Item 1
Cover Page

FORM ADV, PART 2A
WRAP FEE PROGRAM BROCHURE

J.P. MORGAN SECURITIES CUSTOMIZED BOND SOLUTIONS PROGRAM

J.P. MORGAN SECURITIES LLC
SEC File No. 801-3702

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J.P. Morgan Securities LLC sponsors other wrap fee programs in addition to those discussed in this brochure. You can obtain brochures for the other programs by contacting us at (800) 999-2000.

This wrap fee program brochure provides information about the qualifications and business practices of J.P. Morgan Securities LLC. If you have any questions about the contents of this brochure, please contact us at (800) 999-2000. 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 J.P. Morgan Securities LLC also is available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

The advisory services described in this brochure are: not insured by the Federal Deposit Insurance Corporation ("FDIC"); not a deposit or other obligation of, or guaranteed by, JPMorgan Chase Bank, N.A. or any of its affiliates; and subject to investment risks, including possible loss of the principal amount invested.

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

Item 2
Material Changes

The following is a summary of the changes made to this Wrap Fee Program brochure (the "Brochure") since it was last amended on June 23, 2020.

- Item 4 has been updated to reflect that the JPMPI portfolio management team for C-BoS will transition to JPMIM, and JPMIM will replace JPMPI as the Portfolio Manager for C-BoS on or after January 1, 2021.
- Item 9, under the heading entitled "Disciplinary Events" has been updated with the disclosure of a September 2020 administrative resolution with multiple regulators.

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J.P. Morgan Securities Customized Bond Solutions Program

Item 4
Services, Fees and Compensation

J.P. Morgan Securities LLC ("JPMS" or the "Firm") is a wholly-owned subsidiary of JPMorgan Chase & Co. ("JPMC"), a publicly-held financial services holding company. JPMC and its affiliates (together, "J.P. Morgan") are engaged in a large number of financial businesses worldwide, including banking, asset management, securities brokerage and investment advisory services. JPMS is registered as a broker-dealer and investment adviser with the U.S. Securities and Exchange Commission (the "SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). JPMS' investment advisory services include sponsoring a variety of wrap fee programs and providing certain consulting services to defined contribution plan sponsors. JPMS offers investment advisory services through three separate sales channels: J.P. Morgan Securities, Chase Wealth Management and You Invest. Similar wrap fee programs that offer the same and similar investment strategies may be offered in the different sales channels and programs, and at different fee levels. The wrap fee clients pay will vary depending on the investment advisory program selected.

This Brochure provides information about JPMS and the J.P. Morgan Securities Customized Bond Solutions Program ("C-BoS" or the "Program") that is offered by J.P. Morgan Securities, a brand name for a wealth management business of J.P. Morgan. Information about other wrap fee programs sponsored by JPMS are contained in separate Brochures, which can be obtained upon request from your J.P. Morgan Securities financial advisor (each, a "Financial Advisor"), or at the SEC's website at www.adviserinfo.sec.gov. The Form ADV Part 2A for the Portfolio Manager (as defined below) can also be obtained upon request from a Financial Advisor or by visiting www.jpmorgansecurities.com/ADV.

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.

i. Services

The Program provides clients with access to an affiliated portfolio manager, J.P. Morgan Private Investments, Inc. ("JPMPI" or the "Portfolio Manager"), to provide discretionary investment management services in separately managed accounts. Clients select the investment strategy (each, a "Strategy") from those made available by JPMS. Clients pay an asset-based wrap fee that covers JPMS's services, the Portfolio Manager's services, and execution of transactions and custody through JPMS and its affiliates. In order to participate in the Program, clients must enter into the J.P. Morgan Securities investment advisory client agreement between client and JPMS (the "Client Agreement"). The Strategies currently available to clients in C-BoS are the Customized Taxable Bond Portfolio Strategy ("C-TAX"), the Customized Municipal Bond Portfolio Strategy ("C-MAP") and the Customized Preferreds Portfolio Strategy ("C-PREP"), each which is generally described in the Portfolio Manager's Form ADV Part 2A. Clients should review the the Portfolio Manager's Form ADV 2A for additional risk factors, conflicts of interest and other important information. In the Program, all accounts are customized to the individual client's investment needs. On or after January 1, 2021, the JPMPI portfolio management team for C-BoS will transition to J.P. Morgan Investment Management Inc. ("JPMIM"), and JPMIM will replace JPMPI as the Portfolio Manager for C-BoS.

Clients determine how to invest through C-BoS after consulting with a Financial Advisor. Clients may request that JPMS assist them in the review, evaluation and/or formulation of investment objectives. Clients are responsible for making all decisions regarding the adoption and implementation of any investment objectives. JPMS will notify the Portfolio Manager of the client's selection and the Strategy and will also provide the Portfolio Manager with information about the client and the account as provided by the client during the account opening process. After receiving the information, the Portfolio Manager will in its sole discretion accept or reject the account. If the Portfolio Manager accepts an account, the Portfolio Manager will manage it on a discretionary basis.

Each client is responsible for monitoring the client's C-BoS account(s). This monitoring includes reviewing any asset allocation between or among Strategies on an ongoing basis and determining whether to rebalance and/or reallocate the C-BoS assets. The actual allocation of the C-BoS assets may change over time due to fluctuations in the market value of the C-BoS assets and/or additions to or withdrawals by the client. In addition, clients are responsible for determining whether a change in the client's circumstances may warrant a change to the client's Strategy selection.

The Portfolio Manager manages client accounts in the Program in accordance with each client's specific guidelines, investment objectives and any reasonable investment restrictions that the client has provided to JPMS and the Portfolio Manager and the Portfolio Manager has accepted.

Unless JPMS specifically agrees otherwise, clients are also responsible for monitoring the Portfolio Manager's adherence to or consistency with any investment restrictions and/or guidelines that have been submitted by the client for the account and accepted by the Portfolio Manager. JPMS has no responsibility for monitoring C-BoS accounts, even if JPMS assisted the client in determining an asset allocation and identified the Portfolio Manager as a portfolio manager to the client. Unless specifically agreed to by JPMS, JPMS is not obligated to provide ongoing advice with respect to the client's selection of the Portfolio Manager or the Strategy. JPMS is not responsible for the management of any C-BoS account, including the consistency of the management of any account with the client's investment objective for the account or any other information provided by the client.

JPMS will ordinarily provide clearing, settlement and custodial services with respect to transactions and assets in C-BoS accounts.

In general, JPMS also provides clients with periodic performance reviews of their C-BoS accounts. Certain C-BoS accounts may not receive such reviews; in its discretion, JPMS may not provide a client with performance reviews for an account if, for example, the account's assets are not custodied by JPMS or JPMS concludes that the nature of the investment strategy used or securities held in the account makes valuation, performance measurement or performance benchmarking too difficult, infeasible or insufficiently valid or useful to the client.

ii. <u>Fees and Compensation</u>

JPMS will charge each C-BoS account a single, asset-based fee ("Fee") each calendar quarter, in advance. The maximum annual Fee rate is 0.70%.

The rate used for each component of the Fee each quarter will be approximately one-fourth of the applicable annual rate based on the number of days in the quarter, and will typically be applied to the net market value of the assets (including all cash and cash alternatives such as money market mutual funds) in the account. In its discretion, JPMS and/or the Portfolio Manager may negotiate the amount and calculation of the Fee (with respect to the Portfolio Manager, the portion of the Fee paid over by JPMS to the Portfolio Manager) based on a number of factors, including, but not limited to, the type and size of the account, services provided to the account, the client's other accounts with JPMS, accounts with JPMS held by members of client's family, and JPMS's assessment of the potential for future additional business with the client. In addition, JPMS's negotiation of the Fee by JPMS is generally subject to certain internal guidelines based on the total value of assets invested, or expected to be invested, by the client across JPMS's various investment advisory programs.

