CONFLICTS OF INTEREST DISCLOSURE STATEMENT
Conflicts of Interest Disclosure Statement

1. Introduction


JP Morgan is required to maintain and operate effective organisational and administrative arrangements in order to prevent conflicts of interest from adversely affecting the interests of our Clients.

The Firm has put controls, policies and procedures in place to identify and to prevent or manage conflicts of interest between the Firm and its Clients, as well as between one Client and another that arise as a result of the Firm providing regulated activities and services including investment services and activities and ancillary services; (i) in the EEA under the Markets in Financial Instruments Directive 2014/65/EC and (ii) in the United Kingdom under Directive 2014/65 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as it forms part of ‘retained EU law’ as defined in the European Union (Withdrawal) Act 2018 (as amended from time to time) (together ‘Investment Services and Activities’).

2. Our Policy

Our internal control framework is designed to help ensure that the Firm:

- identifies circumstances in relation to the carrying out of Investment Services and Activities which do, or may give rise to, conflicts of interest; and

- establishes appropriate procedures and measures in order to prevent or manage such conflicts, including where disclosure of the conflict is required.

3. Conflicts of Interest

Circumstances where conflicts of interest could arise in the course of the Firm carrying out Investment Services and Activities include, but are not limited to, the following:

- where the Firm has provided corporate finance advice to one corporate client that subsequently becomes the target of a bid and the Firm seeks to act for the bidder;

- where the Firm is providing advice to a corporate client in relation to a securities offering and is advising other Clients as to the advantages and disadvantages of investing in that security;

- where the Firm, acting on a Client’s behalf, engages with affiliates or related parties;

- where the Firm has a holding in, or is trading, dealing or market-making in, financial instruments purchased or sold by or for a Client;

- where the Firm is sponsoring, underwriting, sub-underwriting, placing, purchasing, arranging, acting as stabilizing manager for, or otherwise participating in, the issue of financial

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1 The Firm may be subject to other regulatory (including local) obligations in respect of the identification, prevention or management of conflicts of interest.
instruments purchased or sold by or for a Client;

- where the Firm is issuer of any financial instrument purchased or sold by or for a Client or adviser or banker to, or who has any other business relationship with, the trustee, custodian, operator or manager of, or investment adviser to any form of collective investment scheme in which interests are purchased or sold for a Client;

- where the Firm provides advisory and financing services to one Client in respect of a transaction and seeks to provide financing services to another Client (or Clients) in respect of the same transaction;

- where the Firm is acting as a discretionary portfolio manager for more than one Client or fund, in particular in respect of issues relating to allocation;

- where the Firm is providing research in relation to an issuer (or any of its affiliates) to which it also provides investment banking services;

- where an employee of the Firm engages in personal account dealing in respect of financial instruments and the Firm has a Client with an interest that potentially conflicts with such dealing;

- where an employee of the Firm serves as a director, advisory board member or in some other oversight capacity for a public or private company;

- where the Firm receives financial benefit, in the form of either direct or indirect compensation, from a third party and/or supplier for an agreed arrangement (for example, obtaining services, outsourcing services, directing trading to exchanges) which could affect the Firm’s exercise of its best judgment, and therefore potentially may not be in the Client’s best interest.

4. Prevention or Management of Conflicts

Specific measures for preventing or managing conflicts include, but are not limited to:

4.1 Information Barriers

The Firm has established internal controls (including physical, technological and electronic information barriers) to regulate and restrict the flow of confidential information between different legal entities and also within the different business areas within the same legal entity.

These arrangements are designed to prevent the exchange or misuse of client confidential information or other material non-public information. The Firm’s Control Room assists with the monitoring of information barriers and maintains watch and restricted lists.

4.2 Separation of Job Functions

If a particular line of business within the Firm has two or more functions within that line of business which would lead to a potential, perceived or actual conflict of interest, the business must institute appropriate controls to manage or, where possible, prevent the possible conflict. This may include separating the functions into separately-managed businesses, having the job functions/responsibilities managed by different senior members of staff or providing appropriate training of senior staff in managing conflicts.
4.3 Employee Compensation

The Firm's compensation governance practices contain a number of measures to avoid conflicts of interest, including performance development and related compensation processes which focus on delivering products and services to maintain a focus on safeguarding, developing and deepening long term and sustained client relationships based on client needs.

4.4 Gifts and Entertainment

The exchange of gifts, entertainment or inducements has the potential to create actual, potential or perceived conflicts of interest. The Firm's employees must not solicit or provide gifts, entertainment or other inducements directly or indirectly to/from anyone which would impair the Firm's duty to act in the best interest of its Clients.

The Firm's employees must comply with the Firm's inducements policies when considering whether to pay or receive any fee or commission, or provide or be provided with any non-monetary benefit, in connection with the carrying out of MiFID Business to or by a Client.

4.5 Inducements

In order to prevent any potential or perceived conflict of interest, the Firm has controls in place ensuring that it only provides or accepts inducements that (i) are designed to enhance the quality of the relevant service to the client and (ii) do not impair compliance with the duty to act honestly, fairly and professionally in accordance with the best interest of its clients. Where the Firm provides portfolio management services, only certain acceptable minor non-monetary benefits are permitted.

Where such inducement is research received or provided in the course of providing investment services or UCITS management services, the Firm must ensure that it is received in return for a payment.

4.6 Personal Account Dealing and Outside Activities

Employees must disclose their personal trading accounts, pre-clear personal trades, only engage in approved investment strategies and maintain their accounts with approved brokers (where applicable). In addition, Employees are required to pre-clear certain outside activities and second jobs which are then vetted to ensure that the second job does not give rise to a real or apparent conflict of interest.

4.7 Allocation of New Issues

The Firm's allocation policy addresses the various conflicts of interest that can arise during the management and distribution of a securities offering on behalf of an issuer. Amongst other things, the policy prohibits allocations:

- allocations to incentivise the payment of disproportionately high fees, or commissions by an investment Client as compensation for receiving an allocation of the issue (so-called 'laddering'); or
- to an executive officer or director of a Client as consideration for future or past corporate finance business (so-called 'spinning')
- allocations based on the amount of trading, commission or other income received or expected by the Firm from business with a particular investor
4.8 Execution/Client Order Handling

Clients’ interests are protected by the Firm’s dealing policies, which detail how the Firm will execute and treat your order. The Firm prohibits the firm’s traders from front-running client orders and stipulates that client orders must take priority over certain other trading. When the Firm is aggregating a client order or an own account transaction with another client order and allocating the related trades then the Firm must ensure that each client is treated fairly. Please refer to the Execution Policy which can be found on the JPMorgan website.

4.9 Independence of Research

The Firm has implemented various measures, including but not limited to: putting in place information barriers to restrict the flow of information between the Research Department and other parts of the business, prohibiting Research employees from engaging in personal transactions in financial instruments where such transaction would constitute a conflict of interest with their production of research.

4.10 Conflicts Office

The Firm’s Global Conflicts Office reviews certain transactions, products and activities, which may give rise to an actual, potential or perceived conflicts of interest, such as merger and acquisition advisory and capital markets transactions. The Global Conflicts Office manages conflicts of interest by reviewing information about proposed transactions together with information concerning other transactions or relationships within the Firm. The Global Conflicts Office will approve, limit, or, in cases where the conflict cannot be managed, reject the proposed business activity. The Global Conflicts Office also oversees deal team staffing in consultation with LOB Legal and LOB Compliance.

4.11 New Business Initiative Approval

The Firm has a New Business Initiative Approval program which consists of an approval and vetting process that is designed to ensure conflicts related to New Business Initiatives are identified and addressed appropriately.

5. Disclosure

A firm should only use disclosure as a measure resort where the arrangements a firm has put in place to prevent or manage its conflicts of interest from adversely affecting Clients interests are not sufficient to ensure, with reasonable confidence, that the risk of damage to the interests of one or more Clients will be prevented.

In these circumstances a firm must, before undertaking Investment Services or Activities for the Client:

- disclose the general nature and/or source of the conflict of interest;
- provide a specific description of the conflict of interest that arises in the provision of the Investment Services or Activities; or
- explain the risks to the Client that arise as a result of the conflict of interest and the steps which the firm has undertaken to mitigate these risks.
6. Declining to Act

If the Firm considers that the conflict of interest cannot be prevented or managed in any other way it may decide to decline to act for a Client, or no longer carry on a particular activity or offer a particular service.