

FORM ADV PART 2A
APPENDIX 1
WRAP FEE PROGRAM BROCHURE

J.P. Morgan Securities LLC

March 28, 2025

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chase.com/managed-account-disclosures

Client-Directed Advisory Programs
Mutual Fund Advisory Portfolio

Unified Managed Account Programs
Chase Strategic Portfolio
J.P. Morgan Core Advisory Portfolio

Separately Managed Account Programs
Advisory Program
Fixed Income Advisory Program

This wrap fee disclosure brochure (Brochure) provides information about the qualifications and business practices of J.P. Morgan Securities LLC (JPMS or the Firm) and our wrap fee investment advisory programs that you should consider before investing in any of the programs. If you have any questions about the contents of this Brochure, contact us at 1-800-392-5749. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

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

This wrap fee program ADV disclosure brochure applies to all of your JPMS wrap fee program advisory accounts, including any advisory accounts you open in the future with your J.P. Morgan Private Client Advisor or J.P. Morgan Financial Advisor referred to as an investment advisory representative (IAR). Annually we will provide you with a copy of our updated wrap fee program ADV disclosure brochure or a summary of material changes from the brochure previously provided to you.

Retain this document for future reference as it contains important information if you decide to open new wrap fee program accounts with your IAR. You can obtain a copy of the current Brochure at any time by contacting your IAR.

ITEM 2 – MATERIAL CHANGES

This section describes the material and other changes to the Brochure since the last amendment dated December 18, 2024.

Item 4 has been updated to clarify disclosure regarding fractional share trading.

Item 4 has been updated to clarify disclosure regarding Relationship Pricing.

Item 4 has been updated to clarify disclosure regarding IAR Compensation.

Item 6 has been revised to include the risks associated with the use of artificial intelligence and to enhance the disclosure regarding the data sources risk, cybersecurity risk and LIBOR discontinuance risk.

The Form ADV Part 2A Brochure for JPMS is available at chase.com/managed-account-disclosures or by contacting your JPMS IAR.

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ITEM 4 – SERVICES, FEES AND COMPENSATION

A. Description of Firm and Advisory Services

JPMS is a wholly owned subsidiary of JPMorgan Chase & Co. (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 with the SEC and is a member of the Financial Industry Regulatory Authority (FINRA). JPMS' investment advisory services include sponsoring a variety of wrap fee programs and providing certain consulting services to defined contribution plan sponsors. JPMS offers investment advisory services through several separate sales channels. Similar wrap fee programs that offer the same and similar investment strategies are offered in the different sales channels and at different fee levels with different features. The investment adviser fee(s) you pay will vary, depending on the Program you select.

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

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

This Brochure provides information about JPMS and the wrap fee programs sponsored by JPMS that are available through J.P. Morgan Private Client Advisors and J.P. Morgan Financial Advisors (these wrap fee program are referred to herein as a **Program** or collectively as **Programs**). Information about other wrap fee programs sponsored by JPMS are contained in separate brochures, which can be obtained upon request from your IAR or at the SEC's website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). JPMS also maintains a separate website, available at [chase.com/managed-account-disclosures](http://chase.com/managed-account-disclosures), that contains the wrap fee Program brochure for the Programs and other important disclosures as well as the advisory brochures for J.P. Morgan Private Investments Inc. (**JPMPI**) and J.P. Morgan Investment Management Inc. (**JPMIM**).

**J.P. Morgan Personal Advisors:** JPMS sponsors an advisory program that is not described in this Brochure. It offers investment strategies that are similar to investment strategies available in the Program Accounts, at lower fees and features including financial planning and tax harvesting not available in the Program Accounts. J.P. Morgan Personal Advisors is offered through JPMS Financial Advisors. It does not provide the same level of services and does not offer the same range of investment strategies, options or customization available in Program Accounts.

## B. Wrap Fee Programs

The Programs are wrap fee programs designed to address different investment needs and that offer, depending on the Program, a variety of investment strategies, including separately managed account (**SMA**) managers and asset allocations. Clients invest in one or more Programs by establishing one or more Program accounts (**Account**). Clients pay asset-based fees that cover investment management, execution, custody and reporting services. Comparable services may be available at lower aggregate costs on an "unbundled" basis through other firms.

In this Brochure, we refer to: mutual funds that hold more non-traditional investments and employ more complex strategies than traditional mutual funds as "**Liquid Alternative Funds**;" mutual funds, exchange traded funds, and Liquid Alternative Funds collectively as "**Funds**;" a single- or multi-asset class investment strategy(ies) as "**Investment Strategy(ies)**;" asset allocation models as "**Models**;" investment advisers that act as non-discretionary model managers and provide a model portfolio to JPMS or JPMPI to implement as "**Model Managers**;" the Funds managed by affiliates of JPMS (currently, the affiliates that sponsor or manage J.P. Morgan Funds include JPMPI and JPMIM) as "**J.P. Morgan Funds**;" Funds managed by third parties as "**non-J.P. Morgan Funds**;" and affiliated or unaffiliated investment advisers that provide discretionary investment management in SMAs, and brokerage and reporting services in connection with the Accounts as "**Portfolio Managers**" (JPMIM and JPMPI, affiliates of JPMS, each act separately as a Portfolio Manager in certain of the programs, as described below).

### **Overlay Manager and Sub-Adviser for MFAP, CSP and JPMCAP**

JPMS has retained an affiliate, **JPMPI**, as overlay manager (**Overlay Manager**) and discretionary sub-adviser (the **Sub-Adviser**) for the J.P. Morgan Core Advisory Portfolio (**JPMCAP**) and Chase Strategic Portfolio (**CSP**) Programs to provide portfolio implementation and

coordination services for Program Accounts; and as non-discretionary sub-adviser for the Mutual Fund Advisory Portfolio (**MFAP**) Program.

### **Implementation Manager for Advisory Program Model Manager Investment Strategies**

JPMS acts as implementation manager (**Implementation Manager**) to provide portfolio implementation services for Model Manager Investment Strategies in the Advisory Program.

### **Trade Execution**

Clients direct brokerage to JPMS. JPMS can designate another broker or dealer if it believes the other broker or dealer will provide better execution than JPMS or its clearing broker. Although JPMS has discretion to select brokers or dealers other than JPMS or its affiliates, JPMS generally places such trades through JPMS because the Advisory Fee (defined below), paid by each client Account, only covers execution costs on trades executed through JPMS or its affiliates. Execution costs include fees we pay to exchanges and/or regulatory agencies on certain transactions. Certain securities included in portfolios can be less liquid or are traded infrequently. To fulfill its duty to seek best execution of transactions for client Accounts, JPMS can select broker-dealers other than JPMS or its affiliates to affect a trade for a client Account, and any execution costs charged by non-JPMS broker-dealers will be paid by the client Account. Refer to "Trading Away and Associated Costs" for more detail.

JPMS' primary objective in broker-dealer selection is to comply with its duty to seek best execution of orders for clients. Best execution does not necessarily mean the lowest commission or price, but instead involves consideration of a number of factors. In evaluating whether another broker or dealer will provide better execution, JPMS will take various criteria into consideration in assessing the provider including, but not limited to, its market making ability, net cost or net realization from trade, price per unit of security, reliability and financial stability.

In order to comply with principal trade restrictions, orders for the Programs are routed for agency execution. In connection with transactions executed for Program Accounts, when permitted by applicable law and JPMS policy, JPMS, acting on behalf of client Accounts, enters into transactions in securities and other instruments with or through JPMC, and causes Accounts to engage in principal transactions. A "principal transaction" occurs if JPMS, acting on behalf of client Accounts, knowingly buys a security from, or sells a security to, JPMS or its Affiliate's own account.

### **Fractional Share Trading**

Advisory Program Model Manager Investment Strategies and Multi-Manager Investment Strategies utilize fractional share trading. Fractional share trading allows for the purchase and sale of fractional share positions of equity securities, closed-end funds, ETFs and other eligible securities which reduces tracking error relative to Investment Strategies by allowing accounts to invest closer to Investment Strategy allocations by not having to round security positions to whole shares. Fractional share trading is not available for the same Investment Strategies in other JPMS channels.

Because fractional share trades cannot be routed to an exchange or other market makers for execution, the fractional share component of an order will need to be combined with shares held in inventory by JPMS to make a whole share in order to be routed for execution. This means that JPMS will be trading alongside fractional share trades to facilitate fractional share trade orders and that fractional share trade orders will be routed for execution in an agency capacity. JPMS will not be trading with these orders as principal.

As part of the fractional share trading alongside process, JPMS maintains a facilitation account that holds a small number of shares of eligible securities in inventory for sell orders and keeps cash on hand for buy orders. JPMS adds a fractional share to aggregated buy or sell orders so that the order is rounded up to whole shares, and the additional fractional share is purchased or sold by JPMS. Due to a variety of factors – such as the number of trades executed, allocating fractional shares to multiple

clients at one time, and market price volatility – JPMS could accrue a net profit or loss in its fractional share facilitation account.

JPMS is under no obligation to continue to utilize fractional share trading in the future and in its discretion, may discontinue fractional share trading at any time. Upon termination of a client account, fractional share positions will be sold and the proceeds placed in the sweep option selected by the client. Refer to “Cash Allocations and the Sweep Feature” for more detail.

Fractional share trades where a “sell” order is submitted and JPMS does not hold any shares will require JPMS to purchase one share in the market before submitting the sell order to be able to round the fractional share up to a whole share before the order can be sent for execution. As such, there could be a delay in execution of such “sell” order while JPMS obtains a share to be able to submit the fractional share trade order.

Dividends are paid on fractional share positions. The dividend payable will be an amount proportionate to the fractional interest.

