through several separate sales channels. Similar wrap-fee programs that offer the same and similar investment strategies are offered in the different sales channels and at different fee levels with different features. The wrap-fee clients pay for investment advisory services will vary depending on the investment advisory program clients select. In particular, J.P. Morgan Automated Investing service, a digital advisory program only offered online, is different than the investment advisory programs offered in the other sales channels, in terms of available investment strategies, service, structure and fees.

**J.P. Morgan Automated Investing:** JPMS sponsors a digital advisory program that is not described in this Brochure. It offers investment strategies that are similar to investment strategies described in this Brochure, at lower fees. J.P. Morgan Automated Investing is offered through chase.com or the Chase mobile app. It does not provide the same level of services and does not offer the same range of investment strategies and options as the advisory program described in this Brochure.

This Brochure provides information about JPMS and the J.P. Morgan Personal Advisors Program (the **Personal Advisors Program** or the **Program**), an investment advisory program sponsored by JPMS and offered by JPMS Financial Advisors. JPMS has retained its affiliate, J.P. Morgan Private Investments Inc. (**JPMPI**) to act as sub-adviser (**Sub-Adviser**) and implementation manager for the Program, as discussed in further detail throughout this Brochure. Detailed information about sub-advisory and implementation manager services that JPMPI provides in the Program is contained in a separate ADV brochure, which can be obtained upon request from a JPMS Financial Advisor, who is an employee and investment advisory representative (**IAR**) of JPMS, or at the SEC's website at www.adviserinfo.sec.gov.

Many of the tools and analytics that are used to support services provided through JPMS advisory programs are also available through JPMS without enrolling in an advisory program and paying a fee. Further, you could purchase these services separately from JPMS. However, while you can obtain similar products and services from JPMS without enrolling in an advisory program, you would not receive the same discretionary or non-discretionary account services offered through the advisory programs; the mutual fund share classes available to you will generally be more expensive; and you would generally not be able to obtain the same combination of financial planning and investment advisory services. The overall cost of purchasing the products and services separately will most likely differ from each advisory program's advisory fees. Clients should consider the value of these advisory services when making such comparisons.

**B. Program Description and Services**

The Program is currently being offered on a limited basis solely to invited participants. The Personal Advisors Program is a financial planning and discretionary managed account program managed and offered by JPMS. Clients invest in the Program by establishing one or more Program accounts (each, an **Account**). Clients pay an annualized asset-based advisory fee that covers the financial planning, investment advice, investment management, trade execution, custody and reporting services provided through the Program.

The Program offers different service models to clients enrolled in the Program, based on asset levels. Clients with less than $250,000 invested in the Program are generally assigned to a team of Financial Advisors. Clients with $250,000 or more invested in the Program can elect to work with a dedicated Financial Advisor. All Program clients have the ability to call and schedule an appointment with a Financial Advisor at any time. Information about fees based on assets under management is contained in the "Fees and Compensation" section below.

The Program invests client assets in a manner consistent with one of the multi-asset class (Income, Conservative, Balanced, Growth and Aggressive Growth) investment strategies (each, an **Investment Strategy**) made available by JPMS to clients. Assets within an Investment Strategy are generally invested in different asset classes through one or more open-end mutual funds and exchange-traded funds (**ETFs** and, collectively with mutual funds, **Funds**). On or after April 29, 2022, clients will have the ability to make certain elections, including a municipal fixed income election (for taxable accounts), a U.S. focused election, and an election for an investment strategy primarily consisting of Funds or other investments that consider environmental, social and governance (**ESG**) factors and/or a focus on sustainable themes. (Initially, the Program will offer a Balanced ESG strategy, and other multi-asset ESG strategies will be considered in the future.)

JPMPI, as sub-adviser to the Personal Advisors Program, is responsible for securities selection (including selecting Funds for investment) and determining portfolio construction. Funds sponsored or managed by unaffiliated third parties (**non-J.P. Morgan Funds**), as well as Funds sponsored or managed by affiliates of JPMS (**J.P. Morgan Funds**), will be considered for inclusion in the Program. The affiliates that sponsor or manage J.P. Morgan Funds include JPMPI and J.P. Morgan Investment Management Inc. (**JPMIM**). A portion of the assets in Program Investment Strategies are expected to be invested in J.P. Morgan Funds. J.P. Morgan has a financial incentive to invest Program assets in J.P. Morgan Funds because it receives more overall fees when it selects J.P. Morgan Funds rather than non-J.P. Morgan Funds. See "Use of J.P. Morgan Funds and Potential Conflicts of Interest" below for more information on the use of J.P. Morgan Funds.

For important information about each Fund, including investment objectives, risks, charges, and expenses, clients should read each Fund's prospectus carefully and consider all the information in it before investing.

The Investment Strategy for a particular client is based on the client's discussion with a J.P. Morgan Personal Advisors (**JPMPA**) Financial Advisor and the client's investment objective, risk tolerance, time horizon and other information the client provides to JPMS. The Investment Strategies available in the Program are Income, Conservative, Balanced, Growth and Aggressive Growth. For more information about these Investment Strategies and related risks, clients should review JPMPI's ADV Brochure, which can be obtained upon request from a JPMPA Financial Advisor or at the SEC's website at www.adviserinfo.sec.gov.

JPMS has delegated certain of its discretionary responsibilities and authority to JPMPI as the Program's Sub-Adviser. JPMPI, as the Sub-Adviser, constructs and evaluates the Investment Strategies and selects the Funds available through the Program using due diligence produced by JPMPI. JPMS oversees the selections using an investment policy statement and remains responsible for overseeing JPMPI's role as Sub-Adviser. The investment policy statement specifies investment guidelines established by JPMS, including those designed by JPMS to address operational considerations. These operational considerations, such as Fund concentration and capacity issues, can result in the timing or implementation of trades for a client's account differing from that of another client or group of clients of JPMS or its affiliates. It is JPMS' policy, to the extent practicable, to allocate, within its reasonable discretion, investment opportunities among clients over a period of time on a fair and equitable basis.

JPMS and JPMPI (as Sub-Adviser) have full discretionary investment advisory authority, to be exercised in their exclusive judgment and consistent with the Investment Strategy selected by the client, to determine asset allocation, the allocation of assets among Funds; to select, add, remove or replace Funds; and to purchase and sell Funds for Program Accounts.

JPMS has also retained JPMPI as the implementation manager for Program Accounts. JPMPI, as the implementation manager for the Program, provides portfolio implementation and coordination services to Program Accounts. These services include: (1) managing the Accounts on a discretionary basis by implementing instructions to purchase, hold, or sell shares of Funds; (2) continuously monitoring the Account holdings and coordinating the trading activity; and, (3) implementing specific reasonable restrictions requested by the client that are placed on the client Account.

JPMS as Program Sponsor has an internal governance forum that seeks to ensure that the Programs offer suitable investment products to clients and that assets in the Programs are managed in a compliant manner consistent with the goals of the Programs and applicable law.

### C. Financial Plan, Investment Proposal and Account Opening

#### Financial Plan

JPMS's financial planning process starts with a consultation with a Financial Advisor, who will ask you to provide information relating to your personal needs and goals, total wealth, tax jurisdiction, cash flows, projected spending, and willingness and ability to take risk. Your financial plan (which will generally be referred to as a "Goals Based Analysis") will include one or more investing goals (such as planning for college expenses or saving for a home or retirement). The plan will provide an analysis of how your assets are currently allocated among assets classes and propose an optimal asset allocation based on your goals.

Your financial plan will provide projections to help you assess your ability to achieve your identified financial goals. The projections provide a snapshot of your current financial position at a point in time and are intended to help you focus your financial resources and goals. Although we encourage you to consult with your JPMPA Financial Advisor on an annual basis to review your financial plan, JPMPA will not update your financial plan based on changes to your personal or financial circumstances without meeting with you to review your plan. We do not provide ongoing or continuous monitoring of your progress toward a planning or investment goal.

To cover a broad range of outcomes, JPMS' projections will utilize "Monte Carlo" simulations or scenarios to measure your likelihood of success of reaching your goals. The projections for your goals do not attempt to predict or portray the future performance of any securities held in accounts supporting your goals. The projections are based on forecasted asset class returns, as well as inflation rates, developed by J.P. Morgan. The projections are hypothetical in nature, are based on statistical modeling of current and historical data, do not reflect actual investment results, and are not a guarantee of future results or a guarantee of the success rate of the simulated outcomes. Although the projections seek to reasonably project the likelihood of reaching your goals, it is likely that such projections will not correlate well to other assets you hold in any accounts that are not invested with us through Program Accounts. Accordingly, your actual investment results may vary significantly from our projections.

Any forecasts using accounts held outside of J.P. Morgan at an unaffiliated, third party firm (**External Accounts** and each, an **External Account**) are calculated based solely on the information you provide to JPMS for any such External Accounts. You may provide JPMS with such information manually or by using JPMS' asset aggregation service. JPMS will not independently verify or update this information, will not have any responsibility to ensure that External Accounts are invested or re-invested in accordance with the proposed optimal asset allocation in your financial plan, and will not consider how External Accounts are invested when developing a client's Program Investment Strategy.

The financial plan includes a proposed asset allocation based on your goals, but it does not provide advice or recommendations regarding specific securities or other investments. If you choose to open a Program Account, your Financial Advisor will work with you to develop an "Investment Proposal" that provides a recommendation of one or more Investment Strategies available in the Program, and specifies Funds that are included in the Investment Strategy. Other than the assets included in Program Accounts, which are managed on a discretionary basis through the Program, whether and how to implement any asset allocation recommendations provided in your financial plan is your responsibility and is not part of the services provided under the Program.

**Investment Proposal**

After you receive and review your financial plan, a Financial Advisor will request your investment objectives, time horizon and risk tolerance, for one or more JPMPA Accounts. This information is incorporated into an "Investment Proposal," which will recommend one or more Investment Strategies. If your investment objectives, time horizon and risk tolerance are consistent with those for the goals identified in your financial plan, then the asset allocations for your recommended Investment Strategy and your financial plan will be consistent. If the information differs (for instance, if your investment objectives or risk tolerance for your Account differ from those contained in your financial plan), then the asset allocation for your recommended Investment Strategy will reflect your Client Profile, rather than the recommended asset allocation in your financial plan.

***Annual or Other Updates***

Each year we will invite you to schedule an appointment with a Financial Advisor to update your financial plan and review the investment objectives for your Program Account(s). JPMS will not monitor or update your financial plan or change your recommended Investment Strategy without first meeting with you to discuss any changes to your financial situation or investment objectives. Therefore, it is important that you schedule an appointment with a Financial Advisor whenever your financial situation or investment objectives change, but at least once each year, to ensure that your current financial situation and investment objectives are taken into account.

***Electronic Communications***

As a condition to receiving services through JPMPA, you must be willing to accept the terms of a global electronic consent, which requires agreeing to electronic delivery of Program documents and communications. In addition, as part of opening a Program Account, clients are required to complete an account application and enter into an investment advisory agreement and other account agreements (collectively, the **Client Agreement**). The Client Agreement along with other disclosures and notices will be delivered to clients in electronic format, including through email or other electronic means. JPMS will not send paper versions of documents to clients as part of the Program unless required by applicable law or in JPMS' sole discretion. In addition, JPMS may require that some or all of the account opening processes be completed electronically and may provide some or all account-related documentation online.

Program clients must provide JPMS with a valid email address and are required to notify JPMS immediately in the event their email address changes or becomes inaccessible by visiting www.chase.com or by contacting JPMS at 1-800-392-5749. Important client notices, including new or amended agreements or documents, will be sent by email; therefore, it is important that clients maintain an accurate email address at all times. If a client fails to provide or maintain accurate contact information, including an email address, JPMS reserves the right to terminate that client's participation in the Program. JPMS will attempt to contact clients by other means when it determines that a client's email address is invalid. Clients must also own or have access to an electronic device with the necessary hardware and software as an initial and continued condition of participating in the Program.

Please refer to the Online Service E-Sign Disclosure and Consent, for additional terms and conditions regarding electronic delivery of Program communications.

***Client Agreement***

As a condition to receiving investment management services through the Program, clients are required to enter into a Program Client Agreement. The Client Agreement authorizes JPMS to act as the client's investment adviser, with investment discretion and trading authority, and authorizes JPMS to perform its services directly, or through or by delegating performance to, affiliated or unaffiliated service providers, as JPMS may from time to time designate. The Client Agreement incorporates a separate brokerage account agreement that clients must consent to in order to enroll in the Program.

***Restrictions on Management of Accounts***

Clients can request reasonable investment restrictions on the management of their Program Account assets by designating particular Funds that should not be purchased for an Account, subject to acceptance as reasonable by JPMPI, in its sole discretion. Please note that (i) reasonable investment restrictions will not apply to the underlying portfolio of any Fund that is held or purchased in an Account, and (ii) investment restriction requests can only be made for specific Funds and *not* categories of Funds or securities (e.g., related to a sector or industry such as weapons or tobacco).