JPMPI's component of the Fee is paid over by JPMS and is generally 0.12% annually of the net market value of the accounts managed by JPMPI, which is set forth in a fee schedule that is part of an agreement between JPMS and the Portfolio Manager. In its sole discretion, the Portfolio Manager may waive or reduce its portion of the Fee. Once JPMIM becomes the Portfolio Manager, JPMIM's component of the Fee, paid over by JPMS, will be up to 0.12% annually of the net market value of the accounts managed by JPMIM. Please review the Portfolio Manager ADV for more information.

In valuing assets in Program accounts, JPMS uses information provided by recognized independent quotation and valuation services or will rely on information it receives from other third parties, if applicable. JPMS believes this information to be reliable but does not verify the accuracy of the information provided by these sources. If any information provided by these sources is unavailable or is believed to be unreliable, JPMS will value assets in a manner JPMS determines in good faith to reflect fair market value. JPMS may use different valuation sources for different purposes. As a result, the determination of asset values may differ for different purposes. For example, the account asset values used in the Fee calculation may not match the asset values listed on the account's custodial statements. Detailed calculations of any account asset values are available upon request.

The Client Agreement typically provides that (i) a prorated Fee will be charged on total same-day contributions to the account (net of total same-day withdrawals from the account) of $25,000 or more to cover the period from the date of the net same-day contribution until the end of the quarterly billing period and (ii) a prorated Fee credit will be made for total same-day withdrawals from the account (net of total same-day contributions to the account) of $25,000 or more to cover the period from the date of the net same-day withdrawal until the end of the quarterly billing period. If the account is terminated during a billing period, JPMS will refund to the client any prepaid amount of the Fee prorated for the period of the billing period after the date of termination.

The Fee is a "wrap fee" that covers the Portfolio Manager's investment management services, JPMS's investment advisory services, clearing, settlement and custody services and, typically but not necessarily, periodic performance reviews. The Fee does not cover clearing,

settlement and custody charges that may be charged by custodians other than JPMS. The Fee also does not cover certain costs or charges that may be imposed by JPMS or third parties, including margin interest, costs associated with exchanging foreign currencies, borrowing fees on short sales, odd-lot differentials, activity assessment fees, transfer taxes, exchange fees, wire transfer fees, postage fees, auction fees, foreign clearing, settlement and custodial fees, and other fees or taxes required by law. The Fee does not cover dealer spreads that JPMS, its affiliates or other broker-dealers may receive when acting as principal in certain transactions. Clients may also bear any fees and expenses associated with converting non-U.S. securities into ADRs or GDRs. When they assist in such conversions, JPMS and its affiliates receive some or all of such fees and expenses borne by the client. For trades in non-U.S. equity securities, the final average price includes a commission to a third-party broker-dealer for execution of the trade, applicable taxes and charges associated with transacting in a non-U.S. security and, if the trade is settled in U.S. Dollars, a service charge for the currency conversion.

JPMS and its affiliates may pay from time to time certain order flow in the form of discounts, rebates, reduction of fees or credits. Conversely, as a result of sending orders to certain trading centers, JPMS and its affiliates receive payment for order flow in the form of discounts, rebates, reduction of fees or credits. Under some circumstances, the amount of such remuneration may exceed the amount that JPMS and its affiliates are charged by such trading centers. This does not alter JPMS's policy to route customer orders 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.

Participation in C-BoS may cost the client more or less than purchasing the services provided in C-BoS separately. Many factors bear upon the relative cost of C-BoS to the client, including the cost of the services if provided and charged for separately, the Fee rate charged to the client in C-BoS, the amount of trading activity in the client's account, and the quality and value of the services provided. The Fee (or component of the Fee) paid by a client may be higher or lower than the fees JPMS charges other clients in C-BoS or other investment advisory programs, the fees JPMS would charge the client in another investment advisory program, and the cost of similar services offered through other financial firms.

In managing the Strategies available through C-BoS, the Portfolio Manager will generally place orders for C-BoS client accounts with broker-dealers other than JPMS due to the Portfolio Manager's regulatory requirement to avoid principal transactions and the nature of fixed income and preferred securities. Fixed income and preferred securities are primarily traded in dealer markets. These securities are directly purchased from or sold to a financial services firm acting as a dealer (or principal). A dealer executing such trades may include a mark-up (on securities it sells), a mark-down (on securities it buys), or a spread (the difference between the price it will buy, or "bid," for the security and the price at which it will sell, or "ask," for the security) in the net price at which transactions are executed. The bid and ask are prices quoted by the dealer, so C-BoS clients should understand that a dealer's bid price would be the price at which a client is selling their security, and the dealer's ask price would be the price at which a client is buying the security. These transaction fees (i.e., mark-ups, mark-downs, or spreads charged by third-party broker-dealers) are not included in the Fee. Clients should carefully consider these costs before selecting a Strategy in C-BoS.

When the Portfolio Manager places orders with broker-dealers other than JPMS, the trade confirmation issued by JPMS with the details of the trade will typically show a price for the traded security that is inclusive (i.e., net) of the commission, mark-up, mark-down or dealer spread paid by the client to the other broker-dealer, but it generally does not break out or otherwise show the amount of the commission, mark-up, mark-down or dealer spread separately. Clients can view more specific information about the "trading away" practices of portfolio managers in J.P. Morgan Securities investment advisory programs – which can result in additional costs for clients that are not covered by the Fee – at https://www.jpmorgansecurities.com/pages/am/securities/legal/investment-managers-trading-away-practices.

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

Except as otherwise agreed to in writing by JPMS, accounts are charged the Fee with respect to all assets in the account regardless of whether the client has previously paid or incurred commissions, sales charges or "loads," mark-ups, mark-downs, dealer spreads, or other costs, charges, fees or expenses in connection with the client's previous purchase of some or all of the assets in a brokerage account or otherwise outside of the Program.

A portion of the JPMS component of the Fee is generally paid to the Financial Advisor servicing the client's C-BoS account(s), who also may have recommended that the client participate in C-BoS. ***Because the amount received by an Financial Advisor as a result of a client's participation in C-BoS may be more than the Financial Advisor would receive if the client participated in another J.P. Morgan Securities investment advisory program or paid separately for investment advice, brokerage and other services covered by the Fee, the Financial Advisor may have a financial incentive to recommend C-BoS over other programs or services.***

JPMS may effect trades on behalf of Program accounts through exchanges, electronic communications networks, alternative trading systems and similar execution systems and trading venues (collectively, "Trading Systems"), including Trading Systems in which JPMS or its affiliates may have a direct or indirect ownership interest. JPMS or its affiliates may 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. Currently, JPMS and/or its affiliates have an ownership interest in certain Trading Systems, including: (i) BATS Global Markets; (ii) BIDS Trading; (iii) Chicago Stock Exchange; (iv) Boston Options Exchange; and (v) Luminex Trading & Analytics LLC. Clients authorize JPMS to effect trades on behalf of Program accounts through all such Trading Systems, affiliated and unaffiliated, and all such other Trading Systems in which JPMS or its affiliates have a direct or indirect ownership interest and through which JPMS may determine to trade in the future. An up-to-date list of all Trading Systems in which JPMS or its affiliates have a direct or indirect ownership interest and through which JPMS might trade can be found at https://www.jpmorgansecurities.com/pages/am/securities/legal/ecn. Such Trading Systems (and the extent of JPMS's or its affiliates' ownership interest in any Trading System) may change from time to time.

JPMS may earn additional compensation through brokerage-related services it provides, such as extending margin loans to clients and holding free-credit balances. Certain Financial Advisors may receive production-based bonuses that take into account these amounts in addition to investment advisory fees (including the Fee paid by clients in the Program) and other revenue generated by the Financial Advisor. These bonuses may create a conflict of interest for those Financial Advisors in that they have a financial incentive to recommend that Program accounts incur additional or higher fees for these services by, for example, incurring additional or larger margin loans. In addition, because the rate of fees charged for these brokerage-related services is negotiable, this compensation may give these Financial Advisors a financial incentive to charge clients higher rates for these services.