Corporate Actions and Proxy Voting: Fractional shares participate in both mandatory corporate actions (e.g., stock splits, mergers) as well as voluntary corporate actions (e.g., tender offers). Refer to “JPMS as Implementation Manager of Model Manager Investment Strategies” for more detail. Fractional shares generally do not participate in proxy voting. Clients that retain proxy voting rights will only be able to vote whole shares. For clients in discretionary programs fractional shares will be aggregated in order to participate in proxy voting.

For additional information about fractional share trading, please contact your IAR.

### **Benchmarks**

Some Investment Strategies and Funds manage to a benchmark or index. Client portfolio holdings may differ significantly from the securities in the benchmark or index and may also hold far fewer securities than the benchmark or index. As a result, client portfolios can have higher or lower levels of risk and volatility than that of the benchmark or index.

### **Liquid Alternative Funds**

Some Programs that make Liquid Alternative Funds available do so subject to asset threshold requirements. Liquid Alternative Funds refer to Funds that have one or more of the following characteristics: (1) hold non-traditional investments, (2) trade more frequently, and (3) employ more complex trading strategies and that have higher total expense ratios (plus higher annual operating expenses) than traditional mutual funds.

### **Retirement Accounts**

For Program Accounts established for retirement plans subject to the Employee Retirement Income Security Act of 1974, as amended (**ERISA**) and for Individual Retirement Accounts (**IRAs**) (collectively, **retirement accounts**), when providing services under the Program, JPMS is a “fiduciary” as that term is defined in Section 3(21)(A) of ERISA and/or Section 4975(e)(3)(B) of the Internal Revenue Code of 1986, as amended (**IRC**) with respect to the assets of the retirement accounts invested in the Program. Additionally, for retirement accounts that invest in Programs where JPMPPI acts as Sub-Adviser or Portfolio Manager, JPMPPI is a “fiduciary” as that term is defined in Section 3(21)(A) of ERISA and/or Section 4975(e)(3)(B) of the IRC with respect to the assets that it manages in those Programs.

Retirement accounts can be restricted from investing in Funds that have a certain relationship with J.P. Morgan. As a result, performance of retirement accounts can differ from non-retirement accounts invested in the same strategy.

### **Tax Consequences and Tax Harvesting**

When client elections result in the sale of securities, when Accounts are funded with securities, or when Funds are removed or replaced in a client portfolio, clients may incur redemption charges and taxable gains or losses.

Clients should consult their own tax professional when making these decisions. JPMS and its affiliates do not provide tax advice.

If a client requests tax harvesting, the Implementation Manager, the Overlay Manager or the Portfolio Manager can sell certain investments at a gain or loss to offset the client’s tax liability. If utilizing tax harvesting, the client’s account holdings can differ from those accounts that do not utilize such election; therefore, performance will likely differ. The Implementation Manager, the Overlay Manager or the Portfolio Manager may reject a client’s request for tax harvesting in whole or in part, at its discretion. For certain Investment Strategies, tax-harvesting services may not be available. The availability of tax-harvesting functionality may be limited, depending on trading platform. For more information, refer to “Tax Risks and Risks That Apply to Tax-Aware, Tax-Harvesting and Tax-Managed Strategies” under Item 5.

## **C. Program Descriptions**

### **Mutual Fund Advisory Portfolio (MFAP)**

MFAP is a mutual fund and exchange-traded fund (**ETF**) managed account program managed and offered by JPMS. In MFAP, the client invests Program Account assets across each selected asset class into one or more open-end mutual funds or ETFs available in the Program. JPMS has retained JPMPPI as the Program’s non-discretionary Sub-Adviser. The Sub-Adviser approves Funds eligible for investment through the Program, defines target asset allocation, and provides asset allocation ranges for the Models offered through the Program. The asset allocation and Fund approvals are subject to the oversight of, and pursuant to, an investment policy statement established by JPMS. JPMPPI does not manage MFAP account assets on a discretionary basis. Instead, each client directs the investment of the client’s MFAP Account assets across each selected asset class into one or more Funds. Each Model provides an asset allocation across a number of asset classes. Each asset class in a Model has a specific allocation range, and the client designates the specific Fund allocation percentages desired for each asset class. JPMS is responsible for determining whether an MFAP Model, the allowable ranges in each MFAP Model and the individual Funds in MFAP are suitable for each client.

Funds available through MFAP include both J.P. Morgan Funds and non-J.P. Morgan Funds. Refer to “Use of J.P. Morgan Funds and Investment Strategies and Potential Conflicts of Interest” below for more information on the use of J.P. Morgan Funds.

Clients of MFAP should review the applicable prospectuses for Funds for additional information.

### **Chase Strategic Portfolio (CSP) and J.P. Morgan Core Advisory Portfolio (JPMCAP)**

CSP and JPMCAP are unified managed account programs that are managed and offered by JPMS. Under CSP and JPMCAP, you establish a discretionary managed account that is invested in a manner consistent with one of the single or multi-asset class Investment Strategies JPMS makes available to clients. In addition, U.S.-focused Investment Strategies for Conservative, Balanced and Growth are offered in JPMCAP.

Assets within an Investment Strategy are generally invested in each asset class through one or more funds and, depending on the Program, through a Model Manager or SMA that includes individual securities. Depending on the Program and the strategy selected, clients have the option to make certain elections, including municipal fixed income (for taxable Accounts), Liquid Alternative Funds, Model Managers, or non-J.P. Morgan Funds and unaffiliated Model Managers, as described further below.

### **Overlay Manager**

JPMS has retained JPMPPI as the Program’s Overlay Manager for CSP and JPMCAP. JPMPPI, as the Program Overlay Manager for the programs, provides services including: (1) managing the Accounts on a discretionary basis by implementing instructions to purchase, hold, or sell securities or shares of Funds; (2) continuously monitoring the Account holdings and coordinating the trading activity; (3) implementing specific reasonable restrictions requested by the client that are placed on the client Account; and (4) generally rebalancing the Program Account to the allocation in a

chosen Investment Strategy when the asset allocation percentages deviate from established parameters.

JPMPI does not have any responsibility or liability for JPMS’ determinations that the Investment Strategy selected by the client is suitable in light of the client’s investment objectives and financial situation.

In providing services to JPMS, JPMPI can rely on affiliated and unaffiliated third parties to fulfill its services as Overlay Manager.

J.P. Morgan Funds and non-J.P. Morgan Funds are available in the programs. Currently, a substantial portion of the assets in the programs are invested, or expected to be invested, in J.P. Morgan Funds. For CSP, JPMIM is the only SMA or Model Manager, and no unaffiliated Model Managers have been evaluated or selected for inclusion in CSP. For JPMCAP, unaffiliated and affiliated Model Managers can be evaluated and selected for JPMCAP Accounts. Refer to “Use of J.P. Morgan Funds and Investment Strategies and Potential Conflicts of Interest” below for more information on the use of J.P. Morgan Funds and affiliated SMAs and Model Managers. The Form ADV Part 2A for JPMIM is available at the SEC’s website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

**Election for Municipal Fixed income (for taxable Accounts)**

For taxable (non-retirement) Accounts, clients can elect to substitute tax-aware investments for certain equities or municipal investment for some fixed income options.

**Election to Use SMAs and Model Managers**

When a client elects to use Model Managers or SMAs, the opportunities available to such client differs from the opportunities available to clients who do not use Model Managers or SMAs. As a result, performance of an Account with this election can differ from the performance of other Accounts without this election. Due to this election, the asset allocation in these Models may be different from the asset allocation in those Models without this election.

The Investment Strategy for a particular client is based on the client’s discussion with their IAR and the client’s risk tolerance. For more information on Investment Strategies and related risks, clients should review the Sub-Adviser’s advisory brochure, which can be obtained upon request from their IAR, at [chase.com/managed-account-disclosures](http://chase.com/managed-account-disclosures), or at the SEC’s website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

JPMS and JPMPI (as Sub-Adviser) have full discretionary authority, to be exercised in their exclusive judgment and consistent with the Investment Strategy selected by the client; to determine the allocation of assets among Funds and, at appropriate asset levels, Liquid Alternative Funds (only available in JPMCAP), one or more SMA (only available in CSP) or Model Managers; to select, add, remove, or replace Funds or SMAs (only available in CSP) or Model Managers; and to purchase and sell Funds and other securities for the Account. JPMS has delegated this discretionary authority to JPMPI as the Program’s Sub-Adviser. JPMPI is an affiliate of JPMS and JPMIM. JPMPI as Sub-adviser determines strategic and tactical assets allocations, is responsible for security selection (i.e., selects the Funds, SMAs and Model Managers for investment), and determines portfolio construction. JPMPI, as sub-adviser of JPMCAP, from time to time may close investment strategies to new investments. JPMS oversees the selections using an investment policy statement and remains responsible for overseeing JPMPI’s performance.

