

FORM ADV, PART 2A
APPENDIX 1
WRAP FEE PROGRAM BROCHURE
J.P. MORGAN YOU INVEST PORTFOLIOS
PROGRAM

J.P. Morgan Securities LLC

September 16, 2019

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New York, NY 10172

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www.chase.com/personal/investments

This wrap fee brochure (“**Brochure**”) provides information about the qualifications and business practices of J.P. Morgan Securities LLC (“**JPMS**” or the “**Firm**”) relating to J.P. Morgan You Invest Portfolios Program, a digital investment advisory offering (the “**Program**”). If you have any questions about the contents of this Brochure, please contact us at 800-776-6061. 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 Brochure is dated September 16, 2019 and is an interim update to the Brochure. Clients should carefully review this Brochure in its entirety.

This section describes the material and other changes to the Brochure since the amendment on July 10, 2019.

Item 6

Disclosure has been added regarding prospectus delivery requirements and practices in the program.

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ITEM 4 – SERVICES, FEES AND COMPENSATION

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 (“**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**”).

This Brochure provides information about JPMS and the Program, which is a digital investment advisory program sponsored by JPMS. J.P. Morgan Investment Management Inc. (“**JPMIM**”), an affiliate of JPMS, has been retained to act as the Program’s sub-adviser. Information about other wrap

fee programs sponsored by JPMS, and sub-advisory services offered by JPMIM for this Program, can be obtained at the SEC’s website at www.adviserinfo.sec.gov.

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.

Program Description

The Program is a digital investment advisory program designed to provide clients with access to discretionary advisory services delivered through the Chase Online website and such mobile applications or digital interfaces as JPMS may from time to time use in connection with the Program (together, the “**Program Website**”). The Program provides clients with a target asset allocation and discretionary investment management services based on information about the client’s risk profile and investment goals that the client provides through the Program Website. The model portfolios that are available in the Program will be comprised exclusively of exchange-traded funds (“**ETFs**” or “**funds**”) sponsored or managed by JPMIM or other affiliates (“**J.P. Morgan ETFs**”), and an allocation in cash. J.P. Morgan has a financial incentive to invest Program assets in J.P. Morgan ETFs because it receives more overall fees when it selects J.P. Morgan ETFs rather than third-party ETFs. Clients should not invest in the Program if they are not comfortable holding an investment portfolio that is comprised of 100% J.P. Morgan ETFs. JPMS will invest (i.e., sweep) available cash balances in Program client accounts that are pending investment, as well as any strategic cash balances allocated to cash, into a bank deposit account held with JPMorgan Chase Bank, N.A. (“**JPMCB**”), an affiliate of JPMS (the “**Deposit Account**”).

Based on investment guidelines provided by JPMS, JPMIM is responsible for selecting the ETFs to be included in the model portfolios available in the Program and for evaluating such model portfolios on a periodic basis, as further discussed below. JPMS is responsible for determining the Program’s investment objectives, benchmarks and drift monitoring guidance for each model portfolio. JPMS is also responsible for defining investor suitability and for overseeing the Program and the performance of JPMIM as sub-adviser to the Program. For more information on J.P. Morgan ETFs and related conflicts of interest, see *Investment Principles and Potential Conflicts of Interest and Important Information About Funds Registered Under the Investment Company Act of 1940, As Amended* under item 9. C. below. For important information about each ETF, including investment objectives, risks, charges, and expenses, clients can read each ETF’s prospectus. To obtain a prospectus, please visit the Program Website, or the fund company’s website.

Clients should understand that the Program is not designed to provide a comprehensive financial plan, and is instead targeted to assist clients in meeting a specific investment goal based on the assets that are invested through the Program. In order to participate in the Program, clients are required to establish online account access through www.chase.com.

The Program may not be appropriate for all investors, and clients that are interested in other types of investment account services, such as self-directed investing or accounts supported by a financial advisor may contact JPMS at 800-776-6061 to discuss alternative arrangements.

Although it does not currently do so, the Program may in the future expand to include affiliated and third-party mutual funds, exchange-traded notes and other securities.

INVESTMENT AND INSURANCE PRODUCTS ARE:

- NOT FDIC INSURED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY
- NOT A DEPOSIT OR OTHER OBLIGATION OF, OR GUARANTEED BY, JPMORGAN CHASE BANK, N.A. OR ANY OF ITS AFFILIATES
- SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED

Before investing through the Program, please read the entirety of this Brochure and contact us at 800-776-6061 if you have any questions.

Online Nature of the Program

To receive investment advisory services, clients and prospective clients will be required to complete an online account application and enter into an investment advisory agreement and other account agreements (collectively, the “**Client Agreement**”) electronically through the Program Website. These agreements along with other disclosures and notices will be delivered to clients in electronic format only, by posting the information on the Program Website where clients can access their account, and 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. Clients must be willing to accept the terms of a global electronic consent, which will require that the client agrees to electronic delivery of all Program documents and communications, in order to enroll in the Program.

Clients must provide JPMS with a valid email address to enroll in the Program. Clients are required to notify JPMS immediately in the event their email address changes or becomes inaccessible by visiting the Program Website or by contacting JPMS at 800-776-6061. Clients will be alerted through the Program Website and by email when a new or amended agreement or document is available; therefore, it is important that clients maintain an accurate email address at all times. In the event that a client fails to provide or maintain accurate contact information through the Program Website, including an email address, JPMS may 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 to access the Program Website as an initial and continued condition of participating in the Program.

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

Account Opening, Initial Investment and Rebalancing

Determining a Client or Prospective Client’s Risk Profile

Clients who participate in the Program are first required to respond to personal information requests and complete an interactive investment proposal questionnaire on the Program Website (the “**Investment Proposal Questionnaire**”). The Investment Proposal Questionnaire will ask a series of questions to determine the client’s investment goals and risk profile.

The Investment Proposal Questionnaire will ultimately form the basis of JPMS’ investment advice; therefore, it is extremely important that clients and prospective clients respond to the Investment Proposal Questionnaire accurately and revisit their responses on the Program Website in the event that any response becomes inaccurate. In the event that a client is unable to determine why a question is being asked, believes that a question is unclear or finds it difficult to respond to a question for any reason, he or she should contact JPMS at 800-776-6061. Clients should be careful when entering responses to the Investment Proposal Questionnaire. The investment advice offered through the Program is based solely on the information that clients provide through the Program Website, and inaccurate or incomplete information will affect JPMS’ investment recommendation. JPMS does not and will not verify any information that clients and prospective clients provide through the Program Website nor will it consider any information that it may obtain or possess as a result of a participating client’s other accounts or relationships with JPMS or its affiliates. Clients should contact JPMS at 800-776-6061 in the event that they believe there are additional facts or information pertaining to their financial situation or investment objectives that JPMS should know that are not prompted by the Investment Proposal Questionnaire.

Recommendation and Selection of a Model Portfolio

Based on the responses to the Investment Proposal Questionnaire, JPMS’ proprietary algorithm will recommend a risk profile (the “**Risk Profile**”). More specifically, certain responses to the Investment Proposal Questionnaire have been accorded a numerical weighting, and when an investor completes the Investment Proposal Questionnaire, his or her responses are summed together to determine the client’s Risk Profile. JPMS will recommend a proposed target asset allocation and a model portfolio that corresponds to the client’s Risk Profile (a “**Recommended Portfolio**”). JPMS has established and maintains the inputs in the Investment Proposal Questionnaire, and the algorithms used to generate the Recommended Portfolios. JPMS, based on ongoing reviews, may determine from time to time to adjust or enhance the inputs and the proprietary algorithms related to investor suitability and the Recommended Portfolios.

The Program currently offers four model portfolios that correspond to four different Risk Profiles. The model portfolios are: Conservative, Moderate, Growth and Aggressive. The model portfolios are created and monitored by investment advisory personnel of JPMIM. JPMIM manages similarly named model portfolios for other advisory programs; however, the style and the securities within the models portfolios for the Program are different, and are expected to perform differently. Investors in the Program will have access only to the ETFs selected by JPMIM for the Program and the ETFs that JPMIM selects in this Program may not be available for other JPMS advisory programs.

Clients and prospective clients should review JPMIM’s Form ADV Part 2A (which can be obtained through the Program Website or at the SEC’s website at www.adviserinfo.sec.gov) for the Program and the *Methods of Analysis, Investment Strategies and Risk of Loss* section of this Brochure in Item 6. below for JPMIM’s methodologies in creating and updating model portfolios and their related risks.

A client may select the Recommended Portfolio, or they may select a model portfolio that is more conservative or more aggressive than the Recommended Portfolio, subject to certain limitations (the “**Selected Portfolio**”). Clients should understand that their selection of a portfolio other than the Recommended Portfolio may not be suitable based on their Risk Profile and their responses to the Investment Proposal Questionnaire. Such a Selected Portfolio may perform better or worse over any time period than the Recommended Portfolio based on the information initially provided by the Client. A client may not change his or her Selected Portfolio more than once in any thirty-day period.