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

JPMS or its affiliates may retain, as compensation for the performance of services, an account's proportionate share of any interest earned on aggregate cash balances held by JPMS or its affiliates with respect to "assets awaiting investment or other processing." This amount, known as "float," is earned by JPMS or its affiliates through investment in a number of short-term investment products and strategies, including without limitation loans to customers and investment securities, with the amount of such earnings retained by JPMS or its affiliates, due to the short-term nature of the investments, being generally at the prevailing Federal Funds interest rate (a publicly available average rate of all Federal Funds transactions entered into by traders in the Federal Funds market on a given date), less FDIC insurance and other associated costs, if any. "Assets awaiting investment or other processing" for these purposes includes, to the extent applicable, new deposits to the account, including interest and dividends, as well as any uninvested assets held in the account caused by an instruction to purchase and sell securities. JPMS or its affiliates will generally earn float until such time as such funds may be automatically swept into a "sweep" vehicle or otherwise reinvested. "Assets awaiting investment or other processing" may also arise when JPMS facilitates a distribution from the account. Thus, pursuant to standard processes for check disbursement, cash is generally debited from the account on the date on the face of the check (also called the payable date). Such cash is deposited in a non-interest bearing omnibus deposit account held by JPMS or its affiliates, where it remains until the earlier of the date the check is presented for payment or the date payment on the check is stopped at client's instruction (in which case the underlying funds are returned to the account). JPMS or its affiliates derive earnings (float) from their use of funds that may be held in this manner, as described above.

Cash Allocations and the Sweep Feature. Clients in the Program authorize JPMS, to the extent permitted by applicable law, to invest (i.e., "sweep") available cash balances in the JPMorgan Chase Deposit Account (the "Deposit Account") or one or more money market mutual funds that are managed by affiliates of JPMS. The Deposit Account is the default "sweep" option for Program clients who reside in the U.S. and do not select an available "sweep" alternative.

Cash "swept" or allocated to the Deposit Account is remitted for deposit by JPMS, acting as the client's agent, into a demand deposit account maintained at JPMorgan Chase Bank, N.A. ("JPMCB"). Balances in the Deposit Account are covered by FDIC insurance, subject to applicable limits, terms and conditions, but are not protected by the Securities Investor Protection Corporation. JPMS does not

review or monitor FDIC insurance limits for clients. Clients are responsible for monitoring the total amount of deposits that they have with JPMCB to determine the extent of FDIC deposit insurance coverage available to them on their deposits. The JPMorgan Chase Deposit Account Disclosure provides further information about the Deposit Account, including the limits, terms and conditions of FDIC insurance coverage.

The interest rate on the Deposit Account may be higher or lower than yields on other available cash alternatives (e.g., money market mutual funds). From time to time, JPMS or Portfolio Manager, may deem it in the client's best interest to maintain a certain percentage of assets in cash or cash alternatives, especially when markets are volatile. However, because the Fee is charged on the value of all assets in the account (including cash and cash alternatives), in a low interest rate environment the net investment return on cash and cash alternatives, including the Deposit Account, will be negative. The current rates and yields for available cash options for Program accounts, including the Deposit Account, can be found online at https://www.jpmorgan.com/securities/legal/sweepoption. These rates and yields change regularly, so it is prudent to check this website on at least a quarterly basis.

Although there is no charge to clients with respect to the Deposit Account, JPMCB benefits from the Deposit Account because, through the Deposit Account, JPMCB receives a stable, cost-effective source of funding. JPMCB uses customer deposits in the Deposit Account to fund current and new businesses, including lending activities and investments. The profitability on such lending activities and investments is generally measured by the difference, or "spread," between the interest rate and other costs associated with the Deposit Account paid by JPMCB, and the interest rate and other income earned by JPMCB on the loans and investments made with the deposits. The income that JPMCB earns through its lending and investing activities is usually significantly greater than the interest earned by clients through the Deposit Account. It is typically also greater than the fee earned by all J.P. Morgan entities from managing and distributing money market mutual funds available to Program clients. Additionally, JPMCB has agreed to pay JPMS a monthly flat fee for each account that uses the Deposit Account; however, JPMS is currently waiving receipt of this fee.

Therefore, JPMS and JPMCB have a conflict of interest in offering or utilizing the Deposit Account (and in making it the default "sweep" option for Program clients residing in the U.S.). JPMS believes that the conflict is addressed through:

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

Interest rates (such as LIBOR or EURIBOR) and a wide range of other index levels, rates and values are treated as "benchmarks" and are the subject of recent regulatory reform which can have an impact on your account. For example, clients in the Program can invest in Strategies that are managed to, or in fixed income or other securities that utilize, certain interest rate benchmarks. There are certain risks associated with loans, derivatives, fixed income, floating rate securities and other instruments or investments that rely on a benchmark which changes or is affected by benchmark reforms. While benchmark reforms are intended to make benchmarks more robust, the reforms may cause benchmarks to perform differently than in the past, to disappear entirely or have other consequences which cannot be predicted. This could have a material impact on any investments linked to or referencing such a benchmark. Such impact may include (i) reducing or increasing the volatility of the published rate or level of the benchmark, (ii) early redemption or termination of the investment, or (iii) adjustments to the terms of the investment. Any of these impacts may be disadvantageous to investors. In particular, such reforms may increase costs and risks associated with investments that use an affected benchmark. The regulatory authority that oversees financial services firms and financial markets in the U.K. has announced that, from the end of 2021, it will no longer persuade or compel contributing financial institutions to make submissions for purposes of determining the LIBOR rate. The LIBOR rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. As a result, it is possible that commencing in 2022, LIBOR may no longer be available or no longer deemed an appropriate reference rate upon which to determine the interest rate on or impacting certain loans, derivatives and other instruments or investments comprising some or all of an account's portfolio. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of LIBOR. There is no assurance that the composition or characteristics of any such alternative reference rate will be similar to or produce the same value or economic equivalence as LIBOR or that it will have the same volume or liquidity as did LIBOR prior to its discontinuance or unavailability, which may affect the value or liquidity or return on certain investments in an account and result in costs incurred in connection with closing out positions and entering into new trades.

Item 5
Account Requirements and Types of Clients

JPMS requires that all clients who wish to open and maintain an account in the Program enter into the Client Agreement, which sets forth the services that JPMS and the Portfolio Manager will provide to the client, the terms and conditions that will govern the handling of the client's account in the Program, and the investment advisory relationship between the client on the one hand and JPMS and the Portfolio Manager on the other.

The minimum amount of assets required to open an account investing in C-MAP is typically $1,000,000 per account. Clients can also invest in a version of the C-MAP Strategy that offers three options to invest in either national, New York or California bonds, and where the minimum amount required to open an account is typically $500,000 per account ("C-MAP Select"). The minimum amount of assets required to open an account investing in C-TAX is typically $500,000 per account or $1,000,000 per account, depending on credit quality. The minimum amount of assets required to open an account investing in C-PREP is typically $500,000 per account. JPMS may, in its discretion, waive or reduce the minimum account opening size for certain clients or accounts. JPMS also may impose a higher minimum account opening size if the client wishes to use a custodian other than JPMS and JPMS, in its discretion, is willing to maintain the account on such a basis. In general, a separate account is required for each separate Strategy selected by the client. The Portfolio Manager may impose minimums that are higher or lower than the typical minimums specified above in some or all Strategies and/or may make exceptions to minimums with respect to certain clients or accounts.

C-BoS is not typically intended for investors who seek to maintain control over trading in their accounts, who have a short-term investment horizon (or expect ongoing meaningful withdrawals), or who expect to maintain consistently high levels of cash or money market funds. The types of clients participating in C-BoS generally include individuals, trusts, estates, corporations and other business entities, foundations and endowments.

A client's selection of the Portfolio Manager for a C-BoS account is subject to JPMS's and the Portfolio Manager's acceptance of the client's account in the sole discretion of each of them. JPMS and the Portfolio Manager may each decline to accept a particular client or account in the Program at any time and for any reason.

Item 6
Portfolio Manager Selection and Evaluation

The Portfolio Manager is an affiliate of JPMS that acts as the Portfolio Manager in C-BoS.

JPMS has a conflict of interest in conducting (or having an affiliated third party conduct) periodic reviews of the Portfolio Manager and their Strategies in C-BoS, in identifying them and their Strategies in C-BoS to specific clients because if a client enrolls in C-BoS, JPMS and its affiliates will receive greater aggregate compensation than if the client selected an unaffiliated Portfolio Manager. JPMS believes that this conflict is addressed by the fact that neither the persons responsible for the initial and periodic review of the Portfolio Manager and their Strategies for inclusion in C-BoS, nor the Financial Advisors who recommend C-BoS to clients, receive any direct financial benefit from the investment of C-BoS assets with the Portfolio Manager. Moreover, because Financial Advisors are typically compensated in the Program through the receipt of a portion of JPMS's component of the Fee, which is typically tied to the value of Program accounts, Financial Advisors are to that extent incentivized to identify Portfolio Managers and strategies they believe will increase the value of the account, regardless of whether or not the Portfolio Manager is affiliated with JPMS.

Neither JPMS nor any of its supervised persons acts as a Portfolio Manager in C-BoS.

Voting Client Securities. JPMS and the Portfolio Manager do not have, and will not accept, authority to vote client securities held in Program accounts. In accordance with applicable law, JPMS will forward to the client all proxy-related materials, annual reports and other issuer-related materials that they receive pertaining to securities held in the client's Program account. In cases where the client has chosen to use a custodian other than JPMS, the client may receive proxies and other solicitations from that custodian. The client may contact his or her Financial Advisor with questions about a particular proxy solicitation – but JPMS and the Portfolio Manager are expressly precluded from taking any action or rendering any advice to any client in the Program with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in the client's Program account. JPMS and the Portfolio Manager are not responsible for initiating any legal action or rendering any advice to or taking any action on behalf of clients in the Program with respect to any legal proceedings, including class actions or bankruptcies, related to securities or other investments held in Program accounts, or the issuers thereof. Clients retain the right and obligation to take such legal action relating to the securities held in their accounts.

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 (or expectations for inflation), deflation (or expectations for deflation), interest rates, global demand for particular products or resources, market instability, debt crises and downgrades, embargoes, tariffs, sanctions and other trade barriers, regulatory events, other governmental trade or market control programs and related geopolitical events. In addition, the value of a strategy's investments may be negatively affected by the occurrence of global events such as war, terrorism, environmental disasters, natural disasters or events, country instability, and infectious disease epidemics or pandemics.

Infectious Disease Risk. A worldwide outbreak of COVID-19, a novel coronavirus disease, has negatively affected economies, markets and individual companies throughout the world. The effects of this COVID-19 pandemic to public health, and business and market conditions, including exchange trading suspensions and closures may continue to have a significant negative impact on the performance of a portfolio's investments, increase volatility, and exacerbate other pre-existing political, social and economic risks. The risk of further spreading of COVID-19 has led to significant uncertainty and volatility in the financial markets. The impacts of COVID-19, and other epidemics and pandemics that may arise in the future, could adversely affect the economies of many nations, particular regions, or the entire global economy, individual companies and investment products, and the market in general. The full extent of such impacts cannot necessarily be foreseen. The impacts may be short term or may last for an extended period of time, and may exacerbate other pre-existing political, social and economic risks. The value of a portfolio and the securities in which a portfolio invests may be adversely affected by impacts caused by COVID-19 and other epidemics and pandemics that may arise in the future. The impact of a pandemic may also negatively affect the liquidity of certain of a portfolio's holdings and may make it more difficult to value such holdings. Governments, their regulatory agencies, or self-regulatory organizations may take actions that affect the instruments in which a portfolio invests, or the issuers of such instruments, in ways that could also have a significant negative impact on a portfolio's performance.

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

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

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

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.

For a more complete summary of material risk factors and conflicts of interest associated with the Program, please see the Portfolio Manager's Form ADV Part 2A and/or any other relevant disclosure documents.

Item 7
Client Information Provided to the Portfolio Manager

Financial Advisors will collect information about their client's investment time horizon, financial circumstances, investment objective and risk tolerance for each account in the Program, and any reasonable restrictions the client wishes to impose on the management of the account(s). Certain information about the client may be set forth in a client profile. JPMS will generally provide the Portfolio Manager with such client information as provided by a client during account opening (and otherwise) and other relevant client information and any changes to the information that the client provides. JPMS and the Portfolio Manager will rely on the information provided by clients. JPMS will have no liability for a client's failure to provide JPMS with accurate or complete information or to inform JPMS promptly of any change in the information previously provided.

Clients are responsible for notifying promptly their Financial Advisor(s) of any changes to the information the client previously provided to JPMS (including financial information and the investment objective for each account), and for providing JPMS with additional information as it may request from time to time to assist it in providing services under the Program. At least once annually, JPMS contacts each client in the Program to determine whether there have been any changes in the client's financial situation, investment objective(s) or investment restrictions for the account that may require a change to the account or the management of the accounts.

Clients may seek to impose restrictions on the investments in their accounts, including designating particular securities or types of securities that should not be purchased for an account. JPMS will communicate any requested restrictions to the Portfolio Manager. The Portfolio Manager may reject the requested investment restriction or the account if the Portfolio Manager deems the restriction to be unreasonable.

Clients should be aware that any client-imposed investment restrictions may cause the Portfolio Manager to deviate from the investment decisions it would otherwise make in managing the account in the Program, and as a result may negatively affect the performance of the account. In the absence of client-specified investment restrictions that have been accepted by the Portfolio Manager, it is likely that the Portfolio Manager will manage the account in a manner very similar to that of other clients with similar investment objectives and risk tolerances.

Item 8
Client Contact with the Portfolio Manager

JPMS places no restrictions on clients contacting or consulting directly with the Portfolio Manager. Clients should review the Portfolio Manager's Form ADV Part 2A or other applicable disclosure document for any restrictions placed by the Portfolio Manager.

Item 9
Additional Information

i. Disciplinary Information

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

1) Between June 2009 and October 2011, JPMC, on behalf of itself and its subsidiaries (including JPMS and CISC), entered into substantially similar settlements with the securities regulators of 47 states 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 the JPMorgan entities had represented them to be and were unable to sell the ARS. Without admitting or denying the allegations, JPMC 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.

2) In December 2010, CISC submitted an AWC to FINRA pursuant to which the Firm 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 monetary fine of $100.000.

3) 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 United States 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.

4) 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 United States 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, JPMC 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: JPMorgan Chase Bank, N.A. 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; JPMC, JPMS, and JPMorgan Chase Bank, N.A. 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 JPMC 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. JPMC 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.

5) In October 2011, CISC consented to the entry of an order of the Florida Office of Financial Regulation in connection with allegations that the Firm engaged in the investment advisory business within the State of Florida without three (3) individuals being registered as investment advisor representatives in the State of Florida. CISC paid an administrative fine in the amount of $30,000.

6) In November 2011, CISC submitted an AWC to FINRA pursuant to which the Firm was fined, censured and required to provide remediation to customers who purchased certain unit investment trusts ("UITs") and floating rate funds. FINRA alleged that the Firm 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 monetary fine of $1,700,000 and agreed to compensate customers that suffered losses as a result of the alleged supervisory failures.

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

judgment required the defendants to pay disgorgement in the amount of $177,700,000, prejudgment interest in the amount of $38,865,536, and a civil monetary penalty of $84,350,000.

8) On December 18, 2015, JPMS and JPMCB (together "Respondents") entered into a settlement with the SEC resulting in the SEC issuing an order ("December 2015 Order"). The Respondents consented to the entry of the December 2015 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 December 2015 Order finds that JPMCB negligently failed to adequately disclose (a) from February 2011 to January 2014, a preference for affiliated mutual funds in certain discretionary investment portfolios (the "Discretionary Portfolios") managed by JPMCB and offered through J.P. Morgan's U.S. Private Bank (the "U.S. Private Bank") and the Chase Private Client lines of business; (b) from 2008 to 2014, a preference for affiliated hedge funds in certain of those portfolios offered through the U.S. Private Bank; and (c) from 2008 to August 2015, a preference for retrocession-paying third-party hedge funds in certain of those portfolios offered through the U.S. Private Bank. With respect to JPMS, the December 2015 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 December 2015 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 December 2015 Order, admitted to the certain facts set forth in the December 2015 Order and acknowledged that certain conduct set forth in the December 2015 Order violated the federal securities laws. The December 2015 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 December 2015 Order requires the Respondents to pay a total of $ 266,815,000 in disgorgement, interest and civil penalty.

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

9) On July 27, 2016, JPMS and JPMCB (together "Respondents") 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.

10) In October 2018, JPMS submitted an AWC to FINRA pursuant to which JPMS was censured and required to certify in writing to FINRA that it had engaged in a risk-based review of Chase Wealth Management 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.

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

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

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

ii. <u>Other Financial Industry Activities and Affiliations</u>

JPMS has certain relationships or arrangements with related persons that are material to its advisory business or its clients. Below is a description of such relationships and some of the conflicts of interest that arise from them. JPMS has adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate conflicts of interest that may arise between JPMS and its affiliates. These

policies and procedures include information barriers designed to prevent the flow of information between JPMS and certain other affiliates, as more fully described below.

a. Broker-Dealer Registrations

JPMS is registered with the SEC as a broker-dealer as well as an investment adviser. Some of JPMS's management personnel and all of the Financial Advisors and their supervisors in the Program are registered with FINRA as registered representatives of JPMS in its capacity as a broker-dealer.

b. Futures/Commodities-Related Registrations

In addition, JPMS is registered with the CFTC as a futures commission merchant and also acts as a commodity pool operator exempt from registration as such with the CFTC. Some of JPMS's management personnel, and a small number of Financial Advisors and/or their supervisors, are registered with the CFTC as associated persons of JPMS in its capacity as a futures commission merchant.

c. Material Relationships with Related Persons

JPMS has several relationships or arrangements with related persons that are material to its advisory business or to its advisory clients in the Program.

1. Affiliated Portfolio Managers

Please refer to Item 6 for a discussion of the conflicts of interest raised by the Portfolio Manager in the Program and how that conflict is addressed.

2. Affiliated Sponsors, Distributors and Advisers of Mutual Funds and Other Pooled Investment Vehicles

The selection of J.P. Morgan-affiliated funds as the vehicle for the temporary investment (i.e., "sweeping") of available cash balances benefits those funds and their J.P. Morgan-affiliated sponsors and/or general partners. JPMS and its affiliates (including JP Morgan Distribution Services, Inc.) may receive compensation from such funds in connection with the operation and/or sale of shares of the funds to Program clients, which may include distribution fees paid by the funds pursuant to Rule 12b-1 under the Investment Company Act of 1940 and non-Rule 12b-1 compensation (including revenue sharing, shareholder servicing fees, and licensing fees for the use by a fund of a JPMorgan index) from certain funds, to the extent permitted by applicable law. To the extent that this receipt of compensation presents a conflict of interest with Program clients, JPMS believes that the conflict is addressed in the JPMS policy, which is for JPMS to credit back to clients in the Program any Rule 12b-1 fees it receives from funds in connection with fund transactions in Program accounts.

In addition, several affiliates of JPMS manage J.P. Morgan-affiliated funds and generally receive an investment management fee for doing so. Although the management fee is paid by the fund itself, ultimately it is borne by investors in the fund. Therefore, to the extent a J.P. Morgan-affiliated fund is selected as the "sweep" vehicle for the account, the JPMS affiliate receives, and the Program client ultimately bears the cost of, an investment management fee with respect to those assets. The affiliates of JPMS that provide such investment management services to funds in which Program account assets may be invested include:

- J.P. Morgan Investment Management, Inc.; and
- JPMPI.

The portion of the investment management fee received by JPMS's affiliate that is borne by each Program client is not covered by, and is in addition to, the Fee paid to JPMS by the client. As a result, because JPMS and its affiliates will in the aggregate receive more compensation when Program assets are invested in J.P. Morgan-affiliated funds than they would receive were the client instead invested in unaffiliated funds, JPMS has a conflict of interest in making only (or primarily) affiliated funds available to Program clients for the "sweeping" of available cash balances. JPMS and the Portfolio Manager address this conflict through disclosure to clients and through the investment process described in Item 6 above.

Clients should review the applicable prospectuses for funds in their Program accounts for additional information about the internal fees and expenses ultimately borne by investors in the funds.

3. JPMorgan Chase Bank, N.A.

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

All (or substantially all) Financial Advisors also are employees of JPMCB. In their capacities as employees of JPMCB and outside of the Program, Financial Advisors may market and sell to clients products and services of JPMCB and be compensated in connection with such sales.

4. J.P. Morgan Acting in Multiple 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 C-BoS accounts invest or may invest. J.P. Morgan is typically entitled to compensation in connection with these activities and C-BoS clients will not be entitled to any such compensation. In providing services and products to clients other than C-BoS clients, J.P. Morgan, from time to time, faces conflicts of interest with respect to activities recommended to or performed for C-BoS clients on one hand and for J.P. Morgan's other clients on the other hand. For example, J.P. Morgan has, and continues to seek to develop banking and other financial and advisory relationships with numerous U.S. and non-U.S. persons and governments. J.P. Morgan also advises and represents potential buyers and sellers of businesses worldwide. C-BoS client accounts have invested in, or may wish to invest in, such entities represented by J.P. Morgan or with which J.P. Morgan has a banking, advisory or other financial relationship. 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 C-BoS account or its investments. It should be recognized that such relationships can preclude C-BoS clients from engaging in certain transactions and can also restrict investment opportunities that may be otherwise available to C-BoS clients. J.P. Morgan reserves the right to act for these companies that may be otherwise available to C-BoS clients, and providing such services to C-BoS 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 are associated with the financial or other interests that JPMS and J.P. Morgan have in transactions effected by, with or on behalf of its clients. In addition to the specific mitigants described further below, JPMS has adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate conflicts of interest. In addition, many of the activities that create these conflicts of interest are limited and/or prohibited by law, unless an exception is available.

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

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

5. Revenue Sharing Arrangements with Affiliates

In addition, JPMS is party to certain revenue sharing arrangements pursuant to which it may receive compensation from certain affiliates in connection with referrals or introductions of investors by registered representatives in J.P. Morgan Securities (including Financial Advisors in the Program) to the affiliates for the provision by the affiliates of products and services to the investors. The investors referred to affiliates may be existing investment advisory clients of J.P. Morgan Securities, including clients in the Program. When J.P. Morgan

Securities makes such a referral of one of its existing investment advisory clients to an affiliate, the revenue sharing arrangement creates a conflict of interest with the client because:

- JPMS has a financial incentive to make the referral because it will be entitled to compensation from the affiliate if the referred client becomes a client or customer of the affiliate;
- JPMS does not necessarily base such referrals on any review or due diligence of the affiliate or its personnel, products or services;
- JPMS does not necessarily conduct an assessment of the suitability of the affiliate's products or services for referred clients; and
- it may not be in the referred client's best interest to become a client or customer of the affiliate.

JPMS believes that this conflict is addressed in the following ways:

- Typically, the referred client is not charged more for the product or service provided by the affiliate by virtue of the fact that the affiliate will compensate JPMS for the referral.
- Clients referred to affiliates by JPMS have no obligation to become clients or customers of those affiliates, and their declining to do business with the affiliate to which they were referred will not affect their relationship with JPMS.

d. <u>Recommendation or Selection of Other Investment Advisers</u>

Outside of and separate from the Program, JPMS acts as a solicitor (sometimes also called a "finder" or "referrer") of prospective clients for certain other investment advisers, which may include one or more advisers acting as portfolio managers in J.P. Morgan Securities investment advisory programs. Under its solicitation agreements with those advisers, JPMS is entitled to a specified portion of the advisory fees received by the advisers from the investors that were referred to them by JPMS. The investors referred to other advisers by JPMS may be existing investment advisory clients of JPMS, including clients in the Program. When JPMS makes a referral of one of its existing investment advisory clients to another adviser under a solicitation arrangement, the arrangement creates a material conflict of interest with the client because:

- JPMS has a financial incentive to make the referral because it will be entitled to compensation from the other adviser if the referred client becomes a client of the other adviser;
- JPMS does not base such referrals on any review or due diligence of the other advisers or their personnel or investment strategies;
- JPMS does not conduct an assessment of the suitability of the other advisers' services for referred clients; and
- it may not be in the referred client's best interest to become a client of the other adviser.

JPMS addresses this conflict in the following ways:

- The other advisers' payments of solicitation fees to JPMS are typically subject to certain legal requirements and conditions, including the delivery by JPMS to the referred client, at the time of the referral, of a written document that discloses, among other things, the relationship between JPMS and the other adviser, the fact that JPMS will be compensated for the referral, the terms of the compensation arrangement, and the amount (if any) in addition to the advisory fee that the referred client will be charged by the other adviser for the cost of obtaining the client's business.
- Clients referred to other advisers by JPMS have no obligation to become clients of those advisers, and their declining to do business with the adviser to which they were referred will not affect their relationship with JPMS.

iii. <u>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</u>

a. <u>Code of Ethics</u>

Financial Advisors in the Program are bound by the J.P. Morgan Securities Investment Adviser Code of Ethics, adopted by JPMS in accordance with Rule 204A-1 under the Investment Advisers Act of 1940.

The Code of Ethics describes the general standards of business conduct applicable to JPMS's investment advisory representatives, including Financial Advisors in the Program, and the fiduciary obligations owed by JPMS and its investment advisory representatives to clients in its investment advisory programs. More specifically, the Code of Ethics addresses the following subjects:

- the maintenance of personal securities accounts by JPMS's investment advisory representatives;
- the reporting to JPMS compliance personnel of certain personal securities holdings and transactions by certain of JPMS's investment advisory representatives;
- certain trading restrictions and holding periods applicable to personal securities transactions of certain of JPMS's investment advisory representatives;
- trading by investment advisory representatives while in possession of material non-public information;
- periodic certification by certain of JPMS's investment advisory representatives of their review, understanding and compliance with the Code of Ethics;
- JPMS's administration and enforcement of the Code of Ethics; and
- the keeping of certain records relating to the Code of Ethics and its administration and enforcement by JPMS.

JPMS will provide a copy of the J.P. Morgan Securities Investment Adviser Code of Ethics to any client or prospective client upon request.

b. Securities in Which JPMS or a Related Person Has a Material Financial Interest

In the Program, JPMS does not recommend specific securities or securities transactions to clients; the Portfolio Manager makes all investment decisions in their sole discretion. In some cases, however, JPMS or a related person, acting as broker or dealer, may effect transactions for, or engage in transactions with, Program accounts in securities in which JPMS or a related person has a material financial interest.

1. Principal and "Agency Cross" Transactions

Certain securities, such as over-the-counter stocks and fixed income securities, are traded primarily in "dealer" markets. In such markets, securities are purchased directly from, or sold directly to, a financial institution acting as a dealer, or "principal." Dealers executing principal trades typically include a "mark-up" (an increase in the price paid to the dealer when the dealer is selling a security), "mark-down" (a decrease in the price paid by the dealer when the dealer is buying a security) and/or "dealer spread" (the difference between the bid price and offer price for a security) in the net price at which the transactions are executed.

When acting as principal in connection with transactions in Program accounts, JPMS and its affiliates may charge the Program client a "dealer spread," which will be incorporated into the net price paid (for purchases) or received (for sales) by the client in the transaction. Dealer spreads paid by the client and received by JPMS and its affiliates are not covered by, and are in addition to, the Fee. Therefore, because by acting in a principal capacity JPMS and its affiliates may earn additional amounts at the expense of the client, JPMS and its affiliates have a financial interest in acting in such capacity in connection with transactions in Program accounts that conflicts with the client's interest in avoiding the payment of dealer spreads. JPMS addresses this conflict in several ways, including:

- As a matter of policy, when practicable and consistent with best execution obligations, JPMS generally prohibits the effecting of transactions for Program clients where JPMS or any of its affiliates will act as principal. In certain circumstances exceptions may be permitted, typically for non-retirement plan accounts only.
- In addition, for JPMS or any of its affiliates knowingly to act as principal in connection with a transaction for a Program account managed by JPMIM or JPMPI, the law generally requires that before the completion of each such transaction JPMS must disclose to the client in writing that it or its affiliate will be acting in a principal capacity and obtain the client's consent to the transaction.
- While JPMS and its affiliates may receive a dealer spread in the net price when acting as principal in connection with a transaction for a client in the Program, they will not receive commissions, "mark-ups" or "mark-downs."

When acting as agent for both the client in the Program and the party on the other side of the transaction (known as an "agency cross transaction"), JPMS and its affiliates may receive compensation from both parties and therefore may have a conflicting division of loyalties and responsibilities. To address this conflict:

- As a matter of policy, when practicable and consistent with best execution obligations, JPMS generally prohibits the effecting of transactions for Program clients where JPMS or its affiliate acts as agent for the other side of the transaction. In certain circumstances exceptions may be permitted, typically for non-retirement plan accounts only.
- For JPMS or any of its affiliates knowingly to effect a transaction for a Program account managed by JPMIM or JPMPI where JPMS or its affiliate acts as agent for the other side of the transaction, the law generally requires that JPMS satisfy certain conditions, including the client's prospective written authorization of such agency cross transactions, the right of the client to revoke such authorization at any time in writing, and the provision of certain written disclosure to the client.

The restrictions on the ability of JPMS and its affiliates to effect principal and agency cross trades for Program accounts mean that JPMS will typically execute transactions in "dealer market" securities solely as agent for the client, with a dealer unaffiliated with JPMS on the other side of the transaction. Clients should understand that the restrictions may result in the accounts being precluded from investing in certain securities or in the accounts paying or receiving a less favorable price for certain securities. Generally, the likelihood that there will be such an effect will depend on the particular security in question and the nature of the market for that security. These restrictions could have a negative effect on the performance of Program accounts.

2. <u>J.P. Morgan-Affiliated Sponsors and Advisers of Mutual Funds and Other Pooled Investment Vehicles</u>

The selection of J.P. Morgan-affiliated funds as the vehicle for the "sweeping" of available cash balances benefits those funds and their J.P. Morgan-affiliated sponsors and/or general partners. In addition, several affiliates of JPMS manage J.P. Morgan-affiliated funds and generally receive an investment management fee for doing so. Although the management fee is paid by the fund itself, ultimately it is borne by investors in the fund. Therefore, to the extent a J.P. Morgan-affiliated fund is selected as the "sweep" vehicle for the account, the JPMS affiliate receives, and the Program client ultimately bears the cost of, an investment management fee with respect to those assets.

The portion of the investment management fee received by JPMS's affiliate that is borne by each Program client is not covered by, and is in addition to, the Fee paid to JPMS by the client. As a result, because JPMS and its affiliates will in the aggregate receive more compensation when Program assets are invested in affiliated funds than they would receive were the client instead invested in unaffiliated funds, JPMS has a conflict of interest in making only (or primarily) J.P. Morgan-affiliated funds available to Program clients for the "sweeping" of available cash balances. JPMS and the Portfolio Manager address this conflict through disclosure to clients and through the investment process described in Item 6 above. JPMS and its affiliates (including JP Morgan Distribution Services, Inc.) and other related persons may receive as additional compensation distribution fees (pursuant to Rule 12b-1 under the Investment Company Act of 1940) on money market funds held in Program accounts. To the extent that this receipt of compensation presents a conflict of interest with Program clients, JPMS believes this conflict is addressed by the JPMS policy that credits back to clients in the Program any Rule 12b-1 fees it receives from funds in connection with fund transactions in Program accounts, Clients should review the applicable prospectuses for funds in their Program accounts for additional information about the internal fees and expenses ultimately borne by investors in the funds.

3. <u>Client Participation in Offerings where JPMS and its Affiliates act as Underwriter or Placement Agent</u>

In addition to the mutual funds and other pooled investment vehicles sponsored and managed by affiliates of JPMS and the Portfolio Manager, JPMS, the Portfolio Manager and its other affiliates also may act as a manager, co-manager, underwriter or placement agent for securities offered through public or private distributions. If permitted by a client's investment objectives, and subject to compliance with applicable law, regulations and exemptions, the Portfolio Manager may purchase securities for client accounts, including new issues, during an underwriting or other offering of such securities in which JPMS or its affiliates act as a manager, co-manager, underwriter or placement agent and for which JPMS or its affiliates receives a benefit in the form of management, underwriting or other fees. JPMS and its affiliates also act in other capacities in such offerings and may receive fees, compensation or other benefit for such services.

JPMS and its affiliates and other related persons could have an interest in the Portfolio Manager buying (or not selling) securities in Program accounts that JPMS or its affiliates have issued. These financial interests conflict with the interest of Program clients in buying and holding securities based solely on the furtherance of the clients' investment objectives in the Program. JPMS addresses this conflict in the following ways:

- Because the Portfolio Manager is typically compensated on the basis of the net market value of Program accounts, the Portfolio Manager is to that extent incentivized to exercise their discretion to select investments it believes will increase the value of the account, regardless of whether JPMS, the Portfolio Manager or its affiliates are acting as a manager, co-manager, underwriter or other fees.
- When JPMS, the Portfolio Manager or its affiliates is the sole underwriter of an initial or secondary offering, the Portfolio Manager is the sole underwriter of an initial or secondary offering, the Portfolio Manager cannot purchase securities in the offering for its clients.

c. <u>When JPMS or a Related Person Invests in the Same Securities That It Recommends to or Buys/Sells for Clients</u>

In the Program, JPMS does not recommend specific securities or securities transactions to clients; the Portfolio Manager makes all investment decisions in their sole discretion. In some cases, however, JPMS or a related person, acting as broker or dealer, may effect transactions for Program accounts in the same securities that it or a related person invests in. In addition, the Portfolio Manager, acting as Portfolio Manager in the Program, may buy or sell securities for Program accounts that JPMS or a related person (including the Portfolio Manager) invests in.

In such circumstances, the interests of JPMS and its related persons conflict with those of Program clients in several respects:

- JPMS or a related person may benefit from (1) clients buying securities that JPMS or the related person then sells or (2) clients selling securities that JPMS or the related person then buys, because client purchases may increase the market price of a security JPMS or the related person owns or borrows and then sells, and client sales may reduce the market price of a security JPMS or the related person then buys. For example, a Financial Advisor who holds a security in his personal account may have a financial interest in a portfolio manager buying a large quantity of the security for all of the Program accounts it manages, with the hope that the increased demand for the security will drive up its market price, immediately before selling the security from his personal account at the increased price.
- JPMS or a related person may benefit from (1) buying securities that clients will later buy (because the subsequent client purchases may increase the market price of the security JPMS or the related person already bought and owns) or (2) selling securities that clients will later sell (because subsequent client sales may decrease the market price of the security JPMS or the related person already sold). For example, a Financial Advisor may have a financial interest in buying a security for her personal account if she knows that a portfolio manager intends to buy a large quantity of the same security for all of the Program accounts it manages, with the hope that the increased demand for the security will drive up its price, immediately before selling the same security from her personal account at the increased price.
- JPMS or a related person may benefit from principal transactions in which it sells a security directly from its own account to a client account or buys a security into its own account directly from a client account. For example, when a portfolio manager enters an order to buy a security for Program accounts it manages, JPMS may have a financial incentive to execute the order through a principal (instead of agency) transaction if it owns the security in its own account, the security is thinly traded or illiquid, and JPMS believes it will decline in value or wants to sell it for another reason.

JPMS believes that these conflicts are addressed by the following:

- the fact that, neither JPMS nor other related persons (including the Financial Advisors) controls or recommends specific securities transactions for Program accounts.
- the maintenance of policies (including in the Code of Ethics) prohibiting JPMS employees from engaging in conduct intended to manipulate the price of securities and procedures designed to prevent and/or detect such conduct;
- the maintenance of information barrier procedures designed to control the flow of information between JPMS's and its affiliates' proprietary trading operations and other business units, including J.P. Morgan Securities; and
- the restrictions on principal transactions with Program accounts described in Item 9.iii.b above.

d. <u>When JPMS or a Related Person Buys/Sells Securities for Itself at or About the Same Time It Recommends or Buys/Sells the Same Securities to/for Clients</u>

In the Program, JPMS does not recommend specific securities or securities transactions to clients; the Portfolio Manager makes all investment decisions in their sole discretion. In some cases, however, JPMS or a related person, acting as broker or dealer, may effect transactions for Program accounts at or about the same time that it or a related person buys or sells the same securities for its (or a related person's) own account. In addition, the Portfolio Manager, acting as portfolio manager in the Program, may buy or sell securities for Program accounts at or about the same time that JPMS or a related person (including the Portfolio Manager) buys or sells the same securities for its (or a related person's) own account.

In such circumstances, the interests of JPMS and its related persons conflict with those of JPMS's Program clients in all of the respects described in the preceding section, each of which typically involves not only trading in the same securities that clients do, but also trading in them at or about the same time that clients do. Please refer to Item 9.iii.c above for a description of those conflicts and how they are addressed.

The Portfolio Manager and JPMS may, but are not required to, aggregate orders for the sale or purchase of a security for the client's account with orders for the same security for other clients, including orders for the Portfolio Manager's or JPMS's or their affiliates' employees and related persons. Aggregated orders will generally be filled at an average price, with a pro rata share of transaction costs (if applicable). A client order that is not aggregated with one or more other client orders may be executed at a less favorable price and incur greater transaction costs than an aggregated order.

JPMS may have a conflict of interest in connection with the aggregation of orders by multiple Program clients for the purchase or sale of the same security. On occasion, an aggregated order will not be fully executed, or "filled." A partial "fill" of an aggregated order must be allocated among the affected clients' accounts. When the affected accounts include a proprietary or personal account for the Portfolio

Manager or JPMS or any of their affiliates or other related persons (including Financial Advisors), or an account that JPMS or its affiliates may have some other reason to favor (because it typically pays JPMS more compensation, for example), the Portfolio Manager or JPMS may have an interest in allocating more shares or units from the partial "fill" to such an account, leaving fewer shares or units for the accounts of other affected clients. JPMS addresses this conflict by processes designed to ensure that the allocation of a partially filled order is fair and equitable in accordance with applicable law. Factors that may affect allocations include, for example, available cash in each account, the size of each account and order, client-imposed or other restrictions on investments in each account, and the desirability of avoiding odd lots. Providing a comparatively favorable allocation to a proprietary or personal account of JPMS or its affiliates or other related persons, however, would not constitute a fair and equitable allocation. For more information about the Portfolio Manager's aggregation and allocation policies, please refer to the Portfolio Manager's Form ADV Part 2A or other applicable disclosure document(s).

iv. Review of Accounts

a. Nature and Frequency of Program Account Reviews

At account opening, the client's Financial Advisor determines that the account and the investment strategy are suitable investments for the client. Clients have ongoing reasonable access, during normal business hours, to their Financial Advisor who is available for consultation regarding the client's accounts. Financial Advisors are an essential component to the Program and provide clients with nondiscretionary advisory services and account maintenance support. JPMS contacts clients at least once annually to determine whether there has been any changes in the client's financial situation, investment objectives or investment restrictions that would require changes to the client's account. To ensure that the Program remains suitable for the client, clients are instructed to promptly notify their Financial Advisor or JPMS of any material changes to their investment objectives and/or financial situation.

As most discretionary accounts within a Strategy are managed in a similar manner, JPMS does not review individual trades or individual accounts. However, the Portfolio Manager performs the ongoing review of the client account. Please see the Portfolio Manager's Form ADV Part 2A for more information.

JPMS and the Portfolio Manager personnel who are knowledgeable about the management of client accounts are available for client consultation upon reasonable request.

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

b. Reports to Program Clients

JPMS or one of its affiliates will provide Program clients with separate written confirmations of all transactions executed through JPMS or its affiliates, or clients may instead elect to receive a periodic statement of all transactions executed through JPMS for Program accounts in lieu of separate transaction confirmations, and to have a copy of the confirmations instead sent to the applicable Portfolio Manager. (Notwithstanding such an election by a client, JPMS may in its discretion choose to provide the client with separate written confirmations of some or all of the transactions in the account.) Each client receives written account statements on at least a quarterly basis that show all transactions in the account, all contributions to and withdrawals from the account, and all fees and expenses charged to the account.

Additionally, each Program client typically receives a periodic performance review summarizing the investment performance of their account. However, certain clients may not receive such performance reviews; in its discretion, JPMS may not provide a client with performance reviews for a Program account if, for example, the account's assets are not custodied by JPMS or JPMS concludes that the nature of the investment strategy used or securities held in the account makes valuation, performance measurement or performance benchmarking too difficult, infeasible or insufficiently valid or useful to the client.

In preparing account statements, reviews and/or reports, JPMS may use multiple valuation sources that provide different values for a single asset. As a result, the determination of an account's asset values may differ for different purposes and different statements, reviews and reports. Detailed calculations of a client's account asset values are available upon request.

There is an inherent conflict of interest where JPMS or the Portfolio Manager values securities or assets in client accounts or provides any assistance in connection with such valuation and JPMS and the Portfolio Manager are receiving fees 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 the Portfolio Manager. The valuation of investments may also affect the ability of the Portfolio Manager to raise successor or additional funds. As a result, there may be circumstances where JPMS or the Portfolio Manager is incentivized to determine valuations that are higher than the actual fair value of investments.

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 or securities that have defaulted or been 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

c. Trade Errors

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

v. Client Referrals and Other Compensation

a. Compensation from Non-Clients to JPMS for JPMS's Provision of Advisory Services

To the best of its knowledge, JPMS does not receive economic benefits from non-clients for providing investment advice or other advisory services to its clients.

JPMS and its affiliates do receive economic benefits from certain mutual funds and other pooled investment vehicles when JPMS's clients' assets in investment advisory accounts are invested in them. Although these benefits are attributable to sales of the funds to JPMS's investment advisory clients and the investment of investment advisory assets in the funds, they are not benefits the funds provide to JPMS or its affiliates in exchange for JPMS's provision of investment advisory services to the clients. For a discussion of the benefits and the conflicts of interest they raise, please refer to Items 4, 9.ii and 9.iii above.

As discussed in Item 4.ii above, JPMCB also receives economic benefits when the Deposit Account is selected as the vehicle for the "sweeping" of available cash balances in their accounts. Again, while these benefits are attributable to the investment of the assets of JPMS's investment advisory clients in the Deposit Account, they are not benefits JPMCB receives in exchange for JPMS's provision of investment advisory services to the clients.

In addition, JPMS and its affiliates may from time to time enter into joint marketing activities with investment managers and/or sponsors of mutual funds offered in JPMS's investment advisory programs. These managers and/or sponsors may pay some or all of the cost of the marketing activities, which payment may take the form of reimbursement of JPMS. Because of the willingness of these managers and/or sponsors to provide financial support for such activities, JPMS has an incentive to allow these managers and/or sponsors (as opposed to other investment managers and/or sponsors who are unwilling to provide such financial support) to participate in such joint marketing activities. However, the payments by the fund managers and/or sponsors are not made in exchange for JPMS's provision of investment advisory services to its clients.

Please refer to Item 9.ii above for a discussion of (1) revenue sharing arrangements between JPMS and certain of its affiliates pursuant to which JPMS may receive compensation from the affiliates in connection with referrals or introductions of clients by JPMS to the affiliates for the provision by the affiliates of products and services to the clients and (2) solicitation arrangements in which JPMS acts as solicitor for other investment advisers and receives compensation from the other advisers for the referral of clients to them. In such cases the compensation is in exchange for JPMS's referral of clients to other investment advisers – not for JPMS's own provision of investment advisory services to its clients.

b. Compensation from JPMS to Unsupervised Persons for Client Referrals

In addition to compensating certain *supervised* persons (including Financial Advisors) for their provision of investment advisory services to clients on behalf of JPMS and/or for their referral or introduction of investors who become clients of JPMS, JPMS compensates certain unsupervised persons for their referral of investors to JPMS who become clients in JPMS's investment advisory programs, including the Program.

JPMS has engaged certain unaffiliated parties to act as solicitors (sometimes also called "finders" or "referrers") of prospective clients for JPMS's investment advisory programs. The solicitors engaged by JPMS are typically themselves registered investment advisers. JPMS does not supervise either the solicitors' activities generally or their solicitation activities. Under these solicitation arrangements, JPMS agrees to pay each solicitor a specified portion of the advisory fees received by JPMS from each client referred to it by the solicitor.

The clients referred to JPMS do not incur any additional fee or charge by JPMS as a result of JPMS's arrangements with the solicitors or its payment of the solicitation fees to the solicitors. Therefore, because JPMS's sharing of certain advisory fees with solicitors reduces the net advisory fee retained by JPMS, Program accounts for clients referred to JPMS by a solicitor may be less profitable for JPMS than other Program accounts, other things being equal. This creates a conflict of interest between JPMS and the referred clients because, as a result, JPMS and the Financial Advisors (whose own compensation is typically tied to the amount of advisory fees received by JPMS from clients) could have a financial incentive to disfavor Program clients referred by solicitors in, for example, the allocation of trades among accounts and in the receipt of the Financial Advisor's time, attention and best investment ideas. JPMS believes that this conflict is addressed in the following ways:

- The Portfolio Manager is solely responsible for managing Program accounts and making investment decisions.
- JPMS uses processes designed to ensure that the allocation of partially filled orders is fair and equitable in accordance with applicable law.
- Because the Fee paid by clients in the Program may, in JPMS's discretion, be negotiated and can vary among clients, and the absolute amount of such Fee is typically dependent on the size of the client's account, it is not necessarily the case that the account of a client referred to JPMS by a compensated solicitor will be less profitable for JPMS or the Financial Advisor than other Program accounts.

vi. <u>Financial Information</u>

There is no financial condition that is reasonably likely to impair JPMS's ability to meet contractual commitments to its clients.