The investment policy statement specifies investment guidelines designed by JPMS to address operational considerations. These operational considerations, such as Fund concentration and capacity issues, can affect the timing of certain tactical trades and can result in the timing or implementation of trades for a client’s Account differing from that of another client or group of clients of JPMS or its affiliates. **CSP**

**On January 9, 2016, CSP was closed to new investors; however, existing CSP clients can continue to hold their Accounts and add new assets. On the same date, JPMS commenced offering a similar unified managed account, J.P. Morgan Core Advisory Portfolio. JPMS, in its discretion, may allow for existing CSP client assets to be retitled in certain limited circumstances.**

**JPMCAP**

The Investment Strategy for a particular client is based on the client’s discussion with their IAR and the client’s risk tolerance. The Investment Strategies available in JPMCAP are Conservative, Balanced, Growth, Aggressive Growth, Managed Fixed Income and Managed Equities. In addition, U.S.-focused investment strategies for Conservative, Balanced and Growth are offered in JPMCAP. The Balanced ESG Investment Strategy primarily consists of Funds or other investments that consider ESG factors and/or focus on sustainable themes. The Conservative, Balanced and Growth Investment Strategies are generally available for clients regardless of whether they are eligible to include or have elected to include Liquid Alternative Funds or other securities through Model Managers in their Accounts. The Aggressive Growth Investment Strategies are only available to those clients who are eligible for and have elected to include Liquid Alternative Funds, or to include Liquid Alternative Funds and other securities through Model Managers, in their Account. Liquid Alternatives are not available in Managed Equities or Managed Fixed Income strategies. For more information on these Investment Strategies and related risks, clients should review the Sub-Adviser’s advisory brochure, which can be obtained upon request from their IAR, at [chase.com/managed-account-disclosures](http://chase.com/managed-account-disclosures), or at the SEC’s website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

The US Endowments & Foundations (E&F) Investment Strategy is designed to primarily service the investment goals of nonprofit entities (i.e., endowments and foundations). This Investment Strategy is made available to clients suitable for a Growth investment strategy. The endowment investing approach is generally characterized by a longer-term investment horizon. A long-term investment mindset can allow a client to look through the short-term volatility and focus on the potential of enhancing long-term returns.

Client Program Assets	Available Investments <sup>1</sup>			
	Mutual Funds <sup>2</sup>	ETFs <sup>2</sup>	Liquid Alternative Funds	Other Securities through Model Managers
\$10,000 and over <sup>3</sup>	Yes	Yes	No	No
\$250,000 and over	Yes	Yes	Yes, on client election	No
\$750,000 and over	Yes	Yes	Yes, on client election	Yes, on client election

**Index-Oriented Vehicles**

JPMS and the Sub-Adviser prefer to follow an investment process that maintains the option of using a range of active and passive vehicles, some of which are Index-Oriented Vehicles (as defined below) and some of which are not. JPMCAP in the past offered certain clients, as described below, the option to implement certain Account Investment Strategies using an Index-Oriented Vehicle election.

JPMCAP Index-Oriented Vehicles (**Passively Managed Vehicles**) include ETFs and index mutual funds, and “Actively Managed Vehicles” include mutual funds, SMAs and investments in other securities through Model

have their Program Accounts include Liquid Alternative Funds or other securities through Model Managers.  
<sup>3</sup> Certain Program Accounts with lower asset levels can experience some dispersion from the established Models.

<sup>1</sup> Does not include Legacy Models/Strategies (refer to “Transition and Legacy Accounts” above).  
<sup>2</sup> Clients that elected to have their Program accounts include Index-Oriented Vehicles (as defined below) so long as they had not elected to

Managers. Actively managed vehicles typically charge higher management fees than passively managed vehicles. In determining whether a particular Actively Managed Vehicle or Passively Managed Vehicle can be considered an “Index-Oriented Vehicle,” the Sub-Adviser will, using due diligence and vehicle evaluation from its affiliates, consider, among other things, how closely the vehicle’s historical returns track the index the Sub-Adviser is targeting for the relevant asset class as well as the cost, liquidity and complexity of the vehicle’s strategy. The determination of whether a vehicle is an Index-Oriented Vehicle is in the Sub-Adviser’s sole discretion, is subject to change, and does not guarantee that an Index-Oriented Vehicle will perform in line with, or in excess of, the underlying index. The election does not apply to cash and liquidity Funds.

Clients who selected the Conservative, Balanced, or Growth Investment Strategies and who did not elect to include Liquid Alternative Funds or other securities through Model Managers, could have elected to use Index-Oriented Vehicles in their Accounts for asset classes other than cash and liquidity Funds. The election to have an Account implemented using Index-Oriented Vehicles was not available for Accounts invested in Aggressive Growth, Managed Fixed Income or Managed Equities Investment Strategies. This election directs the Sub-Adviser to use Passively Managed Vehicles except when, in JPMPI’s judgment, active management is expected to closely reflect an underlying index and either (i) to better reflect the overall characteristics of the underlying asset class or market segment, or (ii) is necessary to implement the client’s instructions. Clients who elected to have their Accounts implemented using Index-Oriented Vehicles had to also elect having their Accounts implemented using non-J.P. Morgan Funds and unaffiliated Model Managers, as defined and further described below.

Currently, clients that selected the Index-Oriented Vehicle election will not be invested in any J.P. Morgan Funds (except for J.P. Morgan sweep vehicles; refer to “Cash Allocations and the Sweep Feature” below for more detail) or affiliated Model Managers.

If the client made an election for Index-Oriented Vehicles for an existing JPMCAP Account, sales of Funds could be subject to redemption fees. There can be a period of time during which non-Index-Oriented Vehicles remain in a client’s Account.

When clients elected to implement their JPMCAP Accounts using Index-Oriented Vehicles, it could affect JPMPI’s ability to make investments, access asset classes, or take advantage of opportunities that are available to clients who do not make that election. As a result, performance of an Account with an election will differ from the performance of other Accounts without an election.

#### **Election to Use Liquid Alternative Funds**

Liquid Alternative Funds are available to Accounts depending on the Investment Strategy and assets available in the Account (generally Accounts with an investment balance of at least \$250,000).

#### **Election to Use non-J.P. Morgan Funds and Unaffiliated Model Managers**

As described below in “Use of J.P. Morgan Funds and Investment Strategies and Potential Conflicts of Interest,” the Sub-Adviser prefers J.P. Morgan Funds and affiliated Model Managers. Clients can elect to exclude from their JPMCAP Accounts J.P. Morgan managed strategies (except for J.P. Morgan sweep vehicles; refer to “Cash Allocations and the Sweep Feature” below for more detail), including J.P. Morgan managed strategies where a party other than J.P. Morgan is appointed investment adviser (Non-Proprietary Strategy Election). The Non-Proprietary Strategy Election excludes from JPMCAP Accounts J.P. Morgan Funds (except J.P. Morgan sweep vehicles) and affiliated Model Managers.

Currently, the Non-Proprietary Strategy Election is available for all JPMCAP Investment Strategies, including where clients are eligible for and have elected to include Liquid Alternative Funds or other securities through Model Managers in their Accounts. It is possible that the availability of this election will change in the future.

When a client elects to exclude J.P. Morgan managed strategies, it can affect the ability to make investments, access asset classes, or take advantage of opportunities that are available to clients who do not make the Non-Proprietary Strategy Election. As a result, performance of an Account with an election can differ from the performance of other Accounts without an election.

To the extent a client holds J.P. Morgan managed investments in an existing JPMCAP Account at the time of making the Non-Proprietary Strategy Election, sales of Funds can be subject to redemption fees.

#### **Transition Models**

Certain affiliated investment accounts at JPMorgan Chase Bank, N.A. (**JPMCB**) that transferred into JPMS retained their asset allocation models (Legacy Models/Investment Strategies). To reduce certain tax consequences, JPMS made additional models available to clients with Legacy Models/Investment Strategies (Transition Models) for clients requesting to change their Legacy Models/Investment Strategies. Transition Models are based on similar Investment Strategies as other JPMCAP Models. Certain portfolio holdings for Transition Models differ from the corresponding JPMCAP Models. Transition Models are not available to new Program accounts. When Accounts in Transition Models align with core JPMCAP Models, they may be moved to the corresponding core JPMCAP model.

#### **Advisory Program (Advisory Program)**

The Advisory Program provides JPMS clients with access to affiliated and unaffiliated Portfolio Managers and Model Managers, each of whom offers a specific Investment Strategy (equity and fixed income) and market sector expertise. Currently, the only affiliated Portfolio Managers and Model Managers are JPMIM and JPMPI. Clients select the Portfolio Manager or Model Manager and Investment Strategy from among the Portfolio Managers, Model Managers and Investment Strategies made available by JPMS.

Portfolio Managers provide discretionary investment management in SMAs. Model Managers provide nondiscretionary Model Portfolios to JPMS to implement. The Form ADV Part 2A for each model manager selected for a client’s account is available at the SEC’s website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

JPMPI manages multi-manager portfolios that seek to invest in one or more Funds available through JPMS, and/or in individual securities following one or more model portfolios that may be provided by affiliated and/or unaffiliated model managers (**Multi-Manager Strategies**). The Multi-Manager Strategies seek to address specific investment objectives, provide exposure to targeted asset classes, capture timely market opportunities and/or address specific client objectives through actively managed portfolios. These Investment Strategies may include a variety of marketable securities, such as stocks, bonds, ETFs, and mutual funds, and may leverage the expertise of Model Managers who provide models of securities for certain Investment Strategies.

The Liquidity Management Strategy (**LMS**) is a subgroup of Multi-Manager Strategies and seeks to address specific fixed income investment objectives.

Funds available through Multi-Manager Strategies include both J.P. Morgan Funds and non-J.P. Morgan Funds. Affiliates that sponsor or manage J.P. Morgan Funds may include JPMPI and JPMIM. A substantial portion of the assets in the Multi-Manager Strategies are expected to be invested in J.P. Morgan Funds. In addition, unaffiliated and affiliated model managers will be evaluated and selected for these accounts. Refer to “Important Information About Your Investments and Potential Conflicts of Interest” below for more information on the use of J.P. Morgan Funds and affiliated Investment Strategies. In the case of Dynamic Multi-Asset Strategy (**DMAS**), a Multi-Manager Investment Strategy, clients can select an Investment Strategy that excludes J.P. Morgan Funds or one that may include J.P. Morgan Funds. JPMS has a conflict in recommending the DMAS Investment Strategy that may include J.P. Morgan Funds. Refer to “Use of J.P. Morgan Funds and Investment Strategies and Potential Conflicts of Interest” below for more information on the use of J.P. Morgan Funds in Multi-Manager Strategies.