Any restrictions a client imposes on the management of the Account can limit the ability to make investments or take advantage of opportunities and can cause the Account to perform differently than similar unrestricted accounts. JPMS is not required to accept investment restrictions that it deems unreasonable and may decline an Account when it deems any client requested restriction unreasonable.

If JPMS accepts a restriction as reasonable, JPMS has the discretion to invest the portion of the client Account that would have been invested, or was previously invested, in the restricted security in the other securities in the Account (on a pro rata basis), to select a substitute security or to hold those assets in cash. Substitute Funds are likely to have fees or expenses that are higher than the Funds normally used in the Program. In the event that a restriction request for a Fund that is currently held in a client's Program Account is accepted, the Fund will be sold and a client may experience tax consequences.

***Implementation of Investment Strategy***

After JPMS opens a Program Account for the client, JPMS or JPMPI, as applicable, will implement the selected Investment Strategy taking into account any reasonable investment restrictions a client has placed on management of the Account, as accepted by JPMS. JPMPI manages client Accounts in the Program in accordance with each client's specific investment guidelines, objectives and any reasonable restrictions on investing in specific securities that the client provides to JPMS and JPMS has accepted in writing.

***Funding Program Accounts***

Cash or securities can be used to fund Program Accounts. Investment management will begin after JPMS has accepted the Account into the Program. Account acceptance may be delayed or rejected if the Account is overfunded or underfunded relative to the amount stated in the Investment Proposal.

Clients funding Program Accounts with securities direct JPMS to liquidate the securities on behalf of the client and allocate the proceeds in accordance with the Investment Strategy selected in the Investment Proposal. JPMS, on a best efforts basis, will sell a portion or all of any securities that are not consistent with the Investment Strategy stated in the Investment Proposal. Neither JPMS nor JPMPI will advise clients regarding the liquidation of these securities. Liquidation will be done free of commission charges or spread on fixed income trades unless the trade is placed away from JPMS. Depending on the type of security involved, liquidation may result in redemption charges and taxable gains or losses. Clients should review the potential tax consequences of these liquidations with their tax advisor before funding their Program Account with securities. JPMS and its affiliates do not provide tax advice. If non-U.S. denominated securities are sold, the client will incur currency conversion charges.

When liquidating securities for purposes of establishing a client's Program Account, JPMS will be acting as your broker, not your investment adviser. Liquidations will be effected promptly after receipt into the Account at the then prevailing market prices, subject to market conditions and applicable JPMS policies. If a particular security cannot be liquidated or is not eligible for the Program, it will not be used to fund an Account and will be transferred to a separate brokerage account.

*Rebalancing Program Accounts*

Since rebalancing has tax implications for clients, other than those with tax-advantaged accounts, Program Accounts will be rebalanced if the percentage variance at the asset class level exceeds a threshold amount that has been established as effective for rebalancing to the Investment Strategy.

JPMPI will periodically rebalance Program Accounts to the allocation in the chosen Investment Strategy when the asset allocation percentages deviate from established parameters. To rebalance an Account, shares of Funds that are underweight or overweight compared to their asset class percentages in the Investment Strategy will be bought or sold, as applicable, until the Account holdings are consistent with the Investment Strategy. Over time, the Funds in the Account will appreciate (or depreciate) in value at different rates. **Without rebalancing, the change in the percentages of each asset class held will change the level of risk from the risk level that is associated with the original allocations in the selected Investment Strategy.** Changes in the sale of Fund shares may generate taxable gains or losses in a client Account.

*Trade Execution*

Client directs brokerage of the account to JPMS. JPMS can designate another broker or dealer if it believes the other broker or dealer will provide better execution than JPMS. Any such determination will take into account that charges for transactions effected through JPMS or its clearing broker are included in the Advisory Fee (defined below), whereas step-out trades are not. In evaluating whether another broker or dealer will provide better execution, JPMS will consider the full range and quality of a broker's or dealer's services including, among other things, execution capability, commission rate, financial responsibility, market making capabilities and responsiveness.

**Custodian**

JPMS, in its capacity as an SEC-registered broker-dealer, provides clearing and trade execution services for and serves as the custodian for Program Account assets. JPMS is a "qualified custodian" as defined in Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the **Advisers Act**).

### D. Trade Confirmations, Statements, and Performance Reporting

Clients will receive trade confirmations of all transactions unless they waive receipt of individual confirmations and instead receive a periodic statement of all transactions that will contain the information required to be in a confirmation. Clients can elect to receive a periodic statement in lieu of individual confirmations and can later choose to receive from JPMS, at no additional cost, transaction confirmations for any prior transactions effected during the period in which the client previously elected not to receive separate transaction confirmations. Clients will not pay a different fee based upon this election and can rescind this election at any time upon written notice to JPMS. Clients will receive Program Account statements from the custodian of the Programs at least quarterly (monthly for months when there is activity in their Account). Clients generally will also receive quarterly performance reports containing general market commentary and analysis, charts and graphs detailing the quarterly performance of the Program Account versus relevant industry benchmarks and indices for Program Accounts during the quarter. JPMS performs testing of Program Accounts to validate the performance calculations.

### E. Proxy Voting, Corporate Actions and Other Legal Matters

Neither JPMS nor JPMPI will vote proxies (or give advice about how to vote proxies) relating to securities and other property currently or formerly held in a client's Account. JPMS and its affiliates will not be responsible or liable for: (1) failing to notify a client of proxies, or (2) failing to send to the Proxy Service (defined below) or a client, as applicable, proxy materials or annual reports where JPMS or its affiliates have not received proxies or related shareholder communications on a timely basis or at all.

Each client has the right to vote, and is solely responsible for voting, proxies for any securities and other property in the client's Account. In the Program, clients can appoint an independent services provider designated by JPMS for purposes of voting proxies (**Proxy Service**) as the client's agent and attorney-in-fact, and authorize the Proxy Service, in its discretion, to vote proxies for any securities and other property in the client's account in accordance with the Proxy Service's proxy voting guidelines in effect from time to time, copies of which are available on request. The Proxy Service is currently Institutional Shareholder Services Inc. (**ISS**). Information relating to ISS services is available on the ISS website at www.issgovernance.com. The ISS ADV brochure is available at the SEC's website at www.adviserinfo.sec.gov. The Proxy Service role as the agent of clients applies only to proxies that the Proxy Service generally votes and does not apply to proxies with respect to which the Proxy Service declines to vote. A client who appoints the Proxy Service will not receive proxy materials or annual reports relating to securities and other property for which the Proxy Service has accepted responsibility for voting related proxies. In limited circumstances the Proxy Service will not vote proxies. A client can revoke its appointment of the Proxy Service upon written notice to JPMS at J.P. Morgan Securities LLC, Mail Code: IL1-0291, PO Box 1762, Chicago, IL 60690-1762 Attn: Proxy Voting Opt Out. If a client revokes his or her appointment of the Proxy Service, the client will receive all proxy materials and annual reports related to securities and other property in the client's Account, and will be responsible for voting such proxies directly or instructing any custodian that holds such securities and other property. JPMS can, in its discretion, change the Proxy Service. JPMS will not be deemed to have or exercise proxy voting responsibility or authority by virtue of any authority to hire or change the Proxy Service.

In the Program, JPMPI will receive and respond to corporate actions with respect to securities in a client's Account, such as: any conversion option; execution of waivers; consents and other instruments; and consents to any plan of reorganization, merger, combination, consolidation, liquidation, or similar plan. Each client has the right and responsibility to take any actions with respect to any legal proceedings, including without limitation, bankruptcies and shareholder litigation, and the right to initiate or pursue any legal proceedings, including without limitation, shareholder litigation, including with respect to transactions, securities or other investments held in the client's Account or the issuers thereof. Neither JPMS nor the Sub-Adviser is obligated to render any advice or take any action on a client's behalf with respect to securities or other property held in the client's account, or the issuers thereof, which become the subject of any legal proceedings, including without limitation, bankruptcies and shareholder litigation, to which any securities or other investments held or previously held in the account, or the issuers thereof, become subject. In addition, neither JPMS nor the Sub-Adviser is obligated to initiate or pursue any legal proceedings, including without limitation, shareholder litigation, on behalf of a client's account, including with respect to transactions, securities, or other investments held or previously held, in the client's Account or the issuers thereof.

### F. Fees and Compensation

**Wrap Fee**

Clients pay an annual asset-based account fee for the Program (**Advisory Fee**) to JPMS, subject to any applicable discounts or adjustments. The Program is currently being offered on a limited basis solely to invited participants.

The following fee schedule will apply to JPMPA accounts opened on or after April 4, 2022. (Effective January 1, 2023, the fee schedule will also apply to accounts opened before April 4, 2022.)

| Account Assets | Annual Fee* |
|---|---|
| $0 - $249,999.99 | 0.60% |
| $250,000 - $1,000,000 | 0.50% |
| $1,000,000.00 | 0.40% |

* The same fee is applied to the entire account (i.e., is not a "blended" fee) for account assets over $249,999.99.

The Advisory Fee will be computed and payable monthly in arrears based upon the market value of all assets held in the Program Account (including cash) on the last business day of the prior month or portion thereof, as determined by JPMS. Advisory Fees for partial billing periods upon the inception or termination of a Program Account will be prorated. The Advisory Fee will be reflected on the Account statement issued by the custodian for the Account.

The Advisory Fee is a single (or "wrap" or "bundled") annualized asset-based fee that covers all financial planning, investment advisory, portfolio management, administrative, custodial, and brokerage services provided by JPMS and/or the Sub-Adviser.

**No Minimum Fee**

No minimum fee requirement is applied to Program Accounts. When applicable, Program Accounts will be charged the appropriate fee percentage for the asset value in the Program Account or, if applicable, for the value of assets in related Program Accounts that have been combined for Advisory Fee calculation purposes. If the Account has at any time qualified for a particular fee rate based on the market value of the Account, the same fee rate shall apply so long as the market value of the Account is no lower than 10% below the minimum asset size required for the applicable fee rate. If the market value of the Account falls below 10% of the minimum asset size required for the current fee rate, the Advisory Fee rate will be assessed using the applicable fee rate reflected in the fee schedule.

**Method of Payment**

Once an Advisory Fee is charged, unless the client has elected to pay the Advisory Fee from a related JPMS account, if there is sufficient cash in the Deposit Account, as defined below, or money market sweep fund (MMF) to pay the entire amount, the Advisory Fee percentage for the Program Account value will be paid out of the Deposit Account or MMF within the Program Account. If the Deposit Account or MMF does not have sufficient funds to pay the Advisory Fee in its entirety, shares of the most overweight Fund(s) will be sold to pay the entire Advisory Fee rather than paying any of the Advisory Fee from the Deposit Account or MMF. This could result in the client incurring a tax liability. If due to withdrawals, payment of fees, or otherwise, the value of the Deposit Account or MMF would fall to zero or below, sufficient shares in the Fund(s) currently most overweight in the Investment Strategy based on actual dollar value will be sold to clear the debit and replenish the Deposit Account or MMF to its current target amount.

**Fees Paid to Sub-Adviser**

JPMS reimburses the Sub-Adviser for its costs for providing investment services, including certain investment advisory, portfolio management, research and implementation services, as applicable.

**Best Execution**

Although JPMPI has discretion to select brokers or dealers other than JPMS or its affiliates, it generally places such trades through JPMS because the Advisory Fee paid by each client Account only covers execution costs on trades executed through JPMS or its affiliates. Execution costs include fees we pay to exchanges and/or regulatory agencies on certain transactions.

JPMPI's primary objective in broker-dealer selection is to comply with its duty to seek best execution of orders for clients. Best execution does not necessarily mean the lowest commission or price, but instead involves consideration of a number of factors.

***Waivers, Reductions and Negotiation of Fees***

In its discretion, JPMS can negotiate, reduce or completely waive the Advisory Fee for any client or group of clients, including in connection with promotional efforts. JPMS does not give that discretion to Financial Advisors. JPMS' promotional efforts are subject to change, and JPMS reserves the right to offer different promotions simultaneously. Not all clients will have access to the same promotions, so it is possible that similarly situated clients will pay a different Advisory Fee. Please refer to the terms associated with such promotions for details regarding how they affect the fees and expenses of the Program and the length of any such waiver or fee reduction. From time to time, the Advisory Fee can be increased. JPMS will provide clients with advance notice prior to increasing the Advisory Fee.

A client can combine assets held in Program Accounts (together a **Relationship Pricing Group**) to determine the applicable fee percentage unless prohibited by rules or regulations. Program Accounts under the same tax identification number are automatically linked for Advisory Fee calculations. When the combined assets in the linked Accounts are sufficient to reach the next Advisory Fee breakpoint, the client will benefit from a lower overall fee. The combined Advisory Fee is then divided ratably and assessed over all of the related Program Accounts. All linked Accounts, within the same Relationship Pricing Group, will have the same Advisory Fee rate applied, subject to applicable discounts. Accounts that are not enrolled in the Program may not be included in a Relationship Pricing Group.

JPMS charges fees that it believes are reasonable in relation to the scope of services and nature of the investment advice provided, but these fees are not always the lowest available from other firms and/or our affiliates.

The Advisory Fee can be more or less than the cost of paying for investment advice, trade execution, custody and reporting services separately, depending on the cost of these services if provided separately and the level of trading activity in the client's Account.

Because the Advisory Fee is charged on all assets in the Account, in a low interest rate environment, a client can earn less interest on assets held in the Account as cash or cash alternatives, such as money market funds, than the amount of the Advisory Fee the client is paying JPMS with respect to such assets, and therefore the client's net yield with respect to such assets can be negative.

***Other Fees and Expenses***

Funds pay fees and expenses that are ultimately borne by clients (including but not limited to management fees, brokerage costs, administration and custody fees). The Advisory Fee does not include various additional fees that can be incurred within a client's Program Account, including, but not limited to, Fund fees and expenses; transfer taxes; electronic fund and wire fees; IRA and retirement plan account fees; margin interest; ADR related fees; or any other fees that would reasonably be assessed to a brokerage account. If these fees are for services performed by JPMS or their affiliates, JPMS or an affiliate will receive all or a portion of the revenue from the fee. Additionally, Funds held in a Program Account have annual investment advisory expenses, so clients actually incur two levels of investment management fees: indirect Fund investment advisory fees to the investment adviser of each Fund, and direct Program Advisory Fees to JPMS. These Fund fees and expenses are in addition to any fees paid to JPMS as the Program sponsor. (See "Offset of Certain Fees to IRAs and Certain Other Retirement Accounts" below to understand the impact of Fund fees and expenses on retirement accounts.) Clients can review the applicable prospectuses for Funds in the Program for additional information about these fees and expenses. JPMS and its affiliates collectively receive greater revenue if J.P. Morgan Funds are included in the Program, and therefore, JPMS and its affiliates have a conflict of interest in including J.P. Morgan Funds in the Program. See "Use of J.P. Morgan Funds and Potential Conflicts of Interest" below for more information on the use of J.P. Morgan Funds.

The Advisory Fee does not cover brokerage commissions or other charges resulting from transactions not effected through JPMS or its affiliates. In general, JPMS and JPMPI place orders in fixed-income or debt securities with broker-dealers other than JPMS. For these trades the client will incur a brokerage commission, mark-up or mark-down charged by the other broker-dealer that is not covered by the Advisory Fee. JPMS or JPMPI also can choose to place orders in equities and other types of securities with broker-dealers other than JPMS, in which event the client will incur a brokerage commission that is not covered by the Advisory Fee. When JPMS or JPMPI place orders with broker-dealers other than JPMS, the trade confirmation issued by JPMS with the details of the trade shows a price for the traded security that is inclusive (i.e., net) of the commission, mark-up or mark-down paid by the client to the other broker-dealer, but it does not break out or otherwise show the amount of the commission, mark-up or mark-down separately. For more information on trades away from the Firm, please refer to the Trading Practices Disclosures for Wrap Fee Programs available at www.chase.com/managed-account-disclosures.

*Share Classes Available in Program Investment Strategies*

Mutual funds typically offer different ways to buy shares with different share classes that may assess different fees and expenses. JPMS strives to make available the most appropriate share class on the platform for each Fund, with the goal of generally obtaining the lowest cost share class. However, for certain Funds, the share classes with the lowest fee structures are not available in the Program (e.g., (1) the Fund family restricts access to these share classes or (2) JPMS does not have an agreement with the Fund to distribute the share class in the Program). Clients should be aware that the share class of a Fund available through the Program may differ from the share class available to similar accounts managed by or held at JPMS or its affiliates, and that certain lower cost Fund share classes may be available outside of the Program. Clients should contact their Financial Advisor(s) for information about any limitations on share classes available through the Program. JPMS through its brokerage accounts has other arrangements with Fund companies that are described in the relevant brokerage documents.

JPMS and its affiliates receive fees or other forms of compensation from the Funds (including money market funds), or their affiliates. JPMS believes that this conflict is addressed in the following ways:

- 12b-1 Distribution Fees: JPMS receives fees from certain Funds pursuant to Rule 12b-1 under the Investment Company Act of 1940 (**Investment Company Act**) (**12b-1 Distribution Fees**). Rule 12b-1 allows Funds to use Fund assets to pay the costs of marketing and distribution of the Fund's shares. If JPMS receives 12b-1 Distribution Fees, it will rebate these fees to the client.

- Other Fees: JPMS enters into agreements with the Funds, their investment managers, distributors, principal underwriters, shareholder servicing agents and/or other affiliates of the Funds (**Service Providers**). The Funds or their Service Providers pay J.P. Morgan fees for providing certain administrative services, which include maintaining and updating separate records for each client, preparing and delivering client statements, tax reporting, proxy voting and solicitation, processing purchase and redemption orders, processing dividends, distributing prospectuses and other Fund reports, and responding to client inquiries. These fees for these services are typically called "shareholder servicing fees," when paid for by the Fund; however these fees can be referred to as "revenue sharing" when they are paid by the Fund Service Provider from its own resources (together referred to as **Servicing Fees**). As of December 31, 2020, the Servicing Fees that JPMS received were up to 25 basis points annually of the Fund assets, or a rate of up to $20 per year per Fund position; however, these amounts can change. The receipt by JPMS of these fees creates a conflict of interest in the selection of Funds for accounts because the fees are different among Funds. Similarly, JPMS has a conflict to recommend mutual funds that pay Servicing Fees instead of ETFs or other securities or products that do not pay any Servicing Fee. The portfolio managers or Financial Advisors, who are responsible for recommending investments for Program accounts do not receive any direct financial benefit from the Servicing Fees. To that extent, such portfolio managers or Financial Advisors are incentivized to invest in or recommend securities they believe will increase the value of the Account. JPMS does not retain any portion of those fees for retirement accounts. When evaluating the fees for, and cost of, a Program, clients should consider the Servicing Fees that JPMS receives in addition to the investment advisory fees. Clients can also request a Fund prospectus for additional information regarding Fund fees.

Once a particular share class is made available for a particular Fund in the Program, clients can only purchase that share class for such Fund. JPMS periodically reviews the share classes offered by Funds in the Program, but also relies on the Fund families to inform JPMS when and if these share classes will be made available. If JPMS identifies and makes available a class of shares for a Fund more appropriate than the class of shares previously made available for the Fund, to the extent allowed, JPMS will convert client shares of the Fund to that more appropriate share class of the same Fund. Operational and other considerations can affect the timing of the conversion of shares and can cause the timing or implementation of such conversions to differ between clients.

Some of the Fund share classes available through the Program are not necessarily available to clients outside of the Program. To the extent an Account is terminated, clients may not be eligible to continue to hold or purchase certain share classes outside of the Program and/or outside the firm.

*Cash Allocations and the Sweep Feature*

Clients in the Program authorize JPMS, to the extent permitted by applicable law, to invest (i.e., "sweep") available cash balances in the J.P. Morgan Chase Deposit Account (the **Deposit Account**) or one or more money market mutual funds that are managed by affiliates of JPMS. The Deposit Account is the default "sweep" option for Program clients who do not select an available "sweep" alternative or if the sweep selected is no longer available.

Cash "swept" or allocated to the Deposit Account is remitted for deposit by JPMS, acting as the client's agent, into a demand deposit account maintained at JPMorgan Chase Bank, N.A. (**JPMCB**). Balances in the Deposit Account are covered by Federal Deposit Insurance Corporation (**FDIC**) insurance, subject to applicable limits, terms and conditions, but are not protected by the Securities Investor Protection Corporation. JPMS does not review or monitor FDIC insurance limits for clients. Clients are responsible for monitoring the total amount of deposits that they have with JPMCB to determine the extent of FDIC deposit insurance coverage available to them on their deposits. The J.P. Morgan Chase Deposit Account Disclosure provides further information about the Deposit Account, including the limits, terms and conditions of FDIC insurance coverage.

The interest rate on the Deposit Account may be higher or lower than yields on other available cash alternatives (e.g., money market mutual funds). From time to time, JPMS or the Sub-Adviser may decide that it is in the best interest of clients to maintain a certain percentage of assets in cash or cash alternatives, especially when markets are volatile. However, because the Advisory Fee is charged on the value of all assets in the Account (including cash and cash alternatives), in a low interest rate environment the net investment return on cash and cash alternatives, including the Deposit Account, will be negative. The current rates and yields for available cash options for Program Accounts, including the Deposit Account, can be found online at https://www.chase.com/personal/investments/sweep-options-yields. These rates and yields change regularly, so it is prudent to check this website on at least a quarterly basis.

Although there is no charge to clients with respect to the Deposit Account, JPMCB benefits from the Deposit Account because, through the Deposit

Account, JPMCB receives a stable, cost-effective source of funding. JPMCB uses client deposits in the Deposit Account to fund current and new businesses, including lending activities and investments. The profitability on such lending activities and investments is generally measured by the difference, or "spread," between the interest rate and other costs associated with the Deposit Account paid by JPMCB, and the interest rate and other income earned by JPMCB on the loans and investments made with the deposits. The income that JPMCB earns through its lending and investing activities is usually significantly greater than the interest earned by clients through the Deposit Account. It is typically also greater than the fee earned by all J.P. Morgan entities from managing and distributing money market mutual funds available to Program clients. Additionally, JPMCB has agreed to pay JPMS a monthly flat fee for each Account that uses the Deposit Account; however, JPMS is currently waiving receipt of this fee.

Therefore, JPMS and JPMCB have a conflict of interest in offering or utilizing the Deposit Account and in making it the default "sweep" option. JPMS believes that the conflict is addressed through:

- the fact that Financial Advisors do not receive any additional compensation for assets held in the Deposit Account as opposed to another cash alternative;
- online disclosure of the available cash options and yields at https://www.chase.com/personal/investments/sweep-options-yields;
- the client's ability to affirmatively select another available "sweep" option and to change the "sweep" option selection to an available alternative at any time;
- the J.P. Morgan Chase Deposit Account Disclosure provided to the client; and;
- the client's ability to obtain the prospectus for each money market mutual fund that is an available alternative to the Deposit Account.

***Offset of Certain Fees to IRAs and Certain Other Retirement Accounts***

If a Program Account owned by an IRA, or other client that is a qualified retirement account subject to the prohibited transaction provisions of Section 4975 of the Internal Revenue Code, as amended (**IRC**), holds any J.P. Morgan Funds, the actual amount of the J.P. Morgan Funds' underlying fees paid to J.P. Morgan and associated with Program Account assets will be offset against the Advisory Fee. The offset amount will be automatically applied against the Advisory Fee charged for the period and will appear as a separate line item on the client's Program Account statement. This offset does not apply to Account investments in non–J.P. Morgan Funds. In addition, for those J.P. Morgan Funds that utilize unaffiliated investment sub-advisers for all or a portion of the Fund portfolio management, the amount of the Fund advisory fees paid to unaffiliated investment sub-advisers is not offset to the Advisory Fee.

**Financial Advisor Compensation**

The Program is recommended to clients by Financial Advisors associated with JPMS. Financial Advisors and certain other JPMS supervised persons are eligible to receive variable compensation based on discretionary and nondiscretionary factors, including the number of qualified clients who set up consultations and/or invest in the Program. This variable compensation structure creates a financial incentive for such supervised persons to recommend the Program over other advisory programs and brokerage services offered by JPMS and its affiliates. JPMS maintains and enforces policies reasonably designed to identify and disclose and minimize or eliminate these conflicts of interest. Neither the JPMS supervised persons nor the Financial Advisors who deliver advice to Program clients are compensated for or on the basis of any recommendation or sales of specific securities.

***Margin Debit Balances***

In general, any margin debit balances held by a client cannot be held in a Program Account. This is significant because, for purposes of the calculation of the Advisory Fee, the net market value of the assets on which the fee is based will generally not be reduced by the amount of any margin debit balances held by the client in an account outside of the Program, even if some or all of the proceeds of the loan represented by the margin debit balances are held in the client's Program Account and even if some or all of the assets in the client's Program Account are used to collateralize or secure the loan represented by the margin balances. JPMS has a financial incentive for the client to incur margin debt to buy securities in a Program Account because: (1) the client will be required to pay JPMS or its affiliates interest and fees on the debt; and (2) the net market value of the Program Account will be increased by the value of the additional securities purchased with the margin loan (and will not be offset by the amount of the margin debit held by the client in any account outside of the Program), resulting in a higher fee. In addition, any interest and fees paid by the client in connection with any debit balances held outside the Program Account will not be taken into account in the computation of the net equity or performance of the client's Program Account as reflected in Account statements, performance reports or otherwise.

**ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

Clients generally include individuals investing through taxable accounts and retirement accounts with a U.S. address. Clients whose Account address becomes a non-U.S. address will generally have their Account terminated from the Program.

The Program is not intended for investors who seek to maintain control over trading in their Account, who have a short-term time horizon (or expect ongoing and significant withdrawals), or who expect or desire to maintain consistently high levels of cash or money market funds.

**A. Program Minimum**

Participation in the Program requires an initial minimum investment of $25,000. Clients can open and maintain multiple Program Accounts, but each Account requires an initial minimum investment of $10,000. JPMS may, in its discretion, waive or reduce these minimums for certain clients from time to time. If Accounts fall below the Program minimums, JPMS can terminate such Accounts at its discretion.

The investment, sale or withdrawal of funds or securities from Program Accounts will be effected as soon as practicable subject to market conditions and other factors. Under normal market conditions, it can take 2-4 business days to process the investment (whether initial investments or additions), sale or withdrawal of funds in Program Accounts; however, timeframes can be longer due to market conditions and other factors.

**B. Cash Balances in Program Accounts**

A portion of Program Accounts will be held in cash, cash equivalents or money market funds as part of the overall investment strategy for the Account. Cash and cash equivalents, including money market funds, are subject to the Advisory Fee. For additional information, please see "Cash Allocations and the Sweep Feature" in Item 4.

**C. Retirement Accounts**

For Program Accounts established for retirement plans subject to the Employee Retirement Income Security Act of 1974, as amended (**ERISA**) and for Individual Retirement Accounts (**IRAs**) (collectively referred to as "retirement accounts"), when providing services under the Program, JPMS is a "fiduciary" as that term is defined in Section 3(21)(A) of ERISA and/or Section 4975(e)(3)(B) of the IRC with respect to the assets of the retirement accounts invested in the Program. Additionally, for retirement accounts that invest in the Program with JPMPI as Sub-Adviser, JPMPI is a "fiduciary" as that term is defined in Section 3(21)(A) of ERISA and/or Section 4975(e)(3)(B) of the IRC with respect to the assets that it manages in the Program.

Retirement accounts can be restricted from investing in Funds that have a certain relationship with J.P. Morgan. As a result, performance of such retirement accounts would differ from non-retirement accounts invested in the same Investment Strategy without such restrictions.

## ITEM 6 – SUB-ADVISER SELECTION AND EVALUATION

### Methods of Analysis, Investment Strategies and Risk of Loss

Set forth below is a general description of the primary methods of analysis that the Sub-Adviser utilizes for the Program. This description is not intended to serve as Fund or Account guidelines. This description is qualified in its entirety by the information included in any applicable Fund's prospectus or other relevant offering documentation and the Sub-Adviser's Form ADV, Part 2A disclosure brochure. JPMS, the Sub-Adviser, and the Manager Solutions Team (defined below) are not responsible for the performance of any Fund or its compliance with its prospectus, disclosures, laws or regulations, or other matters within the Fund and its respective adviser's control. Each Fund's adviser is solely responsible for the management of the Fund. JPMS, the Sub-Adviser and the Manager Solutions Team cannot ensure that a given Investment Strategy's investment objective will be attained.

### Sub-Adviser's Discretionary Investment Process

JPMPI is responsible for determining asset allocation, selecting and monitoring Funds used for Investment Strategies, determining portfolio construction and evaluating Investment Strategies on an ongoing basis subject to the oversight of, and pursuant to, the investment policy statement approved by JPMS.

The Sub-Adviser's approach is generally comparable to the approach to asset allocation, Fund and manager selection, and portfolio construction taken by the Wealth Management division of J.P. Morgan Asset & Wealth Management for Wealth Management's Private Bank (**PB**) discretionary accounts. See "Use of J.P. Morgan Funds and Potential Conflicts of Interest" below for important information on the use of J.P. Morgan Funds.

### Asset Allocation Process

JPMPI is responsible for establishing and updating the overall strategic asset allocations for the Investment Strategies. Asset allocations are based on the firm's long-term capital market assumptions, as well as correlation between asset classes. Each Investment Strategy's asset allocation mix is selected to have the appropriate level of risk and return for such Investment Strategy. This process includes several internal forums. These asset allocations generally are the overall basis for the process described below. The JPMPI personnel who perform these functions are shared with JPMCB, an affiliate of JPMS and the Sub-Adviser, and perform substantially similar services for other clients. The Sub-Adviser periodically reviews the Program composition and asset allocation and performance of the Investment Strategies with JPMS.

### Research Process

The Sub-Adviser uses research from the JPMPI Manager Solutions Team (**Manager Solutions Team**) to research, select and monitor Funds. The Manager Solutions Team is comprised of employees of JPMCB and other affiliates. Specialists on the Manager Solution Team are supervised persons of JPMPI. The Manager Solutions Team conducts due diligence of the Funds and Investment Strategies that are available for use in the Program and is responsible for researching and selecting funds, and for subjecting them to a review process. The due diligence process is designed to subject both J.P. Morgan and non-J.P. Morgan investment strategies to the same process; however, the Manager Solutions Team applies its discretion and is not required to apply all factors equally to each Fund in the search universe. J.P. Morgan maintains certain capacity limitations on investment positions in non-J.P. Morgan Funds due to liquidity concerns, regulatory requirements, and related internal policies. In circumstances where these limitations mean that the Sub-Adviser would not be able to invest all desired client assets in a particular non-J.P. Morgan Fund, the Manager Solutions Team will likely recommend a J.P. Morgan Fund. The Manager Solutions Team will begin the search process by defining an applicable universe of managed strategies, which typically will include J.P. Morgan managed strategies when there is one in the desired asset class. The Manager Solutions Team utilizes both quantitative and qualitative assessments during its initial review process. The Manager Solutions Team then recommends particular Funds to an internal governance forum, which is responsible for approving or rejecting them. The Manager Solutions Team is also responsible for monitoring and re-evaluating approved Funds as part of its ongoing review process.

### Centralized Due Diligence

JPMPI's Manager Solutions and operational due diligence teams provide research on Funds. The "Qualitative Research Process" is used by the Program. An operational due diligence review is performed on Funds identified through the Qualitative Research Process. In the Qualitative Research Process, the Manager Solutions Team conducts a qualitative analysis of Funds on an ongoing basis. The team reviews the portfolio manager's organization, investment process, investment philosophy and performance.

As part of the due diligence process, JPMPI applies an ESG eligibility framework that establishes minimum criteria for determining the universe of funds and strategies to be considered for inclusion in ESG strategies. Funds may be removed from (or no longer be eligible for purchase in) the Program if they do not continue to meet these criteria.

### Initial Fund and Investment Strategy Review and Approval

The internal governance forum approves or rejects new Funds to be made available for the Sub-Adviser to use in the Program. There can be Funds that are not available in the Program, but that are available in other programs advised by JPMPI or its affiliates. The Manager Solutions and operational due diligence teams provides a formal presentation on prospective managed strategies to the governance forum for review. The internal governance forum is expected to consider the same factors in its review and approval process for J.P. Morgan and non–J.P. Morgan managed strategies. These factors include, but are not limited to: (a) an analysis of the manager's overall investment opportunity; (b) investment thesis; (c) track record; (d) performance; (e) terms of the vehicle; (f) reputational risk; (g) potential for conflicts of interest; and (h) regulatory issues.

### Portfolio Construction

From the pool of strategies, the Sub-Adviser selects the combination of Funds that, in its view, fit each Investment Strategy's asset allocation goals and investment objectives. In making portfolio construction decisions, the Sub-Adviser will consider and is permitted to prefer J.P. Morgan Funds. The Sub-Adviser is also more likely to select a J.P. Morgan Fund in circumstances where it would not be able to invest all desired client assets in a particular non-J.P. Morgan Fund due to capacity limitations as described under "Research Process" above. See "Use of J.P. Morgan Funds and Potential Conflicts of Interest" below for more information on the use of J.P. Morgan Funds.

### Portfolio Implementation

JPMPI provides portfolio implementation services for each individual client's Program Account.

### Ongoing Review of Approved Funds and Investment Strategies

Another internal governance forum is responsible for the ongoing monitoring and oversight of Funds as approved and available for the Program. From time to time, this internal governance forum may place them on probation, or terminate them as part of its ongoing monitoring and oversight responsibilities. The factors considered by the forum are expected to be the same for J.P. Morgan and non–J.P. Morgan managed strategies, as further described above under "Research Process" above. In addition, the Sub-Adviser may be limited from making additional purchases of a Fund due to capacity considerations.

The Sub-Adviser also can, for portfolio construction reasons, remove a Fund from the Program.

A Fund that is on probation can be held in a client Account, but generally the Sub-Adviser will not direct new purchases until the Fund is removed from probation. During the probation period, the Manager Solutions Team and operational due diligence teams will continue to review the Fund.

Generally, a Fund that is terminated will be sold in a client Account, and the Sub-Adviser will not direct new purchases of that Fund.

If the Sub-Adviser removes a Fund from the Program, the assets held in client Accounts will be sold and replaced with another Fund that is approved for use in the Program without notice to clients. When evaluating a replacement Fund, the Sub-Adviser is expected to consider the same factors described above.

**Use of J.P. Morgan Funds and Potential Conflicts of Interest**

**Investment Principles 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 client accounts to act in a way that benefits J.P. Morgan. Conflicts will result, for example (to the extent the following activities are permitted in a client's Account): (1) when J.P. Morgan invests in an investment product, such as a mutual fund managed by a J.P. Morgan affiliate, such as JPMIM or JPMPI; (2) when a J.P. Morgan entity obtains services, including trade execution and trade clearing, from a J.P. Morgan affiliate; (3) when J.P. Morgan receives payment as a result of purchasing an investment product for a client's Account; or (4) when J.P. Morgan receives payment for providing services (including shareholder servicing, recordkeeping or custody) with respect to investment products purchased for a client's Account. 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 the Manager Solutions Team. From this pool of strategies, J.P. Morgan portfolio construction teams select those strategies J.P. Morgan believes fit its asset allocation goals and forward-looking views in order to meet the investment strategy's investment objective.

Depending on the investments available in each Program, investment strategies are selected from both J.P. Morgan Funds and third-party asset managers and are subject to a review process by J.P. Morgan manager research teams. From this pool of investment strategies, J.P. Morgan portfolio construction teams select those investment strategies J.P. Morgan believes fit its asset allocation goals and forward-looking views in order to meet the investment objective of the investment strategy or portfolio.

As a general matter, J.P. Morgan prefers J.P. Morgan managed strategies. J.P. Morgan expects 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 applicable law and any account-specific considerations. J.P. Morgan may allocate a significant portion of the assets in the Program to J.P. Morgan Funds. That portion varies depending on market or other conditions.

While J.P. Morgan's internally managed investment strategies generally align well with J.P. Morgan's forward looking views, and J.P. Morgan is familiar with the investment processes as well as the risk and compliance philosophy of the J.P. Morgan, it is important to note that J.P. Morgan receives more overall fees when internally managed investment strategies are included.

When J.P. Morgan selects J.P. Morgan Funds for client Program Accounts, J.P. Morgan receives a fee for managing the J.P. Morgan Funds. As such, J.P. Morgan will receive more total revenue when cash in a client's Account is invested in J.P. Morgan Funds than if it were invested in third-party funds. JPMS and JPMPI address this conflict through disclosure to clients and through the investment process described in Item 6 herein. For important information about each J.P. Morgan Fund, including investment objectives, risks, charges, and expenses, clients can read each Fund's prospectus carefully and consider all the information in it before investing.

**J.P. Morgan Funds and Third-Party Funds – Other Fees and Expenses**

All Funds have various internal fees and other expenses that are paid by managers or issuers of the Funds or by the Funds themselves, but that ultimately are borne by the investor. These fees and expenses are in addition to any fees paid to JPMS and received by JPMPI for acting as Sub-Adviser. J.P. Morgan may receive administrative and servicing fees for providing services to both J.P. Morgan Funds and third-party Funds that are held in a client's Account. Please see the discussion of "Share Classes Available in Program Investment Strategies" in Item 4 above for more information on the receipt of administrative and servicing fees. Clients should review the applicable prospectuses for Funds for more information about these fees and expenses. These payments may be made by sponsors of the Funds (including affiliates of J.P. Morgan), or by the Funds themselves, and may be based on the value of the Funds in the client's Account. Funds or their sponsors may have other business relationships with J.P. Morgan outside of its portfolio management role or with its broker-dealer affiliates of J.P. Morgan, which may provide brokerage or other services that pay commissions, fees and other compensation.

**J.P. Morgan Funds – Management Fees**

JPMPI or its affiliates may be sponsors or managers of Funds that J.P. Morgan purchases for Program Accounts. In such case, JPMPI or its affiliates may receive a fee for managing such Funds. As such, JPMPI and its affiliates will receive more total revenue when the client's portfolio is invested in such Funds than when it is invested in third-party funds.

JPMPI can allocate a portion of the assets in the Program to J.P. Morgan Funds. That portion varies depending on market or other conditions. The use of J.P. Morgan Funds, non–J.P. Morgan Funds and J.P. Morgan Money Market Funds in a client's Account will depend on the client's asset level, reasonable restrictions placed by the client on the management of an Account, and other factors. Each client should review account opening documentation, confirmations and quarterly and annual statements for more information about the actual allocation in his or her Account.

The following chart shows the allocation of assets between J.P. Morgan and non-J.P. Morgan Funds by Fund type for each Investment Strategy (including applicable municipal fixed income and U.S. focused strategies).

| **Investment Strategy** *(as of March 30, 2022)* | **J.P. Morgan Funds** | **Non-J.P. Morgan Funds** | **J.P. Morgan Cash** |
|---|---|---|---|
| Income | 0% | 98% | 2% |
| Conservative | 0% | 98% | 2% |
| Balanced | 0% | 98% | 2% |
| Balanced ESG | 0% | 98% | 2% |
| Growth | 0% | 98% | 2% |
| Aggressive Growth | 0% | 98% | 2% |

Allocations shown here are illustrative only, do not necessarily represent actual use of J.P. Morgan Funds and non-J.P. Morgan Funds represented in any particular client's Account, and can change without notice. JPMPI has full discretionary authority to select Funds and is not required to adhere to the illustrative allocations pictured here.

Please refer to Item 9, section C for more information on Potential Conflicts of Interest.

**Risk of Loss**

**Investing in securities involves risk of loss 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. Past performance of investments is not indicative of future performance.**

**Material, Significant, or Unusual Risks Relating to the Program**

Set forth below is a summary of the material risk factors that are associated with the Program, its Investment Strategies and the types of investments used in the Program. This is a summary only. The information included in this Brochure does not include every potential risk associated with the financial planning process or with each Investment Strategy or Fund applicable to clients participating in the Program. The risk factors associated with the relevant Fund's investment strategy are disclosed in the prospectus, offering memorandum or other materials of the Fund. Prospective investors should carefully read the relevant offering documents and consult with their own counsel and advisers as to all matters concerning investments in Funds. Clients should not rely solely on the descriptions provided below. Clients are urged to ask questions regarding risk factors applicable to a particular strategy or investment product by calling 1-800-392-5749 and determine whether the Program is suitable for them in light of their specific circumstances and investment goals.

***Financial Planning Risks***

JPMS' financial planning process is designed to provide an overview of your financial situation and to identify what steps, if any, may be helpful to meet your particular investment needs, goals, and other specific objectives. The planning process is based upon a projection of current and future investment returns and other variables such as inflation and/or current tax rates in order to compare your current asset allocation with a hypothetical asset allocation. The financial plan is not a comprehensive financial plan, which would be a more detailed review of your overall financial situation and would cover a broader spectrum of needs, including insurance needs, tax planning, charitable gifting, estate planning, and long-term care. There is a risk that the financial plan, by not taking these needs into account, creates an inaccurate assessment of your financial situation. The financial plan is not intended to provide and should not be relied upon as providing accounting, legal, regulatory or tax advice.

The calculations and analyses presented in the financial plan are based, in part, on the information that you have provided to JPMS. JPMS has not verified, and is not responsible for, the accuracy or completeness of information you provide, including information regarding External Accounts. Information that you provide about your assets, risk tolerance, and personal situation are key assumptions for the calculations and projections in the financial plan. Even small changes in assumptions can have a substantial impact on the results shown. Any information provided by you should be reviewed periodically and updated when either the information or your circumstances change. JPMS does not provide advice with respect to assets at other firms and is not responsible for any activity conducted in accounts at other firms.

A "Monte Carlo" simulation is used to calculate the results that are shown in the financial plan. Such simulations are completed by running the calculation many times, each time using a different sequence of returns. Some sequences of returns will give you better results, and some will give you worse results. These multiple trials provide a range of possible results; some may be successful (where you meet your goals) and others unsuccessful (where you do not meet your goals). The percentage of trials that were successful is the probability that your goals, with all the underlying assumptions, could be successful. The results using Monte Carlo simulations indicate the likelihood that an event may occur as well as the likelihood that it may not occur. Such an analysis does not take into account actual market conditions, which will affect the outcome of your goals.

When reviewing your financial plan, it is important to keep in mind that **projections or other information contained within a financial plan regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.** The results shown will vary each time a financial plan is created and over time.

***General Portfolio Risks***

Many of the risks defined below apply to assets within Program Accounts. Please refer to JPMPI's ADV brochure (which can be obtained at the SEC's website at www.adviserinfo.sec.gov) for additional disclosures regarding the risks associated with the Program and JPMPI's role as Sub-Adviser.

**General Market Risk**. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions. Securities in any one strategy may under perform in comparison to general financial markets, a particular financial market or other asset classes, due to a number of factors, including inflation or expectations for inflation), deflation (or expectations for deflation) interest rates, global demand for particular products or resources, market instability, debt crises and downgrades, embargoes, tariffs, sanctions and other trade barriers, regulatory events, other governmental trade or market control programs and related geopolitical events. In addition, the value of a strategy's investments may be negatively affected by the occurrence of global events such as war, terrorism, environmental disasters, natural disasters or events, country instability, and infectious disease epidemics.

**Infectious Disease Risk.** The outbreak of COVID-19, a novel coronavirus disease, has negatively affected economies, markets and individual companies throughout the world, including those in which separately managed accounts and J.P. Morgan Funds invest. The effects of this pandemic to public health and business and market conditions, including exchange trading suspensions and closures may continue to have a significant negative impact on the performance of the separately managed accounts and J.P. Morgan Fund investments, increase separately managed account and fund volatility, impact arbitrage and pricing mechanisms for certain J.P. Morgan Funds, exacerbate preexisting political, social, and economic risks to separately managed accounts and J.P. Morgan Funds, and negatively impact broad segments of businesses and populations. JPMS' operations may be interrupted as a result, which may contribute to the negative impact on investment performance. In addition, governments, their regulatory agencies, or self-regulatory organizations may take actions in response to the pandemic that affect the instruments in which a separately managed account or J.P. Morgan Funds invests, or the issuers of such instruments, in ways that could have a significant negative impact on such account or fund's investment performance. The full impact of the COVID-19 pandemic, or other future epidemics or pandemics, is currently unknown.

***Regulatory Risk***. There have been legislative, tax, and regulatory changes and proposed changes that may apply to the activities of JPMS that may require legal, tax and regulatory changes, including requirements to provide additional information pertaining to a client account to the Internal Revenue Service or other taxing authorities. Regulatory changes and restrictions imposed by regulators, self-regulatory organizations and exchanges vary from country to country and may affect the value of client investments and their ability to pursue their investment strategies. Any such rules, regulations and other changes, and any uncertainty in respect of their implementation, may result in increased costs, reduced profit margins and reduced investment and trading opportunities, all of which would negatively impact performance.

**Data and Information Risk**. Although JPMS obtains data and information from third party sources that it considers to be reliable, JPMS does not warrant or guarantee the accuracy and/or completeness of any data or information provided by these sources. JPMS does not make any express or implied warranties of any kind with respect to such data. JPMS shall not have any liability for any errors or omissions in connection with any data provided by third party sources.

**Intellectual Property and Technology Risks Involved in International Operations.** There can be risks to technology and intellectual property that can result from conducting business outside the United States. This is particularly true in jurisdictions that do not have comparable levels of protection of corporate proprietary information and assets such as intellectual property, trademarks, trade secrets, know-how and customer information and records. As a result, JPMS and its funds can be more susceptible to potential theft or compromise of data, technology and intellectual property from a myriad of sources, including direct cyber intrusions or more indirect routes such as companies being required to compromise protections or yield rights to technology, data or intellectual property in order to conduct business in a foreign jurisdiction.

**Cyber Security Risk.** As the use of technology has become more prevalent in the course of business, J.P. Morgan has become more susceptible to operational and financial risks associated with cyber security, including: theft, loss, misuse, improper release, corruption and destruction of, or unauthorized access to, confidential or highly restricted data relating to J.P. Morgan and its clients, and compromises or failures to systems, networks, devices and applications relating to the operations of J.P. Morgan and its service providers. Cyber security risks can result in financial losses to J.P. Morgan and its clients; the inability of J.P. Morgan to transact business with its clients; delays or mistakes in materials provided to clients; the inability to process transactions with clients or other parties; violations of privacy and other laws; regulatory fines, penalties and reputational damage; and compliance and remediation costs, legal fees and other expenses. J.P. Morgan's service providers (including any sub-advisers, administrator, transfer agent, and custodian or their agents), financial intermediaries, companies in which client accounts and funds invest and parties with which J.P. Morgan engages in portfolio or other transactions also may be adversely impacted by cyber security risks in their own businesses, which could result in losses to J.P. Morgan or its clients. While measures have been developed which are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since J.P. Morgan does not directly control the cyber security defenses or plans of its service providers, financial intermediaries and companies in which they invest or with which they do business.

***LIBOR Discontinuance or Unavailability Risk.*** The London Interbank Offering Rate ("**LIBOR**") is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. The U.K. Financial Conduct Authority (**FCA**) has publicly announced that certain tenors and currencies of LIBOR will cease to be published or representative of the underlying market and economic reality they are intended to measure on certain future dates; current information about these dates and certain related risks is available at https://www.jpmorgan.com/disclosures/interbank_offered_rates. There is no assurance that the dates announced by the FCA will not change or that the administrator of LIBOR and/or regulators will not take further action that could impact the availability, composition or characteristics of LIBOR or the currencies and/or tenors for which LIBOR is published, and we recommend that you consult your advisers to stay informed of any such developments. Public and private sector industry initiatives are currently underway to implement new or alternative reference rates to be used in place of LIBOR. In addition, certain regulated entities ceased entering into most new LIBOR contracts in connection with regulatory guidance or prohibitions. There is no assurance that any such alternative reference rate will be similar to or produce the same value or economic equivalence as LIBOR or that it will have the same volume or liquidity as did LIBOR prior to its discontinuance, unavailability or replacement, all of which may affect the value, volatility, liquidity or return on certain of a fund's or other client account's loans, notes, derivatives and other instruments or investments comprising some or all of a fund's or other client account's portfolio and result in costs incurred in connection with changing reference rates used for positions, closing out positions and entering into new trades. Certain of the fund's or other client account's investments may transition from LIBOR prior to the dates announced by the FCA. The transition from LIBOR to alternative reference rates may result in operational issues for a fund or other client account or some of their investments. No assurances can be given as to the impact of the LIBOR transition (and the timing of any such impact) on a fund or other client account or their investments. These risks may also apply with respect to changes in connection with other interbank offering rates (for example, Euribor) and a wide range of other index levels, rates and values that are treated as "benchmarks" and are the subject of recent regulatory reform.

***Risks That Apply Primarily to ESG Strategies***

ESG investing may include additional risks. For example, ESG or sustainable investing strategies, including ESG SMAs, mutual funds and ETFs (**ESG Strategies**) may limit the types and number of investment opportunities and, as a result, could underperform other strategies that do not have an ESG or sustainable focus. ESG Strategies may invest in securities or industry sectors that underperform the market as a whole or underperform other strategies screened for ESG standards. ESG Strategies can be more concentrated in particular industries or sectors that share common characteristics and are often subject to similar business risks and regulatory burdens. Because investing on the basis of sustainability/ESG criteria can involve qualitative and subjective analysis, there can be no assurance that the methodology utilized by, or determinations made by, an investment manager will align with the beliefs or values of the client. Additionally, other investment managers, including affiliates, can have a different approach to ESG investing from that of J.P. Morgan with respect to the same theme or topic.

ESG Strategies can follow different approaches to ESG investing. For example, some ESG Strategies select companies based on positive ESG characteristics while others may apply negative screens in order to exclude certain investments. Such investment strategies may also offer the ability to exclude particular sectors or industries from a portfolio. Restrictions and exclusions can affect the investment manager's ability to make investments or take advantage of opportunities that may be available to clients that do not choose similar restrictions and, as a result, investment performance could suffer. Issuer screening aims to screen companies (issuers) with revenue derived from the restricted category selected by the client, but it does not exclude all companies with any tie or revenue derived from such restricted category. Additionally, issuer screening is performed by a third-party provider, such as MSCI or a third-party investment manager, and J.P. Morgan does not independently verify or guarantee the accuracy of it. Accordingly, it is possible for the client's portfolio to hold investments in companies that derive some revenue from a restricted category. Any faith-based restrictions will exclude multiple categories selected by a third-party provider based generally on the values and norms of such groups; however, such restrictions may not completely represent or fully align with the client's values or religious beliefs.

ESG or sustainable investing is not a uniformly defined concept and scores or ratings may vary across data providers that use similar or different screens based on their process for identifying ESG issuers. The companies selected as demonstrating positive ESG characteristics may not be the same companies selected by other investment managers that use similar ESG screens or methodologies. In addition, companies selected might not exhibit positive or favorable ESG characteristics. ESG investing practices differ by asset class, country, region, and industry and are constantly evolving, and a company's ESG practices and J.P. Morgan's assessment of such practices can change over time.

J.P. Morgan takes a global approach to sustainable investing and the solutions offered through our sustainable investing platform are based on our internally defined criteria for a sustainable investment. The evolving nature of sustainable finance regulations and the development of jurisdiction-specific legislation setting out the regulatory criteria for a "sustainable" or "ESG" investment mean that there is likely to be, in the future, a degree of divergence as to the regulatory meaning of such terms. This is already the case in the European Union, for example, where under the Sustainable Finance Disclosure Regulation (EU) (2019/2088) (**SFDR**) certain criteria must be satisfied in order for a product to be classified as a sustainable investment.]

***Offsets for Retirement Accounts Holding J.P. Morgan Funds***

If a Program Account owned by an IRA, or other client that is a qualified retirement plan subject to the prohibited transaction provisions of Section 4975 of the IRC, holds any J.P. Morgan Funds, the actual amount of the J.P. Morgan Funds' underlying fees paid to J.P. Morgan and associated with Program Account assets will be offset against the Advisory Fee. See "Offset of Certain Fees to IRAs and Certain Other Retirement Accounts" in Item 4 above.

***Prospectus Delivery***

A discretionary investment adviser can receive prospectuses and other issuer-related materials on behalf of a client for any Funds in a client's account with client authorization. JPMS or the Sub-Adviser, as a client's agent, will have access to the prospectuses and issuer-related materials and can rely upon them to make Fund investments on the client's behalf; however, clients will no longer receive such prospectuses or issuer-related materials directly, but can access them via the issuer's website or request copies from JPMS at any time. Prospectuses and issuer-related materials contain important information and detailed descriptions of additional fees and expenses, investment minimums, risk factors and conflicts of interest disclosures, as well as client's rights, responsibilities and liabilities with respect to such investments. Additionally, this Brochure contains other general information regarding fees and expenses, invest minimums, risk factors and conflicts of interest disclosure.

## ITEM 7 – CLIENT INFORMATION PROVIDED TO SUB-ADVISER

JPMS provides to JPMPI a summary of client information relevant to JPMPI's services to the client, including the client's name, address, Account number, Social Security number or taxpayer identification number, whether the Account is taxable or non-taxable, the client's selected Investment Strategy (or Strategies), investment restrictions requested by the client and amount to be invested. That information is updated if it becomes materially incorrect, such as in the event that the client selects a new Investment Strategy or changes his or her investment restrictions.

## ITEM 8 – CLIENT CONTACT WITH SUB-ADVISER

JPMS and JPMPI personnel who are knowledgeable about the management of client Program Accounts are available for client consultation upon reasonable request. JPMPA Financial Advisors can assist clients in contacting such personnel.

## ITEM 9 – ADDITIONAL INFORMATION

### A. Disciplinary Information

JPMS has been involved in the following material legal or disciplinary events during the last ten years. With respect to the periods before the merger of J.P. Morgan Securities Inc. into Bear, Stearns & Co. Inc. (and the naming of the surviving entity as J.P. Morgan Securities Inc., now J.P. Morgan Securities LLC) on October 1, 2008, and the merger of Chase Investment Services Corp. (**CISC**) into JPMS on October 1, 2012, the events include those involving any of the three entities.

**1)** Between June 2009 and September 2012, J.P. Morgan, on behalf of itself and its subsidiaries, entered into substantially similar settlements with 47 securities regulators in connection with investigations concerning alleged misrepresentations and omissions in connection with the marketing, sales and distribution of auction rate securities (**ARS**). The principal allegations were that the relevant J.P. Morgan entities misrepresented to customers that ARS were safe, highly liquid investments comparable to money market instruments, and when the auctions that provided liquidity for ARS failed in February 2008, customers held illiquid ARS instead of the liquid, short-term investments J.P. Morgan entities had represented them to be and were unable to sell the ARS. Without admitting or denying the allegations, J.P. Morgan entered into consent decrees pursuant to which the relevant J.P. Morgan entities repurchased ARS from certain customers and paid fines, penalties, disgorgement and restitution in amounts that varied from state to state.

**2)** In November 2012, the SEC filed a complaint against JPMS and several of its affiliates in the District Court for the District of Columbia. The complaint related primarily to Bear Stearns' alleged failure to disclose information regarding settlements entered into by a Bear Stearns affiliate with originators of loans that had been securitized into residential mortgage-backed securities (**RMBS**) trusts beginning in or about 2005. The complaint also alleged that JPMS, in connection with an RMBS offering by a J.P. Morgan affiliate in 2006, failed to include in the RMBS prospectus supplement's delinquency disclosures approximately 620 loans that the SEC asserted were more than 30 days delinquent at the cut-off date for the offering. Based on the alleged misconduct described above, the complaint alleged that the defendants violated Sections 17(a)(2) and (3) of the Securities Act of 1933. In settlement of the action, the defendants submitted an executed Consent agreeing to the entry of judgment, without admitting or denying allegations made in the proceeding (other than those relating to the jurisdiction of the District Court over it and the subject matter). In January 2013, the District Court entered a judgment against the defendants that enjoined them from violating, directly or indirectly, Sections 17(a)(2) and (3) of the Securities Act of 1933. Additionally, the judgment required the defendants to pay disgorgement in the amount of $177,700,000, prejudgment interest in the amount of $38,865,536, and a civil monetary penalty of $84,350,000.

**3)** On December 18, 2015, JPMS and JPMCB (together **Respondents**) entered into a settlement with the SEC resulting in the SEC issuing an order (**Order**). The Respondents consented to the entry of the Order that finds that JPMS violated Sections 206(2), 206(4), and 207 of the Advisers Act and Rule 206(4)-7 and JPMCB violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933. The Order finds that JPMCB negligently failed to adequately disclose (a) from February 2011 to January 2014, a preference for affiliated mutual funds in certain discretionary investment portfolios (the **Discretionary Portfolios**) managed by JPMCB and offered through J.P. Morgan's U.S. Private Bank (the **U.S. Private Bank**) and the Chase Private Client lines of business; (b) from 2008 to 2014, a preference for affiliated hedge funds in certain of those portfolios offered through the U.S. Private Bank; and (c) from 2008 to August 2015, a preference for retrocession-paying third-party hedge funds in certain of those portfolios offered through the U.S. Private Bank. With respect to JPMS, the Order finds, that from May 2008 to 2013, JPMS negligently failed to adequately disclose, including in documents filed with the SEC, conflicts of interest associated with its use of affiliated mutual funds in the Chase Strategic Portfolio (**CSP**) program, specifically, a preference for affiliated mutual funds, the relationship between the discounted pricing of certain services provided by an affiliate and the amount of CSP assets invested in affiliated products, and that certain affiliated mutual funds offered a lower-cost share class than the share class purchased for CSP. In addition, the Order finds that JPMS failed to implement written policies and procedures adequate to ensure disclosure of these conflicts of interest. Solely for the purpose of settling these proceedings, the Respondents consented to the Order, admitted to the certain facts set forth in the Order and acknowledged that certain conduct set forth in the Order violated the federal securities laws. The Order censures JPMS and directs the Respondents to cease-and-desist from committing or causing any violations and any future violations of the above-enumerated statutory provisions. Additionally, the Order requires the Respondents to pay a total of $266,815,000 in disgorgement, interest and civil penalty.

Concurrently, on December 18, 2015, JPMCB reached a settlement agreement with the Commodity Futures Trading Commission (**CFTC**) to resolve its investigation of JPMCB's disclosure of certain conflicts of interest to discretionary account clients of J.P. Morgan Private Bank's U.S.-based wealth management business. In connection with the settlement, the CFTC issued an order (**CFTC Order**) finding that JPMCB violated Section 4o(1)(B) of the Commodity Exchange Act (**CEA**) and Regulation 4.41(a)(2) by failing to fully disclose to certain clients its preferences for investing certain discretionary portfolio assets in certain commodity pools or exempt pools, namely (a) investment funds operated by J.P. Morgan Asset Management, and (b) third-party managed hedge funds that shared management and/or performance fees with an affiliate of JPMCB. The CFTC Order directs JPMCB to cease-and-desist from violating Section 4o(1)(B) of the CEA and Regulation

4.41(a)(2). Additionally, JPMCB shall pay $40 million as a civil penalty to the CFTC and disgorgement of $60 million satisfied by disgorgement to be paid to the SEC by JPMCB and an affiliate in a related and concurrent settlement with the SEC.

For a copy of the Order, please go to: https://www.sec.gov/litigation/admin/2015/33-9992.pdf.

**4)** On or about July 28, 2016, JPMS and JPMCB entered into a Consent Agreement (**Agreement**) with the Indiana Securities Division (**ISD**). The Respondents consented to the entry of the Agreement that alleged that certain conduct of the Respondents was outside the standards of honesty and ethics generally accepted in the securities trade and industry, in violation of 710 Ind. Admin. Code§ 4-10-1(23) (2016). Specifically, the Agreement alleged that, between 2008 and 2013, JPMS failed to disclose to Indiana investors that certain proprietary mutual funds purchased for Chase Strategic Portfolio (**CSP**) clients offered institutional shares that were less expensive than the institutional shares JPMS chose for CSP clients. In addition, the Agreement alleged that, from February 2011 to January 2014, no account opening document or marketing materials disclosed to Indiana investment management account clients or Indiana J.P. Morgan Investment Portfolio clients that JPMCB preferred to invest client assets in proprietary mutual funds, and that between 2008 and January 2014, JPMCB did not disclose its preference for investing certain investment management account assets in certain proprietary hedge funds to Indiana clients. Lastly, the Agreement alleged that, JPMCB did not disclose its preference for placement-agent-fee-paying third-party hedge fund managers in certain investment management accounts to Indiana clients until August 2015. Solely for the purpose of settling these proceedings, the Respondents consented to the Agreement, with no admissions as to liability. In the Agreement, the Respondents agreed to pay a total of $950,000 to resolve the ISD's investigation.

**5)** In October 2018, JPMS submitted an AWC to FINRA pursuant to which JPMS was censured and required to certify in writing to FINRA that it had engaged in a risk-based review of Chase Wealth Management (**CWM**) client-facing third-party vendors, that it had corrected any issues detected, and that JPMS had established and implemented systems and policies and procedures (written or otherwise) reasonably designed to achieve compliance with applicable FINRA and NASD rules. JPMS had discovered and self-reported to FINRA that a vendor responsible for the automated realignment of portfolio assets and the calculation of fees was not rebalancing certain accounts due to technology upgrades by the vendor. Similarly, the vendor had converted to a new billing platform that caused billing errors that went undetected. JPMS paid total restitution of $4,620,140 to impacted customers and provided substantial assistance to FINRA by proactively undertaking an extensive lookback concerning its complex and systemic failures and reporting-related findings on an ongoing basis. Without admitting or denying the findings, JPMS consented to the sanctions and to the entry of findings that it failed to establish and maintain a system and procedures reasonably designed to monitor and evaluate the performance of the vendor that handled certain functions on behalf of the Firm.

**6)** On January 9, 2020, JPMS entered into a settlement with the SEC resulting in the SEC issuing an administrative order (the **2020 Order**). JPMS consented to the entry of the 2020 Order, which found that JPMS violated Section 17(a)(2) and 17(a)(3) of the Securities Act of 1933. The 2020 Order found that JPMS negligently omitted to state from at least January 2010 through December 2015 that (a) it received greater compensation from eligible customers' purchases of more expensive mutual fund share classes, resulting in eligible customers not having sufficient information to understand that JPMS had a conflict of interest from sales of the more expensive share classes; and (b) the purchase of the more expensive share classes, when the customers were otherwise eligible for less expensive share classes, would negatively impact the overall return on the eligible customers' investments, in light of the different fee structures for the different fund share classes. The 2020 Order also found that JPMS did not have adequate systems and controls in place to determine whether eligible customers were eligible to purchase the less expensive share classes. Solely for the purpose of settling this proceeding, JPMS consented to the 2020 Order, without admitting or denying the findings set forth in the 2020 Order. The 2020 Order censured JPMS and directed JPMS to cease-and-desist from committing or causing any violations and any future violations of Securities Act Sections 17(a)(2) and 17(a)(3). Additionally, the 2020 Order required JPMS to pay a total of $1,822,438 in disgorgement, pre-judgment interest, and civil penalty.

**7)** On March 9, 2020, JPMS entered into an agreed order (the **March 2020 Order**) with the Kentucky Department of Financial Institutions (**KDFI**). JPMS consented to the entry of the March 2020 Order that alleged that JPMS failed to disclose conflicts of interest arising from preferences for J.P. Morgan Funds, in violation of KRS 292.320 and 808 KAR 10:450§2(8)(c) and (11)(a). Specifically, the March 2020 Order alleged that, between 2008 and 2013, JPMS failed to disclose to Kentucky investors that (i) CSP was designed and operated with a preference for J.P. Morgan Funds, (ii) there was an economic incentive to invest CSP assets in J.P. Morgan Funds as a result of discounted pricing for services provided to JPMS for CSP by a JPMS affiliate, and (iii) until November 2013, JPMS failed to disclose to CSP clients the availability of certain less expensive J.P. Morgan Fund share classes. Solely for the purpose of settling these proceedings, JPMS consented to the March 2020 Order, with no admissions as to liability. JPMS agreed to pay a total of $325,000 to resolve the KDFI investigation.

**8)** In September 2020, J.P. Morgan agreed to an administrative resolution with the CFTC for violations of the CEA and CFTC regulations related to manipulation, attempted manipulation and spoofing, as well as a charge against JPMS for failure to supervise. As described in the CFTC's Order, from at least 2008 through 2016, former J.P. Morgan traders placed hundreds of thousands of spoof orders of precious metals futures and U.S. treasuries ("**UST**") futures on exchanges, and, on occasion, engaged in manipulation related to precious metals barrier options. The CFTC Order further states that JPMS failed to identify, adequately investigate, and put a stop to misconduct, despite red flags, including internal surveillance alerts, inquiries from CME and the CFTC, and internal allegations of misconduct. J.P. Morgan consented to the entry of the CFTC Order without admitting or denying the findings contained therein, except to the extent that admissions were made in the related resolutions, described below, with the United States Department of Justice, Criminal Division, Fraud Section, and the United States Attorney's Office for the District of Connecticut (together, **DOJ**) and the SEC. JPMS also agreed to an administrative resolution with the SEC for violations of Section 17(a)(3) of the Securities Act of 1933. Pursuant to the SEC Order, JPMS admitted to hundreds of manipulative trading events involving spoofing by certain former J.P. Morgan traders in the UST cash securities secondary market between April 2015 and January 2016. JPMC separately entered into a deferred prosecution agreement (**DPA**) with DOJ with respect to a criminal information, charging JPMC with two counts of wire fraud (the **Information**) related to the same conduct underlying the CFTC and SEC Orders. JPMS and JPMCB also agreed to certain terms and obligations of the DPA. J.P. Morgan admitted, accepted, and acknowledged responsibility for the acts of its officers, directors, employees, and agents as described in the Information and the Statement of Facts accompanying the DPA, and that the allegations described therein are true and accurate. In resolving these three actions, J.P. Morgan agreed to pay a total of $920,203,609 to DOJ, CFTC, and SEC, consisting of civil and criminal monetary penalties, restitution, and disgorgement. J.P. Morgan agreed to cease and desist from any further violations, and also agreed, among other things, to certain cooperation, remediation, and reporting requirements.

### B. Other Financial Industry Activities and Affiliations

JPMS' primary business is providing brokerage products and services as a bank-affiliated broker-dealer and making available to its customers, in addition to investment advisory services, a variety of bank, securities and insurance products through its affiliates. JPMS' officers, managers and IARs spend the majority of their time in administrative or supervisory duties with broker-dealer activities rather than investment advisor activities.

JPMS is affiliated with several other SEC-registered broker-dealers, investment companies, investment advisers, insurance agencies, mortgage companies and JPMCB. Other registered investment advisers, collectively referred to as "J.P. Morgan Asset Management," are affiliated with JPMS under the common ownership by JPMorgan. One or more of these affiliated investment advisers, including but not limited to JPMIM, serve(s) as the investment adviser to various J.P. Morgan Funds.

### C. Material Relationships with Related Persons and Potential Conflicts of Interest

JPMS has several relationships or arrangements with related persons that are material to its investment advisory business or to clients in the Program. Below is a description of such relationships and some of the conflicts of interest that arise from them. JPMS has adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate conflicts of interest that may arise between JPMS and its affiliates. These policies and procedures include information barriers designed to prevent the flow of information between JPMS and certain other affiliates, as more fully described below.

The use of affiliates to provide services to clients creates certain conflicts of interest for JPMS and JPMPI. Among other things, there are financial incentives for JPMS, JPMPI (and their affiliates), including its parent company, JPMorgan, to favor affiliated service providers over non-affiliated service providers, and compensation of supervised persons of JPMS and JPMPI generally is directly or indirectly related to the financial performance of JPMorgan.

#### Affiliated Fund Advisors

Funds, including money market funds, pay fees and expenses that are ultimately borne by clients. Clients can review the applicable prospectuses for Funds in the Program for additional information about these fees and expenses. These fees and expenses are in addition to the Advisory Fee. See "Other Fees and Expenses" in Item 4 above for more information.

Affiliates of JPMS provide investment advisory and other services to the J.P. Morgan Funds for compensation. Therefore, because JPMS and its affiliates will in the aggregate receive more revenue when Program Accounts are invested in J.P. Morgan Funds than they would receive if the Program Accounts were invested in non–J.P. Morgan Funds, JPMS has a conflict of interest when Program Accounts are invested in J.P. Morgan Funds. The use of an affiliated Sub-Adviser in the Program is also a benefit to JPMS and its affiliates since it increases the overall revenue of affiliates of JPMS and their parent company. JPMS addresses this conflict through disclosure and subjecting the J.P. Morgan Funds and non-J.P. Morgan Funds to the investment process described in Item 6 above. See "Use of J.P. Morgan Funds and Potential Conflicts of Interest" in Item 6 above for more information on the use of J.P. Morgan Funds.

#### Securities Allocations and Limitations

JPMS is part of a large financial services firm. In connection with providing investment advisory services to its clients, JPMS uses the products or services of its affiliates or other related persons, as described both above and below. JPMS and/or its affiliates can receive more compensation from certain accounts that use strategies similar to those used by Program Accounts (**Similar Accounts**) than it or its affiliates receive from Program Accounts. JPMS or its affiliates have a conflict of interest to the extent that JPMS or an affiliate has a proprietary investment in Similar Accounts, JPMS' and/or its affiliates' portfolio managers have personal investments in Similar Accounts, or the Similar Accounts are investment options in JPMS' or its affiliates' employee benefit plans.

JPMS and its affiliates maintain certain investment limitations on the positions in securities (including Funds), or other financial instruments, that JPMS or its affiliates will take on behalf of its various clients due to, among other things: (i) liquidity concerns; (ii) regulatory requirements applicable to JPMS or its affiliates; and (iii) internal policies related to such concerns or requirements, in light of the management of multiple portfolios and businesses by JPMS and its affiliates. Such policies preclude JPMS or its affiliates from purchasing certain securities for clients and can cause JPMS to sell certain securities held in client accounts.

Potential conflicts of interest can arise with both the aggregation and allocation of securities transactions and allocation of investment opportunities because of market factors or investment restrictions imposed upon JPMS and its affiliates by law, regulation, contract or internal policies. Allocations of aggregated trades, particularly trade orders that were only partially completed due to limited availability and allocation of investment opportunities generally, could raise a potential conflict of interest as JPMS or its affiliates can have an incentive to allocate securities that are expected to increase in value to favored accounts. JPMS mitigates this conflict by using equitable guidelines adopted by JPMS and affiliates to allocate trade orders among Program Accounts.

A potential conflict of interest also can arise if transactions in one account closely follow related transactions in a different account, such as when a purchase increases the value of securities previously purchased by another account or when a sale in one account lowers the sale price received in a sale by a second account.

#### Distribution and Other Fees and Revenue Sharing

JPMS receives distribution fees from certain mutual funds pursuant to Rule 12b-1 under the Investment Company Act of 1940. If JPMS receives 12b-1 fees on load-waived Class A shares, it will credit these fees to the client's Program Account. JPMS, directly or indirectly, receives servicing or administrative fees for certain Funds that are held in a client's Account. Please see the discussion of "Share Classes" in Item 4 above for more information on the receipt of administrative and servicing fees. In addition, JPMS' affiliates receive licensing fees for their indices used by unaffiliated ETFs or other product sponsors.

JPMS has negotiated revenue sharing arrangements with a number of mutual funds and mutual fund families. Some of these mutual funds are available in the Programs, and JPMS will receive additional revenue on either the mutual fund assets in Program Accounts or on the initial purchase of these mutual funds. Some of the mutual funds make revenue sharing payments to JPMS for mutual funds held in brokerage accounts for which JPMS does not provide investment advisory services. Additional information about these arrangements is available at https://www.chase.com/content/dam/chasecom/en/investments/documents/understanding-revenue-sharing.pdf. IARs are not compensated from JPMS' receipt of shared revenues received from mutual funds.

#### J.P. Morgan's Use and Ownership of Trading Systems

JPMS may effect trades on behalf of Program Accounts through exchanges, electronic communications networks, alternative trading systems and similar execution systems and trading venues (collectively, **Trading Systems**), including Trading Systems in which J.P. Morgan has a direct or indirect ownership interest. J.P. Morgan will receive indirect proportionate compensation based upon its ownership percentage in relation to the transaction fees charged by such Trading Systems in which it has an ownership interest. An up-to-date list of all Trading Systems through which JPMS might trade and in which J.P. Morgan has an ownership interest can be found at https://www.jpmorgansecurities.com/pages/am/securities/legal/ecn. Such Trading Systems (and the extent of J.P. Morgan's ownership interest in any Trading System) may change from time to time.

#### Payment for Order Flow

JPMS does not receive payment for order flow from market makers for customer orders in equity securities. JPMS receives rebates from and pays fees to some registered securities exchanges for providing or taking liquidity on those exchanges, according to those exchanges' published fee schedules approved by the SEC. Alternative trading systems also charge fees and, in some cases, pay rebates for the provision or removal of liquidity. In addition, JPMS receives marketing fees from options exchanges under marketing fee programs sponsored by some exchanges. Under some circumstances, the amount received by JPMS from a trading center over a period of time may exceed the amount that JPMS is charged by a trading center. These practices are one of many factors that may impact routing decisions and do not alter JPMS' policy to route customer orders in securities to the trading centers where it believes customers will receive the best execution, taking into account, among other factors, price, transaction cost, volatility, reliability, market depth, and speed.

Affiliates of JPMS have ownership interests in some trading centers. Accordingly, JPMS stands to share in any profits that these trading centers earn from the execution of JPMS customer orders on those trading centers. Additional information on the material aspects of JPMS' relationships with the primary trading centers to which JPMS routes, including descriptions of arrangements for payment for order flow and profit-sharing relationships, is available in JPMS' SEC Rule 606 reports at https://www.jpmorgan.com/disclosures/sec-order-execution.

**J.P. Morgan's Use of Index Products**

JPMS or one of its affiliates may develop or own and operate stock market and other indexes based on investment and trading strategies developed by JPMS or its affiliates or assist unaffiliated entities in creating indexes that are tracked by certain ETFs utilized by JPMS or an affiliate. Some J.P. Morgan ETFs seek to track the performance of these indexes. JPMS and its affiliates may, from time to time, manage client accounts that invest in these J.P. Morgan ETFs. In addition, JPMS and its affiliates may manage client accounts which track the same indexes used by the J.P. Morgan ETFs or which may be based on the same, or substantially similar, strategies that are used in the operation of the indexes and the J.P. Morgan ETFs. The operation of the indexes, the J.P. Morgan ETFs and client accounts in this manner may give rise to potential conflicts of interest. For example, client accounts that track the same indexes used by the J.P. Morgan ETFs may engage in purchases and sales of securities relating to index changes prior to the implementation of index updates or the time as of which the J.P. Morgan ETFs engage in similar transactions because the client accounts may be managed and rebalanced on an ongoing basis, whereas the J.P. Morgan ETFs' portfolios are only rebalanced on a periodic basis corresponding with the rebalancing of an index. These differences may result in the client accounts having more favorable performance relative to that of the index and the J.P. Morgan ETFs or other client accounts that track the index. Other potential conflicts include the potential for unauthorized access to index information, allowing index changes that benefit JPMS or other client accounts and not the investors in the J.P. Morgan ETFs. JPMS and its affiliates have established certain information barriers and other policies to address the sharing of information between different businesses within JPMS and its affiliates, including with respect to personnel responsible for maintaining the indexes and those involved in decision-making for the J.P. Morgan ETFs. In addition, as described above, JPMS has adopted a Code of Ethics.

**Other Compensation from ETFs**

Certain ETFs in which account assets may be invested in for the Program may execute transactions for their portfolios through JPMS or an affiliate as broker-dealer, and JPMS or an affiliate may receive traditional brokerage compensation and fees from the ETFs in connection with these transactions. Such compensation presents a conflict of interest between JPMS and Program clients because JPMS may have a financial incentive to invest Program account assets in such ETFs: (1) in the hope or expectation that increasing the amount of assets invested with the ETFs will increase the number and/or size of transactions placed by the ETFs for execution by JPMS or an affiliate or other related person, and thereby result in increased compensation to JPMS and its affiliates and other related persons in the aggregate; and (2) to benefit the ETFs and thereby preserve and foster valuable brokerage relationships with the ETFs.

**JPMorgan Chase Bank, N.A.**

JPMCB is a national banking association affiliated with JPMS and is subject to supervision and regulation by the U.S. Department of Treasury's Office of the Comptroller of the Currency. JPMCB provides investment management, trustee, custody, and other services to both institutional and non-institutional clients. See Item 4 for additional conflicts of interest and other information relating to the sweep Deposit Account.

**J.P. Morgan Acting in Multiple Commercial Capacities**

J.P. Morgan is a diversified financial services firm that provides a broad range of services and products to its clients and is a major participant in the global currency, equity, commodity, fixed income and other markets in which JPMS client Accounts invest. J.P. Morgan is typically entitled to compensation in connection with these activities and the Program clients will not be entitled to any such compensation. In providing services and products to clients other than JPMS' clients, J.P. Morgan, from time to time, faces conflicts of interest with respect to activities recommended to or performed for JPMS clients on one hand and for J.P. Morgan's other clients on the other hand. For example, J.P. Morgan has and continues to seek to develop banking and other financial and advisory relationships with numerous U.S. and non-U.S. persons and governments. J.P. Morgan also advises and represents potential buyers and sellers of businesses worldwide. JPMS client Accounts have invested in, and in the future may invest in, such entities represented by J.P. Morgan or with which J.P. Morgan has a banking, advisory or other financial relationship. In addition, certain clients of J.P. Morgan, including JPMS clients, invest in entities in which J.P. Morgan holds an interest, including a J.P. Morgan Fund or J.P. Morgan ETF. In providing services to its clients and as a participant in global markets, J.P. Morgan, from time to time, recommends or engages in activities that compete with or otherwise adversely affect a JPMS client account or its investments. It should be recognized that such relationships can preclude JPMS' clients from engaging in certain transactions and can also restrict investment opportunities that would otherwise available to JPMS clients. For example, J.P. Morgan is often engaged by companies as a financial adviser, or to provide financing or other services, in connection with commercial transactions that are potential investment opportunities for JPMS' clients. There are circumstances in which advisory accounts are precluded from participating in such transactions as a result of J.P. Morgan's engagement by such companies. J.P. Morgan reserves the right to act for these companies in such circumstances, notwithstanding the potential adverse effect on JPMS' clients. In addition, J.P. Morgan derives ancillary benefits from providing investment advisory, custody, administration, prime brokerage, transfer agency, fund accounting and shareholder servicing and other services to JPMS' clients, and providing such services to JPMS' clients enhances J.P. Morgan's relationships with various parties, facilitate additional business development, and enable J.P. Morgan to obtain additional business and generate additional revenue.

The following are descriptions of certain additional conflicts of interest and potential conflicts of interest that are associated with the financial or other interests that JPMS and J.P. Morgan have in transactions effected by, with or on behalf of its clients. In addition to the specific mitigants described further below, JPMS has adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate conflicts of interest. In addition, many of the activities that create these conflicts of interest are limited and/or prohibited by law, unless an exception is available.

J.P. Morgan or JPMS' related persons provide financial, consulting, investment banking, advisory, brokerage (including prime brokerage) and other services to, and receive customary compensation from, an issuer of equity or debt securities held by client Accounts. Any fees or other compensation received by J.P. Morgan in connection with such activities will not be shared with the Program clients or used to offset fees charged to Program clients. Such compensation could include financial advisory fees, monitoring fees, adviser fees or fees in connection with restructurings or mergers and acquisitions, as well as underwriting or placement fees, financing or commitment fees, trustee fees and brokerage fees.

Additionally, from time to time, directors, officers and employees of JPMC serve on the board of directors or hold another senior position with a corporation, investment fund manager or other institution which may desire to sell an investment to, acquire an investment from or otherwise engage in a transaction with, JPMS clients. The presence of such persons in such circumstances may require the relevant person to recuse himself or herself from participating in the transaction or cause JPMS, a corporation, investment fund manager or other institution to determine that it (or its client) is unable to pursue the transaction because of a potential conflict of interest. In such cases, the investment opportunities available to JPMS clients and the ability of such clients to engage in transactions or retain certain investments or assets will be limited.

***Recommendation or Investments in Securities that the Adviser or Its Related Persons Also Purchase or Sell***

JPMS and its related persons recommend or invest securities on behalf of its clients that JPMS and its related persons also purchase or sell. As a result, positions taken by JPMS and its related persons may be the same as or different from, or made contemporaneously or at different times than, positions taken for clients of JPMS. As these situations involve actual or potential conflicts of interest, JPMS has adopted policies and procedures relating to personal securities transactions, insider trading and other ethical considerations. These policies and procedures are intended to identify and mitigate actual and perceived conflicts of interest with clients and to resolve such conflicts appropriately if they do occur. The policies and procedures contain provisions regarding pre-clearance of employee trading, reporting requirements and supervisory procedures that are designed to address potential conflicts of interest with respect to the activities and relationships of related persons that might interfere or appear to interfere with making decisions in the best interest of clients, including the prevention of front-running. In addition, JPMS has implemented monitoring systems designed to ensure compliance with these policies and procedures.

***J.P. Morgan's Proprietary Investments***

JPMS, J.P. Morgan and any of their directors, partners, officers, agents or employees, also buy, sell or trade securities for their own accounts or the proprietary accounts of JPMS and/or J.P. Morgan. JPMS and/or J.P. Morgan, within their discretion, and can make different investment decisions and take other actions with respect to their proprietary accounts than those made for client accounts, including the timing or nature of such investment decisions or actions. Further, JPMS is not required to purchase or sell for any client account securities that it, J.P. Morgan, and any of their employees, principals or agents may purchase or sell for their own accounts or the proprietary accounts of JPMS or J.P. Morgan. JPMS, J.P. Morgan and their respective directors, officers and employees face a conflict of interest as they will have income or other incentives to favor their own accounts or the proprietary accounts of JPMS or J.P. Morgan.

***Conflicts of Interest Created by Contemporaneous Trading***

Positions taken by a certain client account may also dilute or otherwise negatively affect the values, prices or investment strategies associated with positions held by a different client account. For example, this can occur when investment decisions for one client are based on research or other information that is also used to support portfolio decisions by JPMS or an affiliate for a different client following the same, similar or different investment strategies or by an affiliate of JPMS in managing its clients' accounts. When a portfolio decision or strategy is implemented for an account ahead of, or contemporaneously with, similar portfolio decisions or strategies for JPMS or an affiliate's other client (whether or not the portfolio decisions emanate from the same research analysis or other information), market impact, liquidity constraints or other factors could result in one account being disadvantaged or receiving less favorable investment results than the other account, and the costs of implementing such portfolio decisions or strategies could be increased.

In addition, it is a perceived as a conflict of interest when activity in one account closely correlates with the activity in a similar account, such as when a purchase by one account increases the value of the same securities previously purchased by another account, or when a sale in one account lowers the sale price received in a sale by a second account. Furthermore, if JPMS or an affiliate manages accounts that engage in short sales of securities in which other accounts invest, JPMS or an affiliate could be seen as harming the performance of one account for the benefit of the account engaging in short sales if the short sales cause the market value of the securities to fall. Also, certain private funds managed by JPMS or its affiliates hold exclusivity rights to certain investments and therefore, other clients are prohibited from pursuing such investment opportunities.

### D. Code of Ethics

JPMS has adopted the JPMS Code of Ethics (the **Code of Ethics**) pursuant to Rule 204A-1 under the Advisers Act. The Code of Ethics is designed to ensure that JPMS and its supervised persons comply with applicable federal securities laws and place the interests of clients first in conducting personal securities transactions. The Code of Ethics imposes certain restrictions on securities transactions in the personal accounts of covered persons to help avoid or mitigate conflicts of interest, as described more fully below. A copy of the Code of Ethics is available free of charge to any client upon request by contacting JPMS or a Program Financial Advisor.

The Code of Ethics contains policies and procedures relating to:

Account holding reports, personal trading, including reporting and pre-clearance requirements for all personnel of JPMS and JPMPI; confidentiality obligations to clients set forth in the J.P. Morgan privacy notices; employee conflicts of interest, which includes guidance relating to restrictions on trading on material non-public information, gifts and entertainment, political and charitable contributions, and outside business activities; and escalation guidelines for reporting Code of Ethics violations.

In general, the personal trading rules under the Code of Ethics require that accounts of JPMS employees and associated persons be maintained with an approved broker and prohibits certain types of trading activity, such as short-term and speculative trades. Certain JPMS personnel are not permitted to buy or sell securities issued by J.P. Morgan during certain periods throughout the year.

Additionally, all JPMS and JPMPI personnel are subject to the J.P. Morgan firm-wide policies and procedures, including those found in the J.P. Morgan Code of Conduct (the **Code of Conduct**). The Code of Conduct sets forth restrictions regarding confidential and proprietary information, information barriers, private investments, outside interests and personal trading. All J.P. Morgan employees, including JPMS personnel, are required to familiarize themselves, comply, and attest annually to their compliance with provisions of the Code of Conduct's terms as a condition of continued employment.

### E. Review of Accounts

Clients have the ability, during normal business hours, to schedule an appointment with a Financial Advisor to discuss their Program Account. Financial Advisors are an essential component of the Program and provide clients with nondiscretionary advisory services and Account maintenance support.

JPMS contacts clients at least annually to determine whether there have been any changes in the client's financial situation, investment objectives or investment restrictions that would require changes to the client's Program Account. To ensure that the Program and the selected Investment Strategy remain suitable for the client, clients are instructed to promptly notify JPMS or their Financial Advisor(s) of any material changes to their investment objectives and/or financial situation. Clients are solely responsible for notifying JPMS in the event that any information that JPMS maintains about them is inaccurate or becomes inaccurate.

As most Program Accounts are managed in a similar manner according to the Investment Strategy selected by the client, JPMS does not review individual trades or individual Program Accounts. As described in this Brochure, JPMS periodically reviews the Funds and Investment Strategies available in the Program, as well as the Sub-Adviser, to ensure that the Funds, Investment Strategies and Sub-Adviser continue to meet the

Program requirements. For Program Accounts that have requested investment restrictions, the review includes ensuring compliance with the requested restrictions.

The information in this Brochure does not include all the specific review features associated with each Fund and Investment Strategy. Clients are urged to ask questions regarding JPMS' or JPMPI's review process applicable to a particular Fund or Investment Strategy, to read all product-specific disclosures, and to determine whether a particular Fund, Investment Strategy, or type of security is suitable for their Account in light of their circumstances, investment objectives and financial situation.

**Reports to Program Clients**

Clients receive Account statements from the custodian at least quarterly and also receive quarterly performance reports. See "Trade Confirmations, Statements and Performance Reporting" above.

JPMS does not provide tax advice, and the performance reports should not be construed as tax advice. Account reviews are not a substitute for careful review of Account statements or tax reporting forms.

Performance reports are not a substitute for regular monthly or quarterly brokerage account statements or IRS Forms 1099 and should not be used to calculate the fees or to complete income tax returns. JPMS and its affiliates are entitled to rely on the financial and other information that clients or any third party provides to JPMS. The client is solely responsible for any information that the client provides to JPMS, and JPMS shall not be liable in connection with its use of any information provided by the client or a third party in the periodic review.

Subject to JPMS' policies and procedures and applicable law, the periodic written performance review provided to Program clients can include information about assets in other accounts. By including such assets in the written performance review, JPMS is not undertaking to provide or be responsible for providing any services with respect to those assets.

In preparing Account statements and performance reviews, JPMS may use multiple valuation sources that provide different values for a single asset. As a result, the determination of an Account's asset values may differ for different purposes and different statements, reviews and reports. Client Account asset values are available from JPMS upon request.

**Trade Errors**

Trade errors and other operational mistakes occasionally occur in connection with the management of Funds and client Accounts. JPMS has developed policies and procedures that address the identification and correction of trade errors. Errors can result from a variety of situations including, situations involving portfolio management (e.g., inadvertent violation of investment restrictions) trading, processing or other functions (e.g., miscommunication of information, such as wrong number of shares, wrong price, wrong account, calling the transaction a buy rather than a sell and vice versa, etc.). JPMS policies and procedures require that all trade errors affecting client Accounts be resolved promptly and fairly. Under certain circumstances, JPMS considers whether it is possible to adequately address an error through cancellation, correction, reallocation of losses and gains or other means. The intent is to restore a client account to the appropriate financial position considering all relevant circumstances surrounding the error.

## F. Client Referrals and Other Compensation

Program Accounts are offered and sold only through IARs associated with JPMS. In addition to compensating IARs for their provision of investment advisory services to clients on behalf of JPMS, and/or for their referral or introduction of investors who become advisory clients of JPMS, JPMS has entered into agreements with certain unaffiliated third-party solicitors (sometimes also called a "finder," "referrer" or "promoter") for their referral of prospective investment advisory clients to JPMS in accordance with the Advisers Act. The solicitors engaged by JPMS are typically themselves registered investment advisers. Under these solicitation arrangements, JPMS agrees to pay each solicitor when a referred prospective client is either referred or becomes an investment advisory client of JPMS. JPMS either pays the solicitor a flat amount or a specified portion of the fee it receives and retains relating to each such client's advisory account. The clients referred to JPMS do not incur any additional fee or charge by JPMS as a result of JPMS' arrangements with or its payment to the solicitors.

In addition to the third-party referral agreements described above, pursuant to an agreement between JPMS and JPMCB, an affiliate, JPMCB can compensate its employees for referring clients to JPMS for various products and services, including the Program and other advisory products and services. Any such payments to JPMCB employees shall not increase the total account fees paid by the client.

## G. Financial Information

JPMS is not aware of any financial condition that is reasonably likely to impair JPMS' ability to meet its contractual commitments to its clients, nor has JPMS been the subject of a bankruptcy petition at any time during the past ten years.