Although JPMIM has investment discretion over the construction of the model portfolios (including fund selection and replacement), JPMS retains trading authority to implement the model portfolios and place orders consistent with each client’s Selected Portfolio. The Program relies on a third-party vendor to administer certain technological, administrative and operational aspects of the Program (see *Ownership in Vendor* under Item 9.C. below).

Client Agreement

As a condition to receiving investment management services through the Program, clients are required to enter into the Client Agreement. The Client Agreement authorizes JPMS to act as the client’s investment adviser with investment discretion and trading authority over enrolled accounts, and authorizes JPMS to perform its services under the Client Agreement directly or through affiliated or unaffiliated service providers as JPMS may from time to time designate. JPMS has appointed JPMIM, an affiliate of JPMS, to serve as sub-adviser for the Program.

Among other things, the Client Agreement authorizes JPMS to invest (i.e., “sweep”) available cash balances in a client’s Program account that are pending investment, as well as any strategic balances allocated to cash, into the Deposit Account.

Initial Investment

After a client has enrolled in the Program, funded his or her accounts and designated his or her Selected Portfolio, JPMS will cause the account to be invested in accordance with the Selected Portfolio, subject to any reasonable investment restrictions the client has placed on his or her account.

Rebalancing Logic

The Program has been designed to automatically rebalance the assets in a client's Program account on a periodic basis. The Program's rebalancing logic automatically determines whether and when to buy and sell securities in a client's account. The Program's logic will cause a Program account to be rebalanced when its holdings deviate from the asset allocation targets associated with the Selected Portfolio in an amount exceeding predetermined drift thresholds, established by JPMS. To rebalance an account, the Program's logic will generally cause the sale of ETFs that are overweight relative to the target asset allocations of a client's Selected Portfolio and purchase ETFs that are underweight.

Over time, the ETFs in the account will appreciate (or depreciate) in value at different rates, a client may decide to change their Selected Portfolio or a client may make additions to or withdrawals from their account. 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 allocations in the Selected Portfolio.

Rebalancing may have tax implications for a client's Program accounts because it will generate purchases and sales. Clients should discuss the tax impact of rebalancing with their tax advisors before investing through the Program.

The Program's rebalancing parameters, including the manner and frequency of rebalancing, may change at any time without notice. Rebalancing of accounts may be delayed or otherwise impacted by market conditions and by operational constraints. In certain circumstances, including market instability, or in response to certain types of operational or technological errors, JPMS has the authority to decide not to rebalance accounts, in its sole discretion.

Deposits

Cash or securities can be used to fund Program accounts. Clients funding Program accounts with securities direct JPMS to liquidate the securities on their behalf and invest the proceeds in accordance with the Selected Portfolio. Neither JPMS nor JPMIM 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 does not provide tax advice. If non-U.S. denominated securities are sold, the client will incur currency conversion charges. When liquidating securities, JPMS will be acting as a broker, not an 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 security cannot be liquidated, clients will be required to transfer the security to separate brokerage account. Failure to provide transfer instructions will cause the account to no longer be managed and may subject the account to termination.

Withdrawals

Clients may request a withdrawal from their account at any time through the Program Website or by telephone at 800-776-6061, subject to applicable law and the Client Agreement. In the event that a client's account's holdings are within the percentage variance of the target asset class percentages of the Selected Portfolio established by JPMS, and cash is required for a withdrawal, account holdings will be sold pro rata. If the amount of the withdrawal exceeds the cash available in the account, the

withdrawal will not be made until the dollar amount of the request is available from the sale proceeds of the account holdings. Under normal market conditions, it can take 2-4 business days to process the investment of funds in Program accounts (whether initial investments or additions) and requests to sell or withdraw funds from Program accounts, but these time frames can be longer due to the size of withdrawals, market conditions and other factors. A withdrawal that reduces an account below \$1,500 will cause the account to no longer be managed and may subject the account to termination. Please see Item 5. below, which includes a description of the Program's minimum account requirements.

Investment Advisory Services

JPMS has full discretionary authority, to be exercised in its exclusive judgment and consistent with the Selected Portfolio, to determine the allocation of assets among ETFs; to select, add, remove, or replace ETFs in the Program; and to revise its rebalancing logic and algorithms which are the basis for ongoing investment advice in the Program. JPMS has delegated certain of its discretionary responsibilities and authority to JPMIM. JPMIM is an affiliate of JPMS. JPMIM is responsible for determining asset allocation and model portfolio construction, selecting and monitoring the ETFs that are included in the model portfolios available in the Program, and evaluating model portfolios on a periodic basis subject to the oversight of, and pursuant to, an investment policy statement established and approved by JPMS. JPMS oversees these selections using the investment policy statement it established and remains responsible for overseeing JPMIM's performance.

Operational considerations, such as ETF 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.

As described in greater detail throughout this Brochure, the Program relies on proprietary algorithms when recommending a Risk Profile based on responses to the Investment Proposal Questionnaire.

The advice provided in the Program is limited exclusively to recommendations to purchase, sell or hold J.P. Morgan ETFs. For more information on affiliated ETFs and related conflicts of interest, see *Investment Principles and Potential Conflicts of Interest and Important Information About Funds Registered Under the Investment Company Act of 1940, As Amended* under Item 9. C. below.

Reasonable Restrictions

Clients can place reasonable restrictions on the management of their account by designating certain specific ETFs that should not be purchased for their account or that should be sold if held in their account, subject to JPMS' acceptance and the Program parameters described below. Requests for restrictions must be made through the Program Website.

Clients may request a restriction on the purchase of certain individual ETFs from their account, but JPMS is not required to accept account restrictions that it deems unreasonable. The determination of whether a particular restriction is reasonable will depend on the relevant facts and circumstances, including whether the restriction is inconsistent with the nature or operation of the Program. The restriction of more than three ETFs will be deemed to be unreasonable due to the impact on model portfolio construction and the investment strategy of the Selected Portfolio. Any restrictions a client places on the management of his or her Program account will cause the account to perform differently than similar, unrestricted accounts, possibly increasing costs or producing lower returns. Clients cannot prohibit or restrict the investment adviser of any Program ETF from investing in specific securities or types of securities that are held within such ETFs.

If a restriction is considered 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 ETFs are likely to have fees or expenses that are higher than the ETFs normally used in the Program. In the event that a restriction request for an ETF that is currently held in a client's account is accepted, the ETF will be sold consistent with the Program's rebalancing logic, and a client may experience tax consequences.

Brokerage and Custodian

JPMS, in its capacity as an SEC-registered broker-dealer, provides clearing and trade execution services and serves as the custodian for Program accounts. JPMS is a "qualified custodian" as defined in Rule 206(4)-2 under the Investment Advisers Act of 1940. The Client Agreement incorporates a separate brokerage agreement that clients must sign electronically to enroll in the Program.

Client directs brokerage of the account to JPMS. In the ordinary course, JPMS expects that all Program transactions will be executed through JPMS. This is because of the quality of JPMS' (and its affiliates') execution capabilities and because commissions charged by JPMS or its affiliates for executing transactions for Program accounts are included in the fee clients pay for participation in the Program. Clients should understand that the prices for trades executed through JPMS may not be as favorable as those that would be obtained if the trades were placed through a different broker-dealer. Not all investment advisers require their clients to direct brokerage. Subject to its obligation to seek best execution, JPMS has the ability to execute transactions for client accounts through other broker-dealers. In such circumstances, clients will incur transaction-related fees and expenses that are in addition to, and are not covered by, the Program Fee (defined below).

The Program is a discretionary investment advisory program, and not a self-directed brokerage service. Unlike self-directed brokerage accounts, clients will not be able to place orders to buy or sell specific securities. Rather, JPMS will place orders to buy and sell securities consistent with the discretionary authority it has under the Client Agreement. JPMS reserves the right, at any time and without notice, to delay or suspend trading activity in Program accounts in its sole discretion. In the event that JPMS suspends or delays trading, requests to withdraw and transfer cash from Program accounts continue to be honored. However, there may be a delay in the Program's ability to liquidate securities to cover requests for withdrawals in excess of the cash in Program accounts, or to invest existing or new cash balances.

JPMS generally aggregates (or blocks) orders for the purchase or sale of securities during each trading day for Program accounts. Trades resulting from client-initiated activity (e.g., account contributions, withdrawals, changes in a client's Selected Portfolio, and client restrictions) will typically be blocked together and trades resulting from rebalancing activity will typically be blocked together. When an order requires more than one execution, participating accounts will receive the average price for transactions in their particular block order. Although JPMS expects to send the block trades to the market at approximately the same time, Program accounts generally will receive a different execution price depending on whether the trades result from client-initiated activity or rebalancing activity. Either block can be executed first on any particular trading day. To the extent a Program account regularly trades behind other types of accounts, it is possible that the Program account will suffer from adverse effects depending on market conditions. Program trading is conducted separately from other JPMS and J.P. Morgan trading, and orders for Program accounts are not aggregated with orders placed on behalf of other J.P. Morgan clients.

Trade Errors

Trade errors and other operational mistakes occasionally occur in connection with JPMS' management of funds and client accounts. 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. JPMS makes its determinations on a case-by-case basis, in its discretion, based on factors it considers reasonable.

JPMS generally does not require perfect implementation of investment management decisions, trading, processing or other functions performed by JPMS. Therefore, not all corrections will be considered compensable to the client. Imperfections in the implementation of investment decisions, quantitative strategies, financial modeling, trade execution, cash movements, portfolio rebalancing, processing instructions or facilitation of securities settlement, imperfection in processing corporate actions, or imperfection in the generation of cash or holdings reports resulting in trade decisions may not be compensable, depending on the facts and circumstances. For example, imperfections in the implementation of investment strategies, including quantitative strategies (e.g., coding errors), that do not result in material departures from the intent of the portfolio management team will generally not be considered compensable. In addition, in managing accounts, JPMS may establish non-public, formal or informal internal targets, or other parameters that may be used to manage risk, manage sub-advisers or otherwise guide decision-making, and a failure to adhere to such internal parameters will not be considered an error.

Trade Confirmations, Statements, and Performance Reporting

The Program Website allows clients to access account information, including the client's holdings and performance, on an ongoing basis. Clients will electronically receive trade confirmations of all transactions. Clients will receive account statements from JPMS, as the custodian of Program accounts, at least quarterly (monthly for months when there is activity in their account) and should review these statements carefully. Clients will also be able to access quarterly performance reports for their Program accounts through the Program Website. The quarterly performance reports contain information about account performance and holdings.

Wash Sale Notice

The Program has not been designed to monitor, reduce or limit tax consequences resulting from trading in a client's Program account or other accounts, including wash sales. JPMS will not be responsible for ensuring that transactions in the same security or a substantially similar security within the Program, outside of the Program, or between Program accounts, do not create a wash sale. For more information on the wash sale rule, investors should review IRS Publication 550.

Proxy Voting, Corporate Actions and Other Legal Matters

Neither JPMS nor JPMIM will vote proxies (or give advice about how to vote proxies) relating to securities held in a client's account. 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. JPMS will send electronic notifications to clients when proxies or similar action requests have been posted to the Program Website.

JPMS will be responsible for evaluating and acting on 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.

Notwithstanding the prior paragraph, neither JPMIM nor JPMS will be responsible and 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 JPMIM 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 JPMIM 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.

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 client 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.

Wrap Fees

General

Clients pay an annual asset-based fee ("**Advisory Fee**") to JPMS for participating in the Program (subject to any applicable discounts, promotions or adjustments). The Advisory Fee is a single (or "wrap" or "bundled") fee for investment advisory, portfolio management, brokerage, execution, custody and reporting services.

The Advisory Fee is 0.35% and will be computed and payable quarterly in arrears based upon the average daily market value of all assets held in the Program account (including cash) for the quarter. Advisory Fees for partial billing periods upon the inception or termination of a Program account will be prorated (and will be payable at the time of termination in the case of account termination). The Advisory Fee will be reflected on the account statement issued by the custodian for the account. JPMS will automatically debit the Advisory Fee and additional fees from the client's account.

The Advisory Fee will be paid out of the Deposit Account. In the event the Deposit Account or the Program account do not have sufficient funds to pay the Advisory Fee or any additional fees in their entirety, then shares of ETFs in the client's account will be sold according to the process described above in the section on *Rebalancing Logic*.

Waivers, Reductions and Negotiation of Fees

JPMS, in its discretion, can waive or reduce the Advisory Fee for any client or group of clients, including in connection with promotional efforts. 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. The Advisory Fee may be waived or discounted for employees of JPMS or its affiliates. From time to time the Advisory Fee can be increased. JPMS will provide clients with advanced notice prior to increasing the Advisory Fee.

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.

JPMS charges fees that it believes are reasonable in relation to the scope of services and nature of the investment advice provided. However, clients should understand that JPMS and its affiliates offer other services, products and platforms that may be available at lower or higher fees than those charged by the Program. Consequently, clients and prospective clients are able to receive similar products and services from other firms (including affiliated ones), at a lower cost than what is charged for the Program. Clients and prospective clients should consider these other services, products and platforms available to determine the most appropriate for them. JPMS offers investment advisory services through a variety of sales channels. Programs that offer the same and similar investment strategies

are offered in the same and different sales channels, and at different fee levels with different services. When comparing JPMS and its affiliates' services, products and platforms, prospective clients should consider various factors, including, but not limited to: the type of the account (advisory or brokerage), the type of advice received (discretionary or nondiscretionary), the types of fees charged (asset-based fees or commission-based fees), the nature of the relationship (online or human), and the overall cost of investing. Clients' advisory fees, available investment strategies, and the services that they receive will vary depending on the sales channel through which they access J.P. Morgan services.

Fees Paid to JPMIM

ETF fees and expenses may be structured as a single unitary advisory fee payable to the ETF adviser or as a collection of separate fees payable to the adviser and the various ETF service providers (all such fees and expenses, collectively, the "**Underlying ETF Fees**").

For its services as manager to the ETFs, JPMIM will receive a portion of the Underlying ETF Fees attributable to ETFs held by clients in the Program. JPMS also pays JPMIM for its services as sub-adviser an annual fee equal to 0.02% of the market value of the assets held in You Invest Portfolios accounts.

The prospectus of each ETF contains the applicable Underlying ETF Fees. Please see the section titled "Underlying ETF Fees and Offset" below.

Underlying ETF Fees and Offset

The Advisory Fee that clients pay to JPMS does not include Underlying ETF Fees (sometimes expressed in the aggregate as the ETF's expense ratio). Clients bear the cost of all Underlying ETF Fees, which are generally payable to JPMIM and certain of its affiliates. Clients also bear their pro rata share of any extraordinary expenses incurred by an ETF and charged to the ETF shareholders.

However, JPMS will offset (or reduce) the Advisory Fee by that portion of the Underlying ETF Fees paid to JPMS or its affiliates. For Program accounts that terminate during a calendar quarter, a credit will be applied after the end of the quarter in lieu of an offset. JPMIM will reimburse JPMS fifty percent of the Underlying ETF Fees that JPMIM and its affiliates receive (i.e., the offset amount).

Other Fees and Expenses

The Advisory Fee that clients pay to JPMS does not include transfer taxes, electronic fund and wire fees, or any other fees that would reasonably be assessed to a brokerage account. The Advisory Fee also does not cover brokerage commissions or other charges resulting from transactions not effected through JPMS or its affiliates. In cases where trades are placed with unaffiliated broker-dealers, clients will incur a brokerage commission, mark-up or mark-down charged by the other broker-dealer that is not covered by the Advisory Fee. For orders placed with broker-dealers other than JPMS, the trade confirmation issued by JPMS 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 JPMS, please refer to additional disclosures on the JPMS separate website, available at www.chase.com/managed-account-disclosures.

Account Termination

Clients may terminate their participation in the Program by notifying JPMS by telephone at 800-776-6061, which will become effective no later than five days after JPMS sends a notice that it has terminated its services. Upon termination, JPMS will remove the account from the Program, and the account will be converted to a non-managed brokerage account. The client may instruct JPMS to liquidate its securities and transfer them to a

brokerage account at J.P. Morgan or to an account at another financial institution, but will be unable to purchase securities in his or her account.

A client may experience tax consequences as a result of a decision to terminate their participation in the Program and liquidate his or her account which should be discussed with his or her tax advisor. JPMS is not responsible for changes in prices of securities in a client's account between the time of termination and, if requested, liquidation of the client's account. All requests will be processed according to JPMS' normal procedures and it may take several business days to process a client's request.

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 are required to establish their accounts and enroll in the Program through the Program Website. Please see the discussion on *Online Nature of the Program* in Item 4. above for additional information concerning the digital nature of 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.

The initial Program account minimum is \$2,500 (in cash or proceeds from the sale of securities). The minimum account requirement for ongoing management of Program accounts is \$1,500. Client accounts may be subject to termination if they fall below the minimum account requirement for ongoing management. JPMS reserves the right to terminate a client relationship for clients whose account address becomes a non-U.S. address. JPMS, in its sole discretion, can waive or alter either or both of the initial account minimum or the minimum account requirement for ongoing management.

ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION

General Information

JPMS is the Sponsor of the Program and has delegated to JPMIM responsibility for determining asset allocation and portfolio construction, selecting and monitoring ETFs, and evaluating model portfolios on a periodic basis subject to the oversight of, and pursuant to, an investment policy statement established and approved by JPMS through the Chase Wealth Management RIA Fiduciary Oversight Committee (“**Fiduciary Committee**”). JPMIM is manager to the ETFs used for the Program. Consequently, JPMIM has a conflict of interest when it determines the portfolio's target asset classes, asset allocation goals and underlying investments, because it will allocate client assets only to J.P. Morgan ETFs and asset classes where J.P. Morgan ETFs are available, which will result in more total revenue for J.P. Morgan than if third-party ETFs were used. Neither JPMS nor JPMIM can ensure that a given model portfolio's investment objective, or any performance projection associated with a client's Recommended Portfolio or Selected Portfolio, will be attained.

JPMS remains responsible for overseeing JPMIM's performance. The Fiduciary Committee seeks to ensure that the Program offers suitable investment products to clients and that assets in the Program are managed in a compliant manner with the Program's investment policy statement that fulfills JPMS' fiduciary duties, as sponsor, to Program clients. The Fiduciary Committee is composed of members of management of JPMS and meets at least quarterly. Among other things, the committee reviews the Program in relation to: key risk and control parameters; underlying investment strategy performance; trade activity reporting; model portfolio composition, attribution and risk; fees; disclosures to clients; conflicts of interest; and any material compliance issues affecting the Program.

Set forth below is a general description of the primary methods of analysis that JPMIM uses for the Program. This description is qualified in its entirety by the information included in any applicable ETF's prospectus or other relevant offering documentation. JPMS is not responsible for the

performance of any ETF or its prospectus, disclosures, laws or regulations, or other matters within the ETF and their respective adviser's control.

Methods of Analysis, Investment Strategies and Risk of Loss

JPMIM's Discretionary Investment Process

In accordance with the Investment Policy Statement established by JPMS, JPMIM is responsible for determining asset allocation and model portfolios, selecting and monitoring ETFs used in the model portfolios, and evaluating model portfolios on a periodic basis.

Asset Allocation Process

JPMIM is responsible for establishing the asset allocations for the Portfolios in accordance with the parameters provided by JPMS. JPMIM utilizes quantitative techniques to determine the asset allocation based on the firm's long-term capital market assumptions as well as the correlation between asset classes, subject to qualitative adjustments by JPMIM's portfolio managers.

ETF Review and Selection

JPMIM also selects the ETFs to implement the asset allocation for the respective model portfolios. The selection of ETFs is developed and maintained in accordance with a systematic, rule-based process. Factors considered include investment objectives and the benchmark of an ETF relative to the asset class for which the model is seeking to provide exposure. Where more than one ETF is deemed to be an appropriate selection for a given asset class, the rules-based selection protocol generally seeks lower tracking error and lower fees. The portfolio managers can make changes to the rules-based selection based on their review of the overall fit with the investment objective and parameters established for the model portfolios.

For ETFs that are included in the Portfolios, the portfolio managers monitor the performance of those ETFs and review their fit within the Portfolios on a periodic basis based on the above-noted criteria. **The Program is not subject to policies and procedures in respect of fund selection that govern other JPMS fiduciary accounts.**

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 model portfolios 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 each investment strategy, model portfolio or ETF applicable to clients participating in the Program. The risk factors associated with the relevant ETF's investment strategy are disclosed in the prospectus, offering memorandum or other materials of the ETF. Prospective investors should carefully read the relevant offering documents and consult with their own counsel and advisers as to all matters concerning investments in ETFs. 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 800-776-6061 and determine whether the Program is suitable for them in light of their specific circumstances and investment goals.

Limited Nature of the Program

The Program has not been designed to provide a comprehensive financial plan to clients, and is instead intended to assist clients in meeting a specific

investment goal based on the assets that they invest through the Program. The Program does not provide tax advice and clients may experience tax consequences as a result of a decision to participate in or terminate their participation in the Program. In addition, the Program is limited in the following ways: (i) the Program relies exclusively on the information that clients provide through the Program Website in formulating investment recommendations; (ii) JPMS does not and will not verify any information that clients and prospective clients provide through the Program Website; (iii) JPMS does not consider any information that it may obtain or possess as a result of a client or prospective client's other accounts or relationships with JPMS or its affiliates; (iv) the Program offers a limited universe of model portfolios that may not be suitable or optimal for a client; and (v) the Program invests exclusively in J.P. Morgan ETFs. An investment in the Program is not suitable for everyone.

Client Responsibility

Investment advice offered through the Program is highly dependent on a client's responses to the Investment Proposal Questionnaire, which forms the basis of the client's Risk Profile and JPMS' recommendation of a model portfolio. It is extremely important that clients and prospective clients respond to the Investment Proposal Questionnaire accurately and revisit their responses on the Program Website in the event that any response becomes inaccurate. Clients should be careful when entering responses to the Investment Proposal Questionnaire, because inaccurate information will affect JPMS' investment recommendation. JPMS does not and will not verify any information that clients and prospective clients provide through the Program Website nor will it consider any information that it may obtain or possess as a result of a client or prospective client's other accounts or relationships with JPMS or its affiliates. In addition, after completing the Investment Proposal Questionnaire, depending on client's Risk Profile and subject to certain limitations, the Program allows a client to select a model portfolio that is riskier or more conservative than the one recommended by the Program. Clients are responsible for determining whether such decision is suitable and consistent with their Risk Profile and investment objectives. JPMS will not be responsible for such decision, including, but not limited to, any difference in investment performance between the Recommended Portfolio and the Selected Portfolio.

General Portfolio Risks

Many of the risks defined below apply to assets within Program accounts. Please refer to JPMIM's Form ADV Part 2A (which can be obtained through the Program Website or at the SEC's website at www.adviserinfo.sec.gov) for additional disclosures regarding the risks associated with the ETFs managed by JPMIM, and other risks related to the Program and JPMIM's role as sub-adviser.

ETF Risk

ETFs are marketable securities that may track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. The investment performance of client accounts that implement their strategies by investing in underlying ETFs is directly related to the performance and risks of the underlying ETFs. There is no assurance that the underlying ETFs will achieve their investment objectives. Additionally, new ETFs have no track record and have risks relating to performing in the way they are intended to perform. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to:

- *Variance from Benchmark Index.* For those ETFs that track an index, ETF performance (and associated returns) will differ from the performance of the applicable index for a variety of reasons, and therefore the ETF may not achieve its investment objective. For example, ETFs incur operating expenses and portfolio transaction costs not incurred by the benchmark index, especially when rebalancing securities holdings to reflect changes in the

composition of the underlying index. These transaction costs may be higher for ETFs investing in foreign securities. In addition, the ETF's return may differ from the return of the underlying index as a result of, among other things, pricing differences (including differences between a security's price at the local market close and the valuation of a security at the time of valuation of the account) and the inability to purchase certain securities included in the underlying index due to regulatory or other restrictions. ETFs may not be fully invested in the securities of their indices at all times, or may hold securities not included in their indices. Corporate actions with respect to the equity securities underlying ETFs (such as mergers and spin-offs) may impact the variance between the performances of the ETFs and applicable indices. The risk that an ETF may not track the performance of its underlying index may be heightened during times of increased market volatility or other unusual market conditions.

- *Passive Investing Risk.* Many of the ETFs used in the Program are not actively managed but utilize passive investment management (e.g., designed to track the performance and holdings of a specified index). Passive investing differs from active investing in that ETF managers are not seeking to outperform their benchmark. As a result, ETF managers may hold securities that are components of their underlying index, irrespective of the current or projected performance of the specific security or market sector, and at times when an actively managed account or fund would not do so. Passive managers do not attempt to take defensive positions based upon market conditions, including declining markets or a decline in the value of one or more issuers. This approach could cause a passive vehicle's performance to be lower than if it employed an active strategy. The performance of ETFs used in the Program could be lower than accounts or funds that may actively shift their portfolio assets to take advantage of market opportunities or lessen the impact of a market decline or a decline in the value of one or more issuers.
- *Secondary Market Risk.* ETFs shares are bought and sold in the secondary market at market prices. Although ETFs are required to calculate their net asset values ("NAV") on a daily basis, at times the market price of an ETF's shares will be more than the NAV (trading at a premium) or less than the NAV (trading at a discount). Given the differing nature of the relevant secondary markets for ETFs, certain ETFs trade at a larger premium or discount to NAV than shares of other ETFs depending on the markets where such ETFs are traded. The risk of deviation from NAV for ETFs generally is heightened in times of market volatility or periods of steep market declines. For example, during periods of market volatility, securities underlying ETFs may be unavailable in the secondary market, market participants may be unable to calculate accurately the NAV per share of such ETFs and the liquidity of such ETFs may be adversely affected. This kind of market volatility would likely also disrupt the ability of market participants to create and redeem shares in ETFs. Further, market volatility can adversely affect, sometimes materially, the prices at which market participants are willing to buy and sell shares of ETFs. As a result, under these circumstances, the market value of shares of an ETF may vary substantially from the NAV per share of such ETF, and the client can incur significant losses from the sale of ETF shares.
- *Authorized Participant Risk.* As described more fully in Item 9.C. below, ETFs are issued and redeemed in Creation Units (defined below) by Authorized Participants. Authorized Participants may purchase or redeem Creation Units, which may affect the supply and demand of an ETF in the secondary market and cause prices to fluctuate.
- *Sampling Risk.* To the extent a client account or a fund uses a representative sampling approach, it will hold a smaller number of securities than are in its index. As a result, an adverse development

respecting an issuer of securities held by a client account or fund could result in a greater decline in the value of the client account's or fund's assets than would be the case if the client account or fund held all of the securities in its index. Conversely, a positive development relating to an issuer of securities in its index that is not held by a client account or fund could cause the account or fund to underperform the index.

Diversification Risk

The Program's asset allocation and model portfolio construction processes assume that diversification is beneficial. This concept is a generally accepted investment principle, although no amount of diversification can eliminate investment risk, and the investment returns of a diversified portfolio may be lower than a more concentrated portfolio or a single investment over a similar period.

Algorithm Risk

The Program is reliant on the use of algorithms and related computer systems in recommending model portfolios, and in rebalancing client accounts. Changes to an algorithm or a computer system's code or underlying assumptions may have unintended consequences, which may have an effect on the performance of client accounts. In addition, algorithms and computer systems may not perform as intended for a variety of reasons, including, but not limited to, incorrect assumptions, changes in the market and changes to data inputs.

High Portfolio Turnover Risk

Accounts in the Program can engage in active and frequent trading due to the Program's rebalancing logic and algorithms. Frequent trading can lead to increased portfolio turnover and the possibility of increased capital gains, including short-term capital gains that are generally taxable as ordinary income. However, the Program's rebalancing logic and algorithms have been designed to rebalance accounts when their actual account holdings drift from the portfolio's stated target asset allocation by certain predetermined thresholds. This feature seeks to limit the frequency of rebalancing activity in client accounts in the Program.

Cyber Security Risk

The Program relies on the continued use and operation of various hardware and software belonging to JPMS, its affiliates and third parties. The Program is subject to the various risks inherent with online systems, including: theft; loss; misuse; improper release; corruption and destruction of, or unauthorized access to, confidential or highly restricted data relating to JPMS and its clients; and compromises or failures to systems, networks, devices and applications relating to the operations of JPMS and its service providers. Cyber security risks may result in financial losses to JPMS and its clients; the inability of JPMS 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. JPMS' service providers (including its sub-advisers, administrator, transfer agent, and custodian or their agents), financial intermediaries, companies in which client accounts and funds invest, and parties with which JPMS 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 JPMS 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 JPMS 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.

Vendor Risk

The Program relies on a vendor, which J.P. Morgan has an ownership interest in, for certain operational and trading functions. By relying on a vendor, an investment adviser reduces its level of control over services

rendered. If a vendor fails to perform its obligations in a timely manner or at satisfactory quality levels, the Program may be unable to provide investment advice consistent with disclosures to clients.

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 underperform in comparison to general financial markets, a particular financial market or other asset classes, due to a number of factors, including inflation, interest rates, global demand for particular products or resources, natural disasters or events, terrorism, regulatory events and government controls.

Model Risk

Some strategies include the use of various proprietary quantitative or investment models. Investments selected using models may perform differently than expected as a result of changes from the factors' historical - and predicted future - trends, and technical issues in the implementation of the models, including, for example, issues with data feeds. Moreover, the effectiveness of a model may diminish over time, including as a result of changes in the market and/or changes in the behavior of other market participants. A model's return mapping is based partially on historical data regarding particular economic factors and securities prices. The operation of a model, similar to other fundamental, active investment processes, may result in negative performance, including returns that deviate materially from historical performance, both actual and pro-forma. For a model driven investment process - and again similar to other, fundamental and active investment processes, there is no guarantee that the use of models will result in effective investment outcomes for clients.

Prospectus Delivery

A discretionary investment adviser can receive prospectuses and other issuer-related materials on behalf of a client for any mutual funds and ETFs in a client's account with client authorization. The adviser, as a client's agent, has access to the prospectuses and issuer-related materials and can rely upon them to make mutual fund and ETF investments on the client's behalf; however clients will no longer receive such prospectuses or issuer-related materials directly. 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.

ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

JPMS and JPMIM both receive information regarding the client's chosen investment strategy. JPMIM receives information from JPMS about any reasonable restrictions imposed by the client on his or her Program account that are accepted by JPMS. That information is updated if it becomes materially incorrect, such as in the event that the client selects a new model portfolio or changes his or her investment restrictions.

ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS

Clients can access information about their accounts through the Program Website at any time. Investment personnel knowledgeable about the management of Program accounts are available for consultation during normal business hours by telephone at 800-776-6061.

ITEM 9 - ADDITIONAL INFORMATION

A. Disciplinary Events

JPMS has been involved in the following material legal or disciplinary events during the last ten years. For 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 JPMS) 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) In March 2009, CISC submitted an AWC to FINRA in connection with alleged deficiencies related to the completion of CISC’s self-assessment of mutual fund breakpoint discount compliance required pursuant to previously imposed FINRA (then NASD) requirements. Without admitting or denying the allegations, CISC consented to findings that it failed to deliver breakpoint discounts during a later review period and continued to fail to have reasonable written supervisory procedures to ensure that the appropriate breakpoints would be delivered to customers, and paid a \$32,500 fine.
- 2) Between June 2009 and September 2012, JPMorgan, on behalf of itself and its subsidiaries (including JPMS and CISC), 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 JPMorgan 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 JPMorgan entities had represented them to be and were unable to sell the ARS. Without admitting or denying the allegations, JPMorgan entered into consent decrees pursuant to which the relevant JPMorgan entities repurchased ARS from certain customers and paid fines, penalties, disgorgement and restitution in amounts that varied from state to state.
- 3) In November 2009, J.P. Morgan Securities Inc. submitted, and the SEC accepted, an Offer of Settlement in connection with allegations by the SEC that in 2002 and 2003, JPMS had made certain payments to firms whose principals or employees were friends of Jefferson County, Alabama public officials in connection with \$5 billion in County bond underwriting and interest rate swap agreement business awarded to JPMS, without disclosing the payments or conflicts of interest in the swap agreement confirmations or bond offering documents. The SEC also alleged that JPMS incorporated certain of the costs of the payments into higher swap interest rates it charged the County, thereby increasing the swap transaction costs to the County and its taxpayers. The SEC found that the alleged conduct violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933, Section 15B(c)(1) of the Securities Exchange Act of 1934, and Municipal Securities Rulemaking Board Rule G-17. Without admitting or denying any of the SEC’s substantive findings, JPMS consented to the SEC’s entry of an administrative order that included a censure of JPMS, an order to cease and desist from violations of the aforementioned statutes and rules, and an order requiring payment of disgorgement of \$1 and a civil money penalty of \$25 million. In addition, JPMS undertook to make a \$50 million payment to the County and to terminate any obligations of the County to make any payments to JPMS under certain swap agreements.
- 4) In December 2010, CISC submitted an AWC to FINRA pursuant to which CISC was censured, fined and required to provide remediation to customers who purchased unit investment trusts (“UITs”) and did not receive applicable sales charge discounts. Additionally, CISC’s UIT purchase confirmations failed to disclose that a deferred sales charge may be imposed. Without admitting or denying the allegations, CISC consented to the findings and paid a \$100,000 fine.
- 5) In June 2011, JPMS agreed with the SEC to resolve the SEC’s inquiry regarding certain collateralized debt obligations (“CDOs”). Specifically, JPMS agreed to a settlement of allegations that it was negligent in not providing additional disclosure in marketing materials for a CDO called Squared CDO 2007-1, Ltd (“Squared”). The SEC’s

complaint alleged that JPMS represented in marketing materials that the collateral manager selected the investment portfolio for Squared but failed to disclose that the hedge fund that purchased the subordinated notes (or “equity”) issued by Squared, and which also took the short position on roughly half of the portfolio’s assets, played a significant role in the selection process. Without admitting or denying the allegations, JPMS consented to the entry of a final judgment against it by the U.S. District Court for the Southern District of New York. The Final Judgment permanently restrains and enjoins JPMS from violating Sections 17(a)(2) and (3) of the Securities Act of 1933 in the offer or sale of any security or security-based swap agreement; orders JPMS to pay disgorgement of \$18.6 million, together with prejudgment interest thereon in the amount of \$2 million, and a civil penalty in the amount of \$133 million; and orders JPMS to comply with certain undertakings related to the review and approval of offerings of certain mortgage securities.

- 6) In July 2011, JPMS resolved an SEC investigation regarding conduct alleged to have taken place on the Firm’s municipal derivatives desk. The SEC alleged that prior to at least 2005, JPMS made misrepresentations and omissions in connection with bidding on certain municipal reinvestment instruments, which the SEC alleged affected the prices of certain reinvestment instruments, deprived certain municipalities of a presumption that the reinvestment instruments were purchased at fair market value, and/or jeopardized the tax-exempt status of certain securities. Without admitting or denying the allegations, JPMS consented to the entry of a final judgment against it by the U.S. District Court for the District of New Jersey. The Final Judgment permanently enjoins JPMS from violating Section 15(c)(1)(A) of the Securities Exchange Act of 1934 and orders it to pay \$51.2 million to certain municipalities and other tax-exempt issuers.

In coordination with the SEC settlement, JPMorgan and certain of its affiliates, including JPMS, also entered into settlements with other agencies to resolve concurrent investigations regarding conduct alleged to have taken place on the Firm’s municipal derivatives desk relating to certain municipal derivative transactions occurring in or prior to 2006. Those settlements are as follows: JPMCB entered into a Formal Agreement and a Consent Order for a Civil Money Penalty with the Office of the Comptroller of the Currency and agreed to pay \$35 million; JPMorgan, JPMS, and JPMCB entered into a Closing Agreement of Final Determination of Tax Liability and Specific Matters with the Internal Revenue Service and agreed to pay \$50 million; and J.P. Morgan entered into written agreements with the Antitrust Division of the U.S. Department of Justice, the Federal Reserve Bank of New York, and 25 State Attorneys General. J.P. Morgan agreed to pay \$75 million in connection with its agreement with the State Attorneys General. Of the total funds to be paid, \$129.7 million will be eligible for distribution to municipalities and other tax-exempt issuers. The Firm also consented to implement various remedial measures, including enhanced compliance policies and procedures.

- 7) In October 2011, CISC consented to the entry of an order of the Florida Office of Financial Regulation in connection with allegations that CISC engaged in the investment advisory business within the State of Florida without three (3) individuals being registered as investment adviser representatives in the State of Florida. CISC paid an administrative fine of \$30,000.
- 8) In November 2011, CISC submitted an AWC to FINRA pursuant to which the CISC was fined, censured and required to provide remediation to customers who purchased certain UITs and floating rate funds. FINRA alleged that CISC failed to establish systems and procedures adequate to supervise the sales of such UITs and floating rate funds. Without admitting or denying the allegations, CISC consented to the entry of FINRA’s findings, paid a \$1.7 million fine and agreed to compensate customers that suffered losses as a result of the alleged supervisory failures.

9) 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's 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 \$177.7 million, prejudgment interest in the amount of \$38,865,536, and a civil monetary penalty of \$84,350,000.

10) 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 Investment Advisers Act of 1940 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 JPMorgan'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 JPMorgan 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 <http://www.sec.gov/litigation/admin/2015/33-9992.pdf>.

11) On or about July 27, 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 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, which was paid on August 1, 2016.

12) In October 2018, JPMS submitted a letter of acceptance, waiver and consent ("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 ("rebalancing") 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.

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 is also registered as a

Futures Commission Merchant with the CFTC. JPMS' officers, managers and investment adviser representatives ("IARS") spend time conducting both broker-dealer activities and investment adviser activities.

JPMS is affiliated with several other SEC-registered broker-dealers, investment companies, investment advisers, insurance agencies and mortgage companies, as well as with 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 investment advisers serve as the investment adviser to the various registered funds which are deemed affiliated ETFs or mutual 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.

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. 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. 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.

JPMS and its affiliates maintain certain investment limitations on the positions in securities (including ETFs) 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.

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

JPMS will likely 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.

Ownership in Vendor

The Program relies on a financial digital solutions vendor for certain operational and trading functions. J.P. Morgan has an ownership interest in this vendor, which creates a conflict of interest, because JPMS has an incentive to select this vendor and has an incentive to continue using this vendor for the Program. J.P. Morgan addresses this conflict by disclosing it

to clients and by subjecting the vendor to due diligence. Additionally, clients are not directly responsible for payments to this vendor.

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 clients' portfolios to act in a way that benefits J.P. Morgan. Conflicts will result, for example (to the extent the following activities are permitted in the account): (1) when J.P. Morgan invests in an investment product, such as a mutual fund, ETF, structured product, separately managed account or hedge fund issued or managed by an affiliate, such as JPMIM; (2) when a J.P. Morgan entity obtains services, including trade execution and trade clearing, from an 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 portfolio. 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.

When selecting ETFs for this Program, JPMIM limits its selection to J.P. Morgan ETFs. As a result, JPMIM will choose J.P. Morgan ETFs even in cases where there are third party ETFs that are less expensive, or that have longer track records or superior historical returns. J.P. Morgan has a conflict of interest when it determines the portfolio's target asset classes, asset allocation goals or ongoing allocations, because it will allocate only to asset classes where J.P. Morgan ETFs are available.

Clients' portfolios will contain 100% J.P. Morgan ETFs. You should not invest in this Program if you are not comfortable holding an investment portfolio that is comprised of 100% J.P. Morgan ETFs. It is important to note that J.P. Morgan receives investment advisory fees from clients in the Program, and also will receive more overall fees when J.P. Morgan ETFs are used. Additionally, the J.P. Morgan ETFs in this Program are not required to be reviewed or approved by the research process applicable to other programs for which JPMS serves as investment adviser. Consequently, investment decisions regarding J.P. Morgan ETFs for the Program will be different from, and may, in certain circumstances, be inconsistent with, the investment decisions made by J.P. Morgan for other advisory programs. Furthermore, the J.P. Morgan ETFs used in this Program may or may not be approved for solicitation in the JPMS full service brokerage platform.

These conflicts may be heightened by the collaboration of this Program's portfolio manager and the portfolio managers of the J.P. Morgan Funds in designing portfolios for this Program.

IMPORTANT INFORMATION ABOUT FUNDS REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED

J.P. Morgan ETFs - Management Fees

JPMIM or its affiliates act as sponsors or managers of the ETFs that JPMIM purchases for the client's portfolio. In such case, JPMIM or its affiliates receive a fee for managing the ETFs. JPMIM and its affiliates receive more total revenue when the client's portfolio is invested in J.P. Morgan ETFs than when it is invested in third party funds.

J.P. Morgan ETFs - Other Fees & Expenses

All funds have various internal fees and other expenses, that are paid by managers or issuers of the funds or by the fund itself, but that ultimately are borne by the investor. J.P. Morgan receives administrative and servicing and others fees for providing services to J.P. Morgan ETFs that are held in the client's portfolio. These payments are made by affiliates of JPMIM or by the funds themselves and may be based on the value of the funds in the client's portfolio. ETFs and affiliates of JPMIM have other business relationships with J.P. Morgan outside of portfolio management or with the broker-dealer affiliates of JPMIM, which may provide brokerage or other services that pay commissions, fees and other compensation.

Allocations of Client Assets to J.P. Morgan ETFs (Including New ETFs)

J.P. Morgan has an incentive to allocate assets to new J.P. Morgan ETFs to help it develop new investment strategies and products. J.P. Morgan has an incentive to allocate assets of the portfolios to a J.P. Morgan ETF that is small, pays greater fees to J.P. Morgan affiliates or to which J.P. Morgan has provided seed capital. In addition, J.P. Morgan has an incentive not to sell or withdraw portfolio assets from a J.P. Morgan ETF in order to avoid or delay the sale or withdrawal's adverse impact on the fund. Accounts managed by J.P. Morgan have significant ownership in certain J.P. Morgan ETFs. J.P. Morgan faces conflicts of interest when considering the effect of sales or redemptions on such funds and on other fund shareholders in deciding whether and when to redeem its shares. A large sale or redemption of shares by J.P. Morgan acting on behalf of its clients could result in the underlying J.P. Morgan ETF selling securities when it otherwise would not have done so, potentially increasing transaction costs and adversely affecting fund performance. A large sale or redemption could also significantly reduce the assets of the fund, causing decreased liquidity and, depending on any applicable expense caps, a higher expense ratio or liquidation of the fund. These conflicts may be heightened by the collaboration of this Program's portfolio manager and the portfolio managers of the J.P. Morgan ETFs in designing portfolios for this Program. In particular, JPMIM portfolio managers have access to the holdings and consequently will have knowledge of the investment strategies and techniques of the underlying J.P. Morgan ETFs utilized in the Program. They therefore face conflicts of interest in the selection, timing and amount of allocations of such J.P. Morgan ETFs. J.P. Morgan has policies and controls in place to govern and monitor its activities and processes for identifying and managing conflicts of interest.

Please refer to JPMIM's Form ADV Part 2A brochure (which can be obtained through the Program Website or at the SEC's website at www.adviserinfo.sec.gov) for additional disclosures on conflicts of interest related to the Program and the sub-adviser

JPMorgan Chase Bank, N.A.

As discussed above, clients authorize JPMS to invest (i.e., sweep) available cash balances in their Program account that are pending investment, as well as any strategic balances allocated to cash, into a deposit account held with JPMCB, an affiliate of JPMS.

Deposits with JPMCB are covered by the Federal Deposit Insurance Corporation ("FDIC"), up to applicable limits.

JPMS and JPMCB have a conflict of interest in using the Deposit Account for balances pending investment, as well as for the cash allocation for the model portfolios and for Program accounts. JPMCB benefits from the use of the Deposit Account because JPMCB receives a stable, cost-effective source of funding. JPMCB intends to use deposits from Program accounts to fund current and new business, 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 paid on the deposits and other costs associated with the deposits, and the interest rate or other income JPMCB earns on loans and investments made with the deposits. JPMS addresses this conflict by monitoring the rate of interest paid on deposits made from Program accounts and by providing disclosure and information about the Deposit Account to clients.

D. Code of Ethics

Code of Ethics and Personal Trading

The Firm's Code of Ethics (the "**Code**") governs the conduct of IARs and other Firm employees who have access to client information. The Code requires IARs and other Firm employees with access to client information to acknowledge that they understand and are in compliance with its policies. The Code's policies require that IARs: (1) report personal securities trades, (2) acknowledge their ongoing compliance with SEC broker-dealer and investment adviser rules and regulations, and (3) report any violations of the Code of which they are aware to the Firm's Chief Compliance Officer. Clients can use the Program Website or telephone the Firm to request a copy of the Code.

The Code contains policies and procedures relating to:

- Account holding reports, personal trading, including reporting and pre-clearance requirements for all employees of JPMS;
- 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 violations.

In general, the personal trading rules under the Code require that accounts of employees and associated persons be maintained with an approved broker and that all trades in reportable securities for such accounts be pre-cleared and monitored by compliance personnel. The Code also prohibits certain types of trading activity, such as short-term and speculative trades. Employees of JPMS must obtain approval prior to engaging in all covered security transactions, including those issued in private placements. In addition, employees of JPMS are not permitted to buy or sell securities issued by J.P. Morgan during certain periods throughout the year. Certain "**Access Persons**" (defined as persons with access to non-public information regarding JPMS' recommendations to clients, purchases, or sales of securities for client accounts and affiliated funds) are prohibited from executing personal trades in a security or similar instrument five business days before and after a client or fund managed by that Access Person transacts in that security or similar instrument. In addition, Access Persons are required to disclose household members, personal security transactions and holdings information. These disclosure obligations and restrictions are designed to mitigate conflicts of interest that may arise if Access Persons transact in the same securities as advisory clients.

Additionally, all JPMS employees 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 business activities and personal trading. All J.P. Morgan employees, including JPMS employees, 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.

Participation or Interest in Client Transactions and Other Conflicts of Interest

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 or may invest. J.P. Morgan is typically entitled to compensation in connection with these activities and the Program's 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' client 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, or 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, may invest in entities in which J.P. Morgan holds an interest, including a 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 may be 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 may enhance 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 may be associated with the financial or other interests that JPMS and J.P. Morgan may 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.

For additional disclosures on conflicts related to JPMIM and the Program, including "Important Information About Funds Registered Under the Investment Company Act of 1940," please read JPMIM's Form ADV Part 2A (which can be obtained through the Program Website or at the SEC's website at www.adviserinfo.sec.gov).

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.

Investing in Securities which JPMS or a Related Person Has a Material Financial Interest

JPMS and its related persons may recommend or invest securities on behalf of its clients that JPMS and its related persons may also purchase or sell. As a result, positions taken by JPMS and its related persons will 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, 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.

Payment for Order Flow

JPMS may pay from time to time for certain order flow in the form of discounts, rebates, reductions of fees or credits. As a result of sending orders to certain trading centers, JPMS receives payment for order flow in the form of discounts, rebates, reductions of fees or credits. Under some circumstances, the amount of such remuneration may exceed the amount that JPMS is charged by such trading centers. This does not alter JPMS' obligation as a broker-dealer and its policy to route customer orders to the trading center where it believes clients will receive the best execution, taking into account, among other factors, price, transaction cost, volatility, market depth, quality of service, speed and efficiency.

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 may 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 may be 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.

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.

Potential Conflicts Relating to Valuation

JPMIM does not value securities in client accounts or provide assistance in connection with such valuation. JPMS, as custodian for client accounts, is responsible for the valuation of securities in client accounts. There is an inherent conflict of interest where JPMS, an affiliate of JPMIM, values securities or assets in client accounts or provides any assistance in connection with such valuation and JPMS and JPMIM are receiving a fee based on the value of such assets. Overvaluing certain positions held by clients will inflate the value of the client assets as well as the performance record of such client accounts, which would likely increase the fees payable to JPMS and JPMIM. As a result, there will be circumstances where JPMS is incentivized to determine valuations that are higher than the actual fair value of investments. In addition, JPMS may value identical assets differently in different accounts or funds due to, among others, different valuation guidelines applicable to such private funds or different third-party pricing vendors. Furthermore, certain units within JPMC may assign a different value to identical assets than JPMS because these units may have certain information regarding valuation techniques and models or other information relevant to the valuation of a specific asset or category of assets, which they do not share with JPMS. The various lines of business within JPMC typically will be guided by specific policies and requirements with respect to valuation of client holdings. Such policies will include valuations that are provided by third-parties, when appropriate, as well as comprehensive internal valuation methodologies.

On occasion, JPMS utilizes the services of affiliated pricing vendors for assistance with the pricing of certain securities. In addition, securities for which market quotations are not readily available, or are deemed to be unreliable, are fair valued in accordance with established policies and procedures. Fair value situations could include, but are not limited to:

- A significant event that affects the value of a security;
- Illiquid securities;
- Securities that have defaulted or are de-listed from an exchange and are no longer trading; or
- Any other circumstance in which it is determined that current market quotations do not accurately reflect the value of the security.

For additional information regarding risks associated with the Program and JPMIM's conflicts of interest, please see JPMIM's Form ADV Part 2A Brochure (which can be obtained through the Program Website or at the SEC's website at www.adviserinfo.sec.gov.)

E. Review of Accounts

Clients can access the Program Website on an ongoing basis to review their account information, account holdings and investment performance. Clients will electronically receive account statements from the custodian at least quarterly and will be able to access quarterly performance reports

through the Program Website. At least quarterly, JPMS will contact clients to urge them to ensure the accuracy of their account information maintained on the Program Website. JPMS also 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 Program account. Clients are solely responsible for notifying JPMS in the event that any information that JPMS maintains about them is inaccurate or becomes inaccurate.

Neither investment personnel from JPMS nor JPMIM will monitor individual client accounts. The Program has instead been designed to continuously monitor and rebalance clients' accounts to keep them aligned with the model portfolio's target asset allocation subject to JPMS' rebalancing logic and algorithms. As discussed above, Program accounts are generally rebalanced when their actual account holdings drift from the model portfolio's stated target asset allocation by certain predetermined thresholds or client-initiated activity (e.g., account contributions, withdrawals, changes in a client's Selected Portfolio, and client restrictions). In addition, JPMS maintains certain controls to review client accounts to ensure that the Program and its rebalancing logic is operating as intended.

JPMS may determine to cancel or delay rebalancing activity for a given day or days in its sole discretion.

Please see Item 4. above under the section *Rebalancing Logic* for additional information describing the Program's ongoing review of client accounts through its rebalancing logic.

F. Client Referrals and Other Compensation

Program accounts are offered exclusively online. JPMS does not currently compensate any third party for referrals of clients or prospective clients. However, 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 Program Advisory Fee paid by the client.

G. Financial Information

JPMS is not aware of any financial condition that is reasonably likely to impair its 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.

**FORM ADV, PART 2B
BROCHURE SUPPLEMENT
J.P. MORGAN YOU INVEST PORTFOLIOS
PROGRAM**

File No. 801-3702

J.P. Morgan Securities LLC

March 31, 2019

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New York, NY 10172
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This brochure supplement provides information about supervisory personnel of J.P. Morgan Securities LLC (“JPMS”) that supplements the disclosure brochure for JPMS’ You Invest Portfolios program. You should have received a copy of that brochure. Please call the above number if you did not receive the disclosure brochure for JPMS’ You Invest Portfolios program or if you have any questions about the contents of this brochure supplement.

Mr. Theodore Dimig

Item 2: Educational Background and Business Experience

Theodore Dimig, Managing Director, serves as the Head of Investments for Intelligent Digital Solutions within J.P. Morgan’s Asset & Wealth Management division. Mr. Dimig is responsible for designing and constructing investment solutions that will be offered through Asset & Wealth Management.

Prior to this role, Mr. Dimig served as Chief Investment Officer and Head of the Specialized Strategies Team within J.P. Morgan Wealth Management where he led a team responsible for managing multi-asset strategies, alternative investments, equities and fixed income for high net worth and institutional clients globally. Prior to this, Mr. Dimig managed the Manager Selection Solution Group as the Global Head of Manager Selection. Mr. Dimig headed the client portfolio team responsible for behavioral finance based equity strategies within J.P. Morgan Investment Managements U.S. Equities Group. Mr. Dimig has also worked extensively on the firm’s fundamentally driven products, focusing largely on its institutional client base. Before joining the U.S. Equity Group, Mr. Dimig worked as a tax aware portfolio manager within the firm’s Separately Managed Accounts Group.

Mr. Dimig holds a B.A. in history and government from Lehigh University, a J.D. from New York Law School and an M.B.A. from NYU’s Stern School of Business. Mr. Dimig was born in 1976.

Item 3: Disciplinary Information

There is no disciplinary information to report.

Item 4: Other Business Activities

Mr. Dimig is a registered representative of J.P. Morgan Securities LLC. In addition, Mr. Dimig currently holds a position as a trustee and board member of a charitable foundation. Mr. Dimig is required to comply with the JPMorgan Chase and Co. Code of Conduct, which prohibits outside business activities that place employees’ interests in conflict with those of the firm or its clients. There is no conflict with the outside activity and his role within the firm.

Item 5: Additional Compensation

No persons (other than clients) provide an economic benefit to Mr. Dimig for providing advisory services.

Item 6: Supervision

Mr. Dimig is a supervised person and an Access Person (as defined under Rule 204A-1 of the Investment Advisers Act) of JPMS and, as such, is subject to the JPMS compliance policies and procedures, in addition to the J.P. Morgan Chase Code of Conduct. The Compliance department periodically monitors supervised persons’ trading for client accounts. JPMS has checks in place to ensure that the portfolio management processes are consistent with JPMS’ fiduciary obligations to clients. In addition, supervised persons are required to complete regular compliance training.

Jeremy Bell, Chief Compliance Officer of JPMS LLC, is responsible for monitoring each supervised person’s advisory activities. Mr. Bell can be reached at the telephone number on the cover of this Part 2B Supplement.

Item 7: Requirements for State Registered Advisers

N/A. JPMS is not a state registered adviser.

Mr. Patrick Lenihan

Item 2: Educational Background and Business Experience

Patrick Lenihan is an Associate on the Intelligent Digital Solutions team within J.P. Morgan Asset & Wealth Management. Mr. Lenihan assists with the designing and constructing of investment solutions that will be offered through Asset & Wealth Management.

Prior to this role, Mr. Lenihan was on the J.P. Morgan Specialized Strategies Investment team where he assisted the Portfolio Managers on the Advisory Program’s multi-asset, multi-manager strategies and core Dynamic Multi-Asset Strategy. Additionally, Mr. Lenihan was on the Manager Selection team where he led coverage for passive, strategic beta and quantitative strategies. Mr. Lenihan began his career as an Analyst in J.P. Morgan’s 2-year Wealth Management Analyst Rotational Program, where he rotated across three teams within Wealth Management.

Mr. Lenihan holds a B.S.E. in Industrial & Operations Engineering from the University of Michigan in Ann Arbor. He is also a Chartered Financial Analyst charterholder (“CFA”). Mr. Lenihan was born in 1991.

Item 3: Disciplinary Information

There is no disciplinary information to report.

Item 4: Other Business Activities

Mr. Lenihan is a registered representative of J.P. Morgan Securities LLC and is not actively engaged in any other investment-related business or occupation.

Item 5: Additional Compensation

No persons (other than clients) provide an economic benefit to Mr. Lenihan for providing advisory services.

Item 6: Supervision

Mr. Lenihan is a supervised person and an Access Person (as defined under Rule 204A-1 of the Investment Advisers Act) of JPMS and, as such, is subject to the JPMS compliance policies and procedures, in addition to the J.P. Morgan Chase Code of Conduct. The Compliance department periodically monitors supervised persons’ trading for client accounts. JPMS has checks in place to ensure that the portfolio management processes are consistent with JPMS’ fiduciary obligations to clients. In addition, supervised persons are required to complete regular compliance training.

Jeremy Bell, Chief Compliance Officer of JPMS LLC, is responsible for monitoring each supervised person’s advisory activities. Mr. Bell can be reached at the telephone number on the cover of this Part 2B Supplement.

Item 7: Requirements for State Registered Advisers

N/A. JPMS is not a state registered adviser.

Mr. Joel Ryzowy**Item 2: Educational Background and Business Experience**

Joel Ryzowy is an Executive Director on the Intelligent Digital Solutions team within J.P. Morgan Asset & Wealth Management. Mr. Ryzowy assists with the designing and constructing of investment solutions that will be offered through Asset & Wealth Management.

Prior to this role, Mr. Ryzowy worked within J.P. Morgan's Investment Bank structuring and marketing risk management solutions that assisted corporate and sovereign clients mitigate their exposure to commodities (primary focus), rates, currencies and equities. In addition, Mr. Ryzowy worked within J.P. Morgan's Investment Bank structuring and marketing bespoke multi-asset solutions for institutional clients that adjusted the risk-reward profile of equities, fixed income and credit indices and securities.

Mr. Ryzowy holds a B.A. (Hons.) in history from Columbia University. Mr. Ryzowy was born in 1985.

Item 3: Disciplinary Information

There is no disciplinary information to report.

Item 4: Other Business Activities

Mr. Ryzowy is a registered representative of J.P. Morgan Securities LLC and is not actively engaged in any other investment-related business or occupation.

Item 5: Additional Compensation

No persons (other than clients) provide an economic benefit to Mr. Ryzowy for providing advisory services.

Item 6: Supervision

Mr. Ryzowy is a supervised person and an Access Person (as defined under Rule 204A-1 of the Investment Advisers Act) of JPMS and, as such, is subject to the JPMS compliance policies and procedures, in addition to the J.P. Morgan Chase Code of Conduct. The Compliance department periodically monitors supervised persons' trading for client accounts. JPMS has checks in place to ensure that the portfolio management processes are consistent with JPMS' fiduciary obligations to clients. In addition, supervised persons are required to complete regular compliance training.

Jeremy Bell, Chief Compliance Officer of JPMS LLC, is responsible for monitoring each supervised person's advisory activities. Mr. Bell can be reached at the telephone number on the cover of this Part 2B Supplement.

Item 7: Requirements for State Registered Advisers

N/A. JPMS is not a state registered adviser.

Ms. Mallika Saran**Item 2: Educational Background and Business Experience**

Mallika Saran is a Vice President on the Intelligent Digital Solutions team within J.P. Morgan Asset & Wealth Management. Ms. Saran assists with the designing and constructing of investment solutions that will be offered through Asset & Wealth Management.

Prior to this role, Ms. Saran was on J.P. Morgan's Specialized Strategies Team where she assisted the Portfolio Managers on the Advisory Program's multi-asset, multi-manager strategies. Additionally, Ms. Saran was part of J.P. Morgan's Management Associate Program, a 2-year post-MBA leadership development program. During the program, she spent time in the Beta Strategies team within J.P. Morgan Asset Management where she was involved in launching a Liquid Alternatives and High Yield ETF. She also

worked with the Financial Sponsors Group in the J.P. Morgan Investment Bank covering middle market private equity firms. Previously, Ms. Saran worked as a Research Analyst at Dimensional Fund Advisors where she worked with the portfolio management team to design and manage investment strategies.

Ms. Saran holds an MBA with Distinction from Harvard Business School and a B.Sc. (Hons) from the California Institute of Technology with a double major in Mechanical Engineering and Business & Economic Management. Ms. Saran was born in 1988.

Item 3: Disciplinary Information

There is no disciplinary information to report.

Item 4: Other Business Activities

Ms. Saran is a registered representative of J.P. Morgan Securities LLC and is not actively engaged in any other investment-related business or occupation.

Item 5: Additional Compensation

No persons (other than clients) provide an economic benefit to Ms. Saran for providing advisory services.

Item 6: Supervision

Ms. Saran is a supervised person and an Access Person (as defined under Rule 204A-1 of the Investment Advisers Act) of JPMS and, as such, is subject to the JPMS compliance policies and procedures, in addition to the J.P. Morgan Chase Code of Conduct. The Compliance department periodically monitors supervised persons' trading for client accounts. JPMS has checks in place to ensure that the portfolio management processes are consistent with JPMS' fiduciary obligations to clients. In addition, supervised persons are required to complete regular compliance training.

Jeremy Bell, Chief Compliance Officer of JPMS LLC, is responsible for monitoring each supervised person's advisory activities. Mr. Bell can be reached at the telephone number on the cover of this Part 2B Supplement.

Item 7: Requirements for State Registered Advisers

N/A. JPMS is not a state registered adviser.