#### **Fixed Income Advisory Program (FIAP)**

The Program provides JPMS clients with access to an affiliated portfolio manager, JPMIM, to manage client assets subject to the investment guidelines and risk tolerance of the client. The Program is designed as a

solution for investors with the specific asset class needs or desire to invest in taxable and tax-aware fixed income portfolios (**Customized Bond Portfolios**) consisting of laddered bonds within the risk tolerance of the client's investor profile. In bond ladder portfolios, the Portfolio Manager buys bonds that have maturities spanning over a designated period of years and which are intended to be held until maturity.

Customized Bond Portfolios are designed by a team of portfolio managers in JPMIM and are available with different average maturities to fit different needs and risk tolerances. The portfolio management team constructs the portfolios using fundamental credit and relative value analysis combined with ongoing credit and security oversight. The team focuses on identifying and monitoring attractive risk/reward investments within client-specified criteria. The Customized Bond Portfolios are SMAs that give clients direct ownership of securities and that have several additional features, including that portfolio managers can choose to hold bonds to maturity and can choose to reinvest or withdraw coupon interest income.

Customizations subject to acceptance by the Portfolio Manager are available to meet a client's investment criteria, including, but not limited to, state of residence, credit quality, sector, tax treatment, dividend/coupon type, duration preferences and instructions to not reinvest maturing bond proceeds and income.

Certain Customized Bond Portfolios are not available for retirement accounts.

For more information on these Investment Strategies, refer to the Form ADV Part 2A for JPMIM which is available at the SEC's website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

#### **D. Client Profile and Account Opening**

Prior to opening a Program Account, the IAR consults with the client or prospective client to create a "Client Profile" based upon the client's responses to questions regarding their financial situation, investment experience, investment objectives, time horizon, and risk tolerance. The information is evaluated and incorporated into an "Investment Proposal." Depending on the Program, the Investment Proposal provides a recommendation of one or more Portfolio Managers, Model Managers, Models or Investment Strategies, and specifies Funds and, if appropriate, Model Managers that are included in the Model or Investment Strategy. The recommendation is the result of an objective scoring system based on the client's responses to questions used to create the Client Profile referenced above. Based on the information in the Client Profile and Investment Proposal, the IAR will assist the client in selecting an Investment Strategy, Model, Model Manager or Portfolio Manager and will discuss the recommendation with the client to ensure that it is appropriate for their specific investment needs and risk tolerance. Clients agree to the terms of applicable advisory and brokerage service agreements. The client's selection of an Investment Strategy or Model is reflected in the Investment Proposal.

#### **MFAP Model Selection**

Once the client selects a Model, the client will select the specific Funds in each asset class of the client's Model. The selected Funds and their percentage allocation will be entered on the Investment Proposal. Clients can change the selected Funds and the percentage allocation of any asset class within the ranges for the applicable Model after the Program Account is opened by giving instructions to the IAR.

Funds that have an environmental, social and governance (**ESG**) or sustainable investing objective or strategy (**ESG Funds**) can be selected by clients to satisfy asset class allocations in the MFAP Program, to the extent available. However, the MFAP Program is not designated by J.P. Morgan as an ESG or sustainable investing program, nor does JPMS monitor this allocation or guarantee the availability or any minimum or maximum investment in ESG Funds. There is no guarantee that an ESG Fund will continue to reflect ESG characteristics, objective or philosophy or be considered by J.P. Morgan as an ESG or sustainable investment.

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

#### **Multiple Program Accounts**

Clients can open multiple Program Accounts as part of their overall strategy. As applicable to their Program Account(s), clients will receive the Portfolio Manager's Form ADV Part 2A and Part 2B (**Portfolio Manager Disclosure Document**) from JPMS. Clients should review the Portfolio Manager's Disclosure Document carefully for important information about the Portfolio Manager. The Form ADV Part 2A for each Model Manager selected for a client's Program account is available at the SEC's website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

#### **Restrictions on Management of Accounts**

Clients can request reasonable restrictions on management of their Account including, depending on the Program, particular securities or categories of securities related to a sector or industry (e.g., weapons or tobacco), that will be implemented subject to acceptance by JPMS, the Overlay Manager, the Implementation Manager or the Portfolio Manager and in their sole discretion. JPMS, the Overlay Manager, the Implementation Manager or the Portfolio Manager may rely on the information about a company, industry classification, industry grouping, and issuer screening provided by J.P. Morgan or a third party to implement the investment restrictions. Category restrictions aim to screen companies with revenue derived from the restricted category, but they do not exclude all companies with any tie or revenue derived from such restricted category. JPMS does not review, guarantee or validate third-party screenings or processes. Issuer screenings and processes to implement category investment restrictions are not absolute and may change at any time and could result in the portfolio holding investments in companies that derive revenue from the restricted category. If a client's investment is perceived to belong to the restricted category, such security will be sold and could trigger a taxable event to the client.

Any restrictions a client imposes on the management of the Account can limit the ability to make investments or take advantage of opportunities and can cause the Account to perform differently than similar unrestricted Accounts. JPMS may decline an Account when client restrictions are deemed unreasonable.

Category and security restrictions will not be applied to strategies that invest only in mutual funds, ETFs and other pooled investments, nor will they be applied to investments made by mutual funds, ETFs and pooled investments, so it is possible that client restrictions would not have any practical effect on an Account comprised primarily of mutual fund and ETF investments. Additionally, client restrictions may have no practical effect on a new strategy selected by the client, particularly when moving from an equity to a fixed income strategy.

#### **Implementation of Investment Strategy by JPMS, Overlay Manager, Implementation Manager or Portfolio Manager**

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

#### **Asset Allocation among Managers and Programs**

At the client's request, JPMS will assist the client in developing one or more asset allocations among Portfolio Managers and/or Model Managers and/or Programs based upon information that the client has provided to JPMS. The client is solely responsible for making all decisions regarding the adoption and implementation of any investment objectives or policies and

any such asset allocation. Such asset allocation can change over time due to fluctuations in market value of assets and/or additions or withdrawals by the client. The client is solely responsible for monitoring its investment objectives and policies, including whether the management of the assets among managers and Programs conforms to those investment objectives and policies. The client is also solely responsible for monitoring any asset allocation on an ongoing basis and determining whether to rebalance and/or reallocate assets among managers and Programs. JPMS is not obligated to review, update, rebalance or provide any other ongoing advice with respect to any such asset allocation or the client's investment objectives and policies. The client retains final decision-making authority and responsibility for the selection of, and any changes made to, such an asset allocation among managers and Programs.

### ***Funding Program Accounts***

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

Clients funding Program Accounts with securities direct JPMS, the Implementation Manager, the Overlay Manager or the Portfolio Manager, as applicable, to liquidate the securities on behalf of the client and allocate the proceeds in accordance with the Investment Strategy selected in the Investment Proposal. JPMS, the Implementation Manager, the Overlay Manager, or the Portfolio Manager, on a best efforts basis, will sell a portion or all of any securities that are not consistent with the Investment Strategy stated in the Investment Proposal. Neither JPMS, the Implementation Manager, the Overlay Manager nor the Portfolio Manager, will advise clients regarding the liquidation of these securities. Liquidation will be done free of commission charges or spread on fixed income trades unless the trade is placed away from JPMS. Refer to "Trading Away and Associated Costs" below for more detail.

Depending on the type of security involved, liquidation may result in redemption charges and taxable gains or losses. Before contributing mutual fund shares, clients should consider if they paid a front-end sales charge, will incur a contingent deferred sales charge or a redemption fee in the event the mutual fund shares are liquidated in accordance with the Investment Strategy selected. These mutual fund fees and charges are the responsibility of the client and are in addition to the wrap fee. Clients should review the potential tax consequences of these liquidations with their tax professional before funding their Program Account with securities. JPMS does not provide tax advice. If non-U.S. denominated securities are sold, the client will incur currency conversion charges.

When liquidating these securities for purposes of establishing your Account, JPMS will be acting as your broker, not your investment adviser. Liquidations will be effected promptly after funding your Account at the then prevailing market prices, separately from the acceptance of the Account by the Overlay Manager, Implementation Manager or Portfolio Manager. If a particular security cannot be liquidated or is not eligible for the particular Program, it will not be used to fund an Account and your IAR will work with you regarding disposition of the securities.

The MLCDA SMA has a monthly investment window. Investment management of the Program Account will begin when the investment window opens after JPMS has accepted the Account. You will not be charged an advisory fee or a manager fee until investment management begins. Subsequent investments of cash awaiting investment will be charged both the advisory fee and manager fee.

### ***Rebalancing MFAP, CSP and JPMCAP Accounts***

Program Accounts will be rebalanced only if the percentage variance at the asset class level exceeds a threshold amount that has been established as effective for rebalancing to the Investment Strategy.

To rebalance the Account, shares of Funds in the client's Account that are underweight or overweight compared to their asset class percentage in the Model are bought or sold, as applicable, until the Account holdings are consistent with the client's selected Model. Over time, the Funds will appreciate (or depreciate) in value at different rates.

Rebalancing has tax implications for most clients, unless the Account is an IRA or qualified retirement plan.

MFAP clients can choose to have their Accounts automatically reviewed for rebalancing quarterly, semi-annually, or annually. JPMS also will facilitate the rebalancing of a Program Account upon the client's direction. Client directed activity (e.g., contributions and withdrawals) as well as model changes will also result in the rebalancing of a Program Account. In between reviews for rebalancing, a client's Account will drift from the initial asset allocations selected by the client for the Account and can even drift outside of recommended thresholds of a Model.

For CSP and JPMCAP clients, JPMPI will continuously review client asset allocations relative to the selected Investment Strategy and will generally rebalance the Program account to the allocation in the chosen Investment Strategy when the asset allocation percentages deviate from established parameters. To rebalance the account, shares of Funds and/or securities held in the models advised by Model Managers that are underweight or overweight compared to their asset class percentages in the Investment Strategy will be bought or sold, as applicable, until the account holdings are consistent with the Investment Strategy. Over time, the Funds and/or individual securities in the Account will appreciate (or depreciate) in value at different rates. **Without rebalancing, the change in the percentages of each asset class held will change the level of risk from the risk level that is associated with the original model and/or allocations in the selected Investment Strategy.**

### ***Trade Errors***

If a trade error is made in a client's Account, JPMS will take action to make the Account whole. JPMS corrects trade errors in IRA and ERISA Accounts in the impacted Program Account and uses a firm account to correct all other trade errors in non-retirement Program Accounts. If bonds are erroneously sold from a client's Account, it is possible that JPMS, the Implementation Manager or the Portfolio Manager will not be able to find the same bonds to buy back for the Account. In that case, JPMS, the Implementation Manager or Portfolio Manager will purchase bonds that it believes are equivalent in quality and yield. If a client requests that any securities be transferred out of an Account or there is a trade error in an Account, JPMS may temporarily suspend trading in the Account until the transfer is complete or the trade error is remediated. During such time, Fees (as defined in this Item 4) will continue to accrue.

### ***Custodian***

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

### ***Implementation Manager for Advisory Program***

JPMS, as the Implementation Manager for Model Manager Strategies, provides portfolio implementation services to Program Accounts. Implementation services include: (1) managing the Accounts on a discretionary basis by implementing instructions to purchase, hold or sell securities or shares of Funds; (2) continuously monitoring the Account holdings; and (3) implementing specific reasonable restrictions requested by the client that are placed on the client Account.

### ***Model Managers***

JPMS has engaged Model Managers to provide non-discretionary investment advice and recommendations through the provision of model portfolios that include individual securities. Depending on the Program, JPMS or JPMPI retains investment discretion over Program Account investments. JPMS can add or remove Model Managers to the Programs

from time to time. Refer to “Selection and Ongoing Review of Funds and Model Managers” for more information on the selection and removal of Model Managers in the Programs. The Form ADV Part 2A for each Model Manager selected for a client’s Program account is available at the SEC’s website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

In the Advisory Program, as Portfolio Manager of Multi-Manager Investment Strategies, JPMPI can engage Model Managers to provide non-discretionary investment advice and recommendations through the provision of model portfolios that include Funds or individual securities. The Portfolio Manager retains investment discretion over Program Account investments. The Portfolio Manager can add or remove Model Managers from time to time.

#### **E. Trade Confirmations, Statements and Performance Reporting**

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

#### **F. Proxy Voting, Corporate Actions and Other Legal Matters**

JPMS and JPMPI will not vote proxies (or give advice about how to vote proxies) relating to securities and other property currently or formerly held in a client’s Account. JPMS and its affiliates will not be responsible or liable for: (1) failing to notify a client of proxies; or (2) failing to send to the Proxy Service (defined below) or a client, as applicable, proxy materials or annual reports where JPMS or its affiliates have not received proxies or related shareholder communications on a timely basis or at all.

##### ***MFAP, CSP and JPMCAP***

Each client has the right to vote, and is responsible for voting, proxies for any securities and other property in the client’s Account.

In CSP and JPMCAP, clients can appoint an independent services provider designated by JPMS for purposes of voting proxies (**Proxy Service**) as the client’s agent and attorney-in-fact, and clients can authorize the Proxy Service, in its discretion, to vote proxies for any securities and other property in the client’s Account in accordance with the Proxy Service’s proxy voting guidelines in effect from time to time (or other guidelines that the Proxy Service has been instructed to use for particular Investment Strategies), copies of which are available on request. The Proxy Service is currently Institutional Shareholder Services Inc. (**ISS**). Information relating to ISS services is available on the ISS website at [issgovernance.com](http://issgovernance.com). The ISS advisory brochure is available at the SEC’s website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). The Proxy Service’s role as the agent of clients applies only to proxies that the Proxy Service generally votes and does not apply to proxies with respect to which the Proxy Service declines to vote. A client who appoints the Proxy Service will not receive proxy materials or annual reports relating to securities and other property for which the Proxy Service has accepted responsibility for voting related proxies. In limited circumstances, the Proxy Service will not vote proxies. A client can revoke its appointment of the Proxy Service upon written notice to JPMS at J.P. Morgan Securities LLC, Attn: Proxy Voting Opt Out, Mail Code: IL1-0291, PO Box 1762, Chicago, IL 60690. If a client revokes their appointment of the Proxy Service, the client will receive all proxy materials and annual reports related to securities and other property in the client’s

Account, and they will be responsible for voting such proxies directly or instructing any custodian that holds such securities and other property. JPMS can, in its discretion, change the Proxy Service. JPMS will not be deemed to have or exercise proxy voting responsibility or authority by virtue of any authority to hire or change the Proxy Service.

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

In MFAP, the client retains the discretion to vote and cannot designate the Proxy service to vote on their behalf.

##### ***Client Designation of Portfolio Manager in Advisory Program and FIAP***

The Portfolio Manager (or its agent) to a client’s Account is designated to receive, and act on client’s behalf, all shareholder communications (including, but not limited to, proxy statements and other proxy solicitation materials; annual reports and semi-annual reports; corporate actions with respect to securities in a client’s Account, such as any conversion option, execution of waivers, consents and other instruments; and consents to any plan of reorganization, merger, combination, consolidation, liquidation or similar plan) distributed by the issuers of securities held in client’s Account and not required by law to be sent to client. Client can revoke this consent at any time upon written notice to JPMS at J.P. Morgan Securities LLC, Attn: Document Services, Mail Code: IL1-0291, PO Box 1762, Chicago, IL 60690. Such revocation will not affect any other authority given to the Portfolio Manager to provide discretionary portfolio management for client’s Account. The Portfolio Manager will not be obligated to take action or render any advice involving legal action on the client’s behalf with respect to securities or other investments, which become the subject of legal notices or proceedings, including bankruptcies.

##### ***JPMPI as Portfolio Manager and Model Manager Investment Strategies***

For the Investment Strategies for which JPMPI acts as Portfolio Manager and for Model Manager Investment Strategies, each client has the right to vote, and is responsible for voting, proxies for any securities and other property in the client’s Account. A client can appoint an independent services provider designated by JPMS for purposes of Proxy Service as the client’s agent and attorney-in-fact, and authorize the Proxy Service, in its discretion, to vote proxies for any securities and other property in the client’s Account in accordance with the Proxy Service’s proxy voting guidelines in effect from time to time (or other guidelines that the Proxy Service has been instructed to use for particular Investment Strategies), copies of which are available on request. The Proxy Service is currently ISS. Information relating to ISS’ services is available on ISS’ website at [issgovernance.com](http://issgovernance.com). ISS’ advisory brochure is available at the SEC’s website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). The Proxy Service’s role as the client’s agent applies only to proxies that the Proxy Service generally votes and does not apply to proxies with respect to which the Proxy Service declines to vote, which will not be voted. A client that appoints the Proxy Service will not receive proxy materials or annual reports relating to securities and other property

for which the Proxy Service has accepted responsibility for voting related proxies. In limited circumstances, proxies will not be voted by Proxy Service. A client can revoke their appointment of the Proxy Service upon written notice to JPMS at J.P. Morgan Securities LLC, Attn: Proxy Voting Opt Out, Mail Code: IL1-0291, PO Box 1762, Chicago, IL 60690. If a client revokes their appointment of the Proxy Service, the client will receive all proxy materials and annual reports related to securities and other property in the client's Account and will be responsible for voting such proxies directly or instructing any custodian that holds such securities and other property. JPMS may, in its discretion, change the Proxy Service. JPMS will not be deemed to have or exercise proxy voting responsibility or authority by virtue of any authority to hire or change the Proxy Service.

For the Investment Strategies for which JPMPI acts as Portfolio Manager, JPMPI will receive and respond to corporate actions with respect to securities in a client's Account, such as: any conversion option; execution of waivers, consents and other instruments; and consents to any plan of reorganization, merger, combination, consolidation, liquidation or similar plan. JPMPI may, in its sole discretion, delegate this responsibility to a service provider.

#### ***JPMS as Implementation Manager of Model Manager Investment Strategies***

For Model Manager Investment Strategies, JPMS will receive and respond to corporate actions with respect to securities in a client's Account, such as: any conversion option; execution of waivers, consents and other instruments; and consents to any plan of reorganization, merger, combination, consolidation, liquidation or similar plan. JPMS may, in its sole discretion, delegate this responsibility to a service provider.

#### ***Client Right and Responsibility to Take Action***

Each client has the right and responsibility to take any actions with respect to any legal proceedings, including, without limitation, bankruptcies and shareholder litigation, and the right to initiate or pursue any legal proceedings, including, without limitation, shareholder litigation, including with respect to transactions, securities or other investments held in the client's Account or the issuers thereof. Neither JPMS nor JPMPI is obligated to render any advice or take any action on a client's behalf with respect to securities or other property held in the client's Account, or the issuers thereof, which become the subject of any legal proceedings, including, without limitation, bankruptcies and shareholder litigation, to which any securities or other investments held or previously held in the Account, or the issuers thereof, become subject. In addition, neither JPMS nor JPMPI is obligated to initiate or pursue any legal proceedings, including, without limitation, shareholder litigation, on behalf of a client's Account, including, with respect to transactions, securities or other investments held, or previously held in the client's Account, or the issuers thereof.

### **G. Wrap Account Fees**

#### ***Program Advisory Fee***

Clients pay an annual asset-based account fee for the Program (**Advisory Fee**) to JPMS pursuant to (1) the applicable fee schedule and subject to any applicable discounts or adjustments; or (2) a maximum advisory fee rate (**Maximum Rate**), where the agreed upon Maximum Rate will be applied unless the applicable tier on the fee schedule gives the client a lower advisory fee rate. The fee schedules for the Programs are set forth below and expressed as annual percentages. Generally, all Account values used to determine the Advisory Fee described herein are based on the market value of the assets held in the Account on the last business day of the prior month or portion thereof, as determined by JPMS. The Firm charges fees that it believes are reasonable, but these fees are not always the lowest available from other firms, including affiliated ones. Advisory Fees for partial billing periods upon the inception or termination of a Program account will be prorated. The Advisory Fee will be reflected on the Account statement issued by the custodian for the Account.

The Advisory Fee is an annualized asset-based fee that covers all advisory, administrative, custodial and brokerage services provided by JPMS. The

Advisory Fee for Program Accounts will be computed and payable monthly in arrears based upon the market value of all assets held in the Program account (including cash) on the last business day of the prior month.

The Advisory Fee does not cover any (i) brokerage commissions or other charges resulting from transactions not effected through JPMS or its affiliates; (ii) "mark-ups," "markdowns" and "dealer spreads" that we or other broker-dealers may receive when acting as principal in certain transactions; (iii) certain costs or charges imposed by third parties, including odd-lot differentials, margin interest, transfer taxes, exchange fees, and other fees or taxes required by law; (iv) any retirement Account fee; (v) the cost of investment manager fees and other expenses charged by Funds; or (vi) any pass-through or other fees associated with investment in American Depositary Receipts.

#### ***Program Fee***

The program fee includes the Advisory Fee and, if applicable, the fee charged by the Model Manager or Portfolio Manager (Manager Fee) (collectively, Program Fees). The Program Fees can be more or less than the cost of paying for investment advice, trade execution, custody and reporting services separately, depending on the cost of these services if provided separately and the level of trading activity in the client's Account.

Manager Fees may be more than fees for the same Portfolio Manager/Model Manager services outside the Program, including when offered by affiliates.

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

#### ***Advisory Fee for FIAP***

The Advisory Fee rate for assets invested in the FIAP is 0.70%.

A portion of the Advisory Fee is paid by JPMS to JPMIM as the Portfolio Manager for portfolio management services, and to JPMPI to reimburse for the costs of research and other related services in support of the FIAP strategies.

#### **Advisory Fees for MFAP, CSP, JPMCAP, and the Advisory Program:**

<b>ADVISORY FEE SCHEDULE<sup>4</sup></b>	
<b>Account Assets</b>	<b>Annual Fee</b>
0-\$249,999.99	1.45%
\$250,000.00-\$499,999.99	1.30%
\$500,000.00-\$999,999.99	1.15%
\$1,000,000.00-\$1,999,999.99	1.00%
\$2,000,000.00-\$4,999,999.99	0.75%
\$5,000,000.00-\$9,999,999.99	0.65%
\$10,000,000.00-\$14,999,999.99	0.55%
\$15,000,000.00-\$24,999,999.99	0.50%
\$25,000,000.00-\$49,999,999.99	0.40%
> \$50,000,000	0.30%

The Advisory Fee rate for assets invested in the Liquidity Management Strategy is 0.40%.

#### **Model Manager Fees for CSP, JPMCAP and the Advisory Program**

Additional fees are charged by Model Managers (**Model Manager Fees**). The Model Manager Fee is an annualized asset-based fee that covers the Model management services provided by Model Managers. These Model Manager Fees are in addition to the Advisory Fees and vary depending on the Model Manager and the asset class. The Model Manager Fee is not included in the Advisory Fee. JPMS collects the Model Manager Fee from clients and pays the Model Managers.

The applicable Model Manager Fee rate for a specific Model will be stated in the Investment Proposal for the Account. The client's actual Model Manager Fees will be reflected in the Account statement.

Certain Model Managers are affiliated with JPMS. Model Manager Fees of affiliated Model Managers are waived or rebated to client Program Accounts that are IRAs or tax-qualified plans, including plans subject to ERISA. In this case, JPMS may share a portion of the Advisory Fee with the affiliated Model Manager. This revenue sharing arrangement will not affect the total Account Fees due by the client.

#### **CSP and JPMCAP Model Manager Fee**

The Model Manager Fees range from 0.10% to 0.45% and only apply to that portion of the Account allocated to the Model and managed by the Model Manager.

#### **Advisory Program Model Manager Fee**

Model Manager Fees in the Advisory Program range from 0.25% to 0.425%.

#### **Portfolio Manager Fees**

The Advisory Program offers SMAs with additional fees charged by Portfolio Managers (**Portfolio Manager Fees**). The Portfolio Manager Fee is an annualized asset-based fee that covers the portfolio management services provided by Portfolio Managers. These Portfolio Manager Fees are in addition to the Advisory Fees and vary depending on the Portfolio Manager and the Investment Strategy. The Portfolio Manager Fee is not included in the Advisory Fee. JPMS collects the Portfolio Manager Fees from clients and pays the Portfolio Managers.

Portfolio Manager Fees range from approximately 0.10% to 1%. The specific Portfolio Manager Fee rate applicable to an Account will be stated in the Investment Proposal for the Account. The client's actual Portfolio

Manager Fees are reflected in the Account statement issued by the custodian for the Account.

Certain Portfolio Managers are affiliated with JPMS. Portfolio Manager Fees of affiliated Portfolio Managers are waived or rebated to client Program Accounts that are IRAs or tax-qualified plans, including plans subject to ERISA. In this case, JPMS may share a portion of the Advisory Fee with the affiliated Portfolio Manager. This revenue sharing arrangement will not affect the total Account Fees due by the client.

#### **No Minimum Fee**

No minimum fee requirement is applied to Program Accounts. Program Accounts will be charged the appropriate fee percentage for the asset value in the Program Account or, if applicable, for the value of assets in managed accounts that have been combined for Advisory Fee calculation purposes (refer to "Waivers, Reductions and Negotiated Fees" below).

If the market value of the Account falls below 10% of the minimum asset size required for the current applicable fee rate, the Advisory Fee rate will be determined based on the fee schedule, and the Account will be assessed the higher fee rate.

#### **Method of Payment**

Subject to restrictions for retirement accounts and asset availability, clients can request, and JPMS may allow, that one of the related accounts (including a non-retirement Program Account or J.P. Morgan bank account) pay the entire Advisory Fee, Model Manager Fee, or Portfolio Manager Fee for the combined holdings.

Unless the client has elected to pay the Advisory Fee, Model Manager Fee, or Portfolio Manager Fee from a related JPMS managed account, if there are sufficient funds in the sweep fund to pay the entire amount, the Advisory Fee percentage for the Program Account value will be paid out of the sweep fund within the Program Account. If the sweep fund does not have sufficient funds to pay the fee in its entirety: in MFAP, CSP and JPMCAP, shares of the most overweight Fund(s) or securities in a model provided by a Model Manager; and in the Advisory Program and FIAP, at the discretion of the Portfolio Manager or Implementation Manager, securities in the portfolio Account, will be sold to pay the entire fee rather than paying any of the fee from the sweep fund. This could result in the client incurring a tax liability. If due to withdrawals, payment of fees, or otherwise, the value of the sweep fund falls to zero or below in MFAP, CSP, and JPMCAP, sufficient shares in the Fund(s) or securities in a model provided by a Model Manager that is currently most overweight in the Investment Strategy based on actual dollar value, and in the Advisory Program and FIAP, at the discretion of the Portfolio Manager or Implementation Manager, sufficient securities in the portfolio Account, will be sold to clear the debit and replenish the sweep fund to its current target amount.

#### **Reimbursement of JPMPI as the Portfolio Manager, Overlay Manager and Sub-Adviser**

JPMS reimburses the expenses of JPMPI when acting as Portfolio Manager, Overlay Manager and/or Sub-Adviser in return for its services.

For qualified retirement Accounts where fees to affiliates are waived, JPMS may share a portion of the Advisory Fee with the affiliated manager for the Account.

#### **Trading Away and Associated Costs**

Certain Portfolio Managers place all or substantially all of certain types of trades with a broker-dealer other than JPMS for execution, depending on the types of securities traded in an Investment Strategy. It is not uncommon for investment managers to trade away in fixed income, foreign security, and small-cap equity strategies. Investment Strategies with such types of

<sup>4</sup> The applicable annual fee applies to the entire Account.

securities could be more costly to you than Investment Strategies in which Portfolio Managers more commonly place trades with JPMS for execution.

Portfolio Managers place orders in fixed income or debt securities with broker-dealers other than JPMS. For these fixed income trades, the client will incur a mark-up, mark-down or spread charged by the other broker-dealer that is not covered by the Advisory Fee.

Fixed income 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 commission, a markup (on securities it sells), a markdown (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 the client 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.

Clients should review a Portfolio Manager’s Form ADV Part 2A Brochure, ask about a Portfolio Manager’s trading practices and consider that information carefully before selecting an investment manager and its investment strategy. In particular, clients should carefully consider any additional trading costs associated with a particular Portfolio Manager and investment strategy before selecting them for their Wrap Fee Program account.

When Portfolio Managers place orders with broker-dealers other than JPMS, the trade confirmation issued by JPMS with the details of the trade shows a price for the traded security that is inclusive (i.e., net) of the commission, mark-up or mark-down paid by the client to the other broker-dealer, but it does not break out or otherwise show the amount of the commission, mark-up or mark-down separately.

Your trade confirmation and Account statement for equity trades will list the executing broker-dealer and the commission you incurred as an additional cost in connection with trading away by a Portfolio Manager. Fixed income trades will indicate “traded away” because trading costs are not identified separately for fixed income because they are incorporated into the net price of the trade.

For more information on trades away from the Firm, refer to “Trading Practices Disclosures for Wrap Fee Programs” available at [chase.com/managed-account-disclosures](https://chase.com/managed-account-disclosures).

#### **ADR Fees in CSP, JPMCAP and the Advisory Program**

Special tax rules may apply to investments in foreign issuers, including American Depositary Receipts (ADRs). For example, one or more issuers in the Portfolio may qualify as a passive foreign investment company or a controlled foreign corporation for U.S. tax purposes, and non-U.S. withholding tax may be imposed on distributions or gains. Also, in certain cases, additional U.S. tax reporting may be required. Shares of foreign companies on foreign exchanges can be purchased and the shares converted to ADRs for client Accounts if the total cost of the purchase and conversion is more advantageous than directly purchasing the ADRs. To the extent that a subsidiary of J.P. Morgan assists in the conversion of foreign stock, J.P. Morgan affiliates will receive additional compensation from the transaction but in no event should the total cost of the purchase and conversion costs exceed the cost if they had originally purchased the ADR in U.S. markets.

If the investment in the portfolio is made through an IRA, any foreign taxes incurred generally would not be creditable against your U.S. income tax liability. You are urged to consult your tax advisor regarding investment in non-U.S. entities, including whether you may be eligible for a credit against your U.S. income tax liability for any foreign taxes paid and whether you may be eligible for a lower rate or partial refund of non-U.S. withholding taxes pursuant to one or more applicable income tax treaties.

For more information on foreign issuers, please refer to the Foreign Issuers Risk section.

#### **Waivers, Reductions and Negotiated Fees**

In its discretion, JPMS can negotiate, reduce, rebate or completely waive the Advisory Fee. Reductions, rebates and waivers of the Advisory Fee, including discounts or adjustments, are not applicable to the Portfolio Manager or Model Manager Fee. Fees are discounted for employees of JPMS and its affiliates. From time to time, Program Fees can be increased (i.e., JPMS may increase the Advisory Fee; the Portfolio Manager or Model Manager may increase the Portfolio or Model Manager Fee). JPMS will promptly notify the client whenever a fee increase is made to the client’s Program Account(s). The Advisory Fee includes investment management, brokerage, execution, custody and reporting services.

#### **Relationship Pricing**

JPMS uses a Relationship Pricing Group to determine Advisory Fees for eligible Advisory Accounts by considering the total value of assets in Program Accounts with the same fee schedule and fee calculation methodology. Assets in accounts in the Fixed Income Advisory Program and the Liquidity Management Strategy are not eligible to be included in the Relationship Pricing Group for purposes of determining your advisory fee rate. ERISA, Irrevocable Trust and Entity accounts are generally prohibited from combining into a Relationship Pricing Group with the accounts for another person or relationship. ERISA accounts cannot be combined with non-ERISA accounts in a Relationship Pricing Group.

When the combined assets in the Relationship Pricing Group are sufficient to reach the next tier on the advisory fee schedule, the client(s) will benefit from a lower overall fee. The combined Advisory Fee is then divided ratably and assessed over all of the Program Accounts in the Relationship Pricing Group. All accounts in the Relationship Pricing Group will have the same Advisory Fee rate applied.

#### **Automatic Linking**

Subject to the exceptions discussed above, JPMS automatically links eligible Program Accounts with the same primary tax identification number to determine the total value of assets in the Relationship Pricing Group asset size for purposes of calculating the advisory fee. JPMS will not automatically link accounts for Relationship Pricing group purposes in any other way.

#### **Client Requested Linking**

Other than for accounts that are automatically linked by primary tax identification number, in order for clients to receive the potential benefits of a Relationship Pricing Group, clients must request that their eligible family member Program Accounts be combined in a Relationship Pricing Group, subject to the exceptions discussed above.

#### **IAR Compensation**

The Program is recommended to clients by IARs associated with JPMS. For those IARs that receive a portion of the Advisory Fee: (i) the exact portion of the fee paid to the IAR varies among IARs and can also depend upon each IAR’s overall revenue production; and (ii) no compensation is paid to the IAR for Accounts where the total client assets invested through the Firm (including brokerage, managed and annuities) is less than \$100,000 (generally, such Accounts will be assigned to a team of IARs who are salaried employees). The type of compensation paid to IARs will not result in a change to a client’s Advisory Fee.

JPMS or IARs may discount the Advisory Fee and/or provide a Maximum Rate. These IARs (other than those who are only compensated by salary and discretionary bonus) have a financial incentive to (1) price client Accounts at the stated fee schedule rather than providing a discount and/or a Maximum Rate and (2) limit discounts to the Advisory Fee and/or a Maximum Rate to be no more than a certain percentage below the stated fee schedule. The IAR will earn reduced compensation when IARs (1) discount the Advisory Fee more than a certain percentage below the stated

advisory fee schedule and/or (2) provide a Maximum Rate that is more than a certain percentage below the applicable tier of the stated advisory fee schedule for the given billing period. Clients can and should ask their advisor for details on discounting practices and how those practices affect compensation. Discounts to the Advisory Fee and/or Maximum Rates that are more than a certain percentage below the stated fee schedule made after 01/01/25 will affect IAR compensation beginning 01/01/26. Clients may find their agreed upon discount percentage and/or Maximum Rate percentage in documents such as proposals, certain letters and/or statements. We address these conflicts of interest by maintaining policies and procedures requiring that Advisors act in your best interest, reasonably supervising their activities and disclosing these conflicts so that you can make informed decisions.

Because Model Manager and Portfolio Manager Fees vary, and in some cases may be waived, this creates (i) an opportunity for the IAR to avoid discounting (or to limit the discount on) the JPMS Advisory Fee when recommending a Model Manager or Portfolio Manager that charges a lower or no additional fee; and thus (ii) a financial incentive to recommend Model Managers or Portfolio Managers with lower or waived fees.

JPMS also benefits more if an Advisory Fee is not subject to a discount. JPMS does not give the discretion to discount to IARs who are salaried employees.

JPMS IARs have a number of opportunities for selling products or services in their capacity as JPMS broker-dealer registered representatives or insurance agents. Depending on a number of factors (e.g., the size of the Program Account, changes in its value over time, the number of transactions, and the ability to negotiate fees and commissions), the amount of compensation received by certain IARs and the Firm from a Program Account can be more or less than JPMS and the IAR would receive if the client paid separately for investment advice, brokerage and other services. IARs, for themselves and the Firm, have a financial incentive to recommend the Program, especially when the Advisory Fee would be more than if the services were provided separately, or if the client had purchased a different advisory program sponsored by JPMS. IARs receive less compensation for FIAP and the Liquidity Management Strategy than the other Programs described in this brochure.

### **Other Fees and Expenses**

Funds pay fees and expenses that are ultimately borne by clients (including, but not limited to, management fees, brokerage costs, administration and custody fees). The Advisory Fee does not include various additional fees that can be incurred within a client's Program Account, including, but not limited to, Fund fees and expenses, transfer taxes, electronic fund and wire fees, IRA and retirement plan account fees, margin interest, ADR related fees or any other fees that would reasonably be assessed to a brokerage account. If these fees are for services performed by JPMS or their affiliates, JPMS or an affiliate will receive all or a portion of the revenue from the fee. Additionally, Funds held in a Program Account have annual investment advisory expenses, so clients incur two levels of investment management fees: indirect Fund investment advisory fees to the investment adviser of each Fund and direct Program investment advisory fees to JPMS, the Model Managers and the Portfolio Managers. If these fees are for services performed by JPMS or its affiliates, JPMS or its affiliates will receive some or all of the revenue from the fee. These Fund fees and expenses are in addition to any fees paid to JPMS as the Program Sponsor and any fees paid to the Portfolio Managers and any fees and/or expenses or reimbursements paid to/or received by the Sub-Adviser or Model Managers. Clients can review the applicable prospectuses for Funds (including Liquid Alternative Funds) in the Programs for additional information about these fees and expenses. JPMS and its affiliates collectively receive greater revenue if J.P. Morgan Funds or affiliated Model Managers are included in the Programs, and therefore, JPMS and its affiliates have a conflict of interest in including J.P. Morgan Funds or affiliated Model Managers in the Programs. Refer to "Important Information About Your Investments and Potential Conflicts of Interest" below for more information on the use of J.P. Morgan Funds.

### **Share Classes available in MFAP, CSP, JPMCAP and Advisory Program**

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

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

- **12b-1 Distribution Fees:** JPMS receives fees from certain funds pursuant to Rule 12b-1 under the Investment Company Act of 1940 (**Investment Company Act**) (**12b-1 Distribution Fees**). Rule 12b-1 allows funds to use fund assets to pay the costs of marketing and distribution of the fund's shares. If JPMS receives 12b-1 Distribution fees, it will rebate these fees to the client.
- **Other Fees:** JPMS enters into agreements with the funds, their investment managers, distributors, principal underwriters, shareholder servicing agents and/or other affiliates of the funds (**Service Providers**). The funds or their Service Providers pay J.P. Morgan fees for providing certain administrative services, which include maintaining and updating separate records for each client, preparing and delivering client statements, tax reporting, proxy voting and solicitation, processing purchase and redemption orders, processing dividends, distributing prospectuses and other fund reports, and responding to client inquiries. These fees for these services are typically called "shareholder servicing fees" when paid for by the fund; however, these fees can be referred to as "revenue sharing" when they are paid by the fund Service Provider from its own resources (together referred to as **Servicing Fees**). As of December 31, 2024, the Servicing Fees that JPMS received were up to 25 basis points annually of the fund assets, or a rate of up to \$20 per year per fund position; however, these amounts can change. The receipt by JPMS of these fees creates a conflict of interest in the selection of funds for accounts because the fees are different among funds. Similarly, JPMS has a conflict to recommend mutual funds that pay Servicing Fees instead of ETFs or other securities or products that do not pay any Servicing Fee. The Portfolio Managers or IARs, who are responsible for managing or recommending investments for Program accounts do not receive any direct financial benefit from the Servicing Fees. To that extent, such Portfolio Managers or IARs are incentivized to invest in or recommend securities they believe will increase the value of the account. JPMS does not retain any portion of those fees for retirement advisory accounts. When evaluating the fees for, and cost of, a Program, clients should consider the Servicing Fees that JPMS receives in addition to the investment advisory fees. Clients can also request a fund prospectus for additional information regarding fund fees.

Once a particular share class is made available for a particular Fund in a Program, only that share class can be purchased for that Fund. Mutual funds will be purchased in the Account at net asset value (no-load or load-waived) and ETFs at their market price. JPMS periodically reviews the share classes offered by Funds in the Programs but also relies on the Fund families to inform JPMS when and if these share classes will be made available. If JPMS identifies and makes available a class of shares for a Fund more appropriate than the class of shares previously made available for the Fund, to the extent allowed, JPMS will convert client shares of the Fund to

that more appropriate share class of the same Fund. Operational and other considerations can affect the timing of the conversion of shares and can cause the timing or implementation of such conversions to differ between clients.

Some of the fund share classes available through the Programs are not necessarily available to clients outside of such Programs. To the extent a client funds an account with a share class that is not available in a Program, shares in the unavailable share class will be liquidated or, if in the MFAP Program, transferred to the share class available in the MFAP Program. If an Account is terminated, clients may not be eligible to continue to hold or purchase certain share classes offered in a Program outside of such Program, as well as outside the firm.

#### ***Cash Allocations and the Sweep Feature***

Clients in the Programs 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 do not select an available “sweep” alternative or if the sweep selected is no longer available. Investment in a non-proprietary model or a Non-Proprietary Strategy Election to exclude J.P. Morgan Funds does not apply to cash balances held in sweep options.

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 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 (contained in your Terms & Conditions booklet) provides further information about the Deposit Account, including the limits, terms and conditions of FDIC insurance coverage.

The interest rate on the Deposit Account will vary based on business and economic conditions and is reset periodically at JPMCB’s sole discretion. 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, the Sub-Advisor or the 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 Wrap 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 [chase.com/SweepYields](https://chase.com/SweepYields). These rates and yields change regularly, so it is prudent to check this website periodically.

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 paid on the deposits and other costs associated with the Deposit Account paid by JPMCB, and the interest rate and other income earned by JPMCB on the loans and investments made with the deposits. The income that JPMCB earns through its lending and investing activities is usually significantly greater than the interest earned by clients through the Deposit Account. It is typically also greater than the fee earned by all J.P. Morgan entities from managing and distributing money market mutual funds available to Program clients. Additionally, JPMCB has agreed to pay JPMS a monthly flat fee for each Account that uses the Deposit Account; however, JPMS is currently waiving receipt of this fee.

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

- The fact that IARs 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;
- 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.

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

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

#### ***Margin Debit Balances***

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

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

JPMS has established minimum account requirements for client Accounts, which vary based on the investment vehicle (separate account or fund), investment strategy and asset class. JPMS offers and sells the Programs to individuals, trusts, estates, charitable organizations, corporations, and other business entities with U.S. addresses. Clients whose Account address becomes a non-U.S. address will generally have their Account terminated from the Program. The Programs are generally available to IRAs and to qualified retirement plans subject to ERISA.

Except for MFAP, the Programs are not intended for investors who seek to maintain control over trading in their Account.

The Programs are not intended for investors who have a short-term time horizon (or expect ongoing and significant withdrawals), or who expect or desire to maintain consistently high levels of cash or money market funds.

#### **A. Program Minimums**

Program Account minimums are subject to waiver in JPMS' discretion and are waived for client Accounts from time to time. If a Program Account falls below the Program minimum, JPMS can terminate the Program Account at its discretion. The investment, sale or withdrawal of funds or securities from Program Accounts will be effected as soon as practicable subject to market conditions and other factors. Under normal market conditions, it can take 2-4 business days to process the investment (whether initial investments or additions), sale or withdrawal of funds in Program Accounts; however, timeframes can be longer due to market conditions and other factors.

#### **MFAP**

Participation in the MFAP Program generally requires a minimum \$50,000 investment.

#### **CSP**

Participation in the CSP Program generally requires a minimum \$50,000 investment. Minimum Account values for eligibility to invest in securities in Models provided by Model Managers and SMAs are determined by JPMS from time to time. Currently, JPMS requires a minimum account value of \$500,000 to invest in other securities through Model Managers or SMAs. An Account that falls below this minimum as a result of client withdrawals will be rebalanced by the trade implementation team to a Model without other securities through Model Managers or SMAs. JPMS can waive or alter the minimum to invest in Model Managers.

#### **JPMCAP**

Participation in the JPMCAP Program generally requires a minimum \$10,000 investment. Minimum Account values for eligibility to invest in Liquid Alternative Funds and securities in Models provided by Model Managers are determined by JPMS from time to time. Currently, JPMS requires a minimum Account value of \$250,000 for a client to elect to invest in Liquid Alternative Funds. Clients with at least \$750,000 in their Program Accounts and that have elected to include Liquid Alternative Funds in their Accounts can also elect to have assets within an Investment Strategy invested in individual securities in accordance with one or more Models following Model portfolios provided by Model Managers. The Form ADV, Part 2A for each Model Manager selected for a client's Program Account is available at the SEC's website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). Accounts that fall below these minimums as a result of client withdrawals will be rebalanced by the trade implementation team to a Model without Alternative Funds or other securities through Model Managers. JPMS, at its sole discretion, can waive or alter the minimum Account values to be eligible to invest in Liquid Alternative Funds or in other securities through Model Managers. Refer to "Liquid Alternative Funds" above for more information.

The US Endowments & Foundations investment strategy is designed to primarily service endowments and foundations with investable assets of more than \$1,000,000.

#### **Advisory Program**

Participation in the Advisory Program generally requires a minimum \$50,000 investment for Multi-Manager Strategies, and \$100,000 for equity and fixed income Portfolio Manager and Model Manager Accounts. Portfolio Managers and Model Managers can require higher minimum amounts or change the initial Account minimums.

If a Program Account falls below the Portfolio Manager or Model Manager initial account minimum, the Account is subject to termination at the discretion of JPMS or the Portfolio Manager.

#### **FIAP**

Participation in the FIAP generally requires a minimum investment of \$250,000 for tax-aware Customized Bond Portfolio (CBP) strategies and a minimum investment of \$100,000 for taxable CBP strategies. Certain corporate bond portfolios, customized preferred portfolios and a version of the tax-aware strategy that limits customization are available with a minimum investment of \$500,000. Portfolio Managers can require higher minimum amounts or change the initial Account minimums. If a Program Account falls below the Portfolio Manager initial Account minimum, the Account is subject to termination at the discretion of JPMS or the Portfolio Manager.

#### **B. Cash Balances in Program Accounts**

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

Cash raised for withdrawal will be charged both an Advisory Fee and an applicable Model Manager or Portfolio Manager Fee until the cash is removed from the Account. Cash that is not removed from an Account in a timely manner will be reinvested pursuant to the selected asset allocation or Investment Strategy.

### **ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION**

#### **A. MFAP, CSP and JPMCAP**

##### ***Sub-Adviser Method of Analysis in MFAP, CSP and JPMCAP***

Set forth below is a general description of the primary methods of analysis that the Sub-Adviser utilizes for the Program. This description is not intended to serve as Fund, Model Manager, SMA or Account guidelines. In connection with investments in a Fund or other securities through a Model Manager or SMA, the description is qualified in its entirety by the information included in the applicable Fund's prospectus or other relevant offering documentation and/or the applicable investment adviser's, SMA's or Model Manager's Form ADV disclosure brochures. The Form ADV Part 2A disclosure brochure for each Model Manager or SMA selected for a client's Program Account is available at the SEC's website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). JPMS, the Sub-Adviser, and the manager solutions team of JPMPI or its affiliates are not responsible for the performance of any Fund, SMA or Model Manager (including any J.P. Morgan Fund or affiliated SMA or Model Manager), or its compliance with its prospectus, disclosures, laws or regulations, or other matters within the Fund's or Model Manager's control. Each Fund or SMA's adviser is solely responsible for the management of the Fund or the SMA. JPMS, the Sub-Adviser and the Manager Solution Team cannot ensure that a given Model's or Investment Strategy's investment objective will be attained.

##### ***Sub-Advisory Responsibility in MFAP***

The Sub-Adviser does not engage portfolio managers to manage Program Accounts. Rather, clients select Funds for their Accounts and designate the specific asset allocation percentage desired for each asset class (within the approved asset allocation ranges).

The Sub-Adviser is responsible for creating target strategic asset allocations and approved asset allocation ranges for each Model, as well as for selecting Funds in each asset class to be made available to clients for their MFAP Accounts, which are selected from Funds that are made available for use in MFAP by an internal governance forum. Clients designate the specific asset allocation percentage desired for each asset class (within the approved asset allocation ranges). Clients also select one or more Funds in each asset class for their Accounts from those Funds available in the Program. JPMPI's investment activities in MFAP are subject to the oversight of and pursuant to an investment policy statement approved by JPMS.

## ***Removal and Replacement of Funds in MFAP***

JPMS determines the number of Funds in an asset class and the overall design of MFAP. The Sub-Adviser will make a new Fund available to Program clients upon JPMS' request, if the Sub-Adviser seeks to fill a gap in the Funds available in the Program, or if a Fund is terminated and no Fund available in the Program is an appropriate replacement.

If a Fund has been terminated from the Program, all new and additional purchases and rebalances allocated to the terminated Fund will be allocated to cash. The Fund shares held in Program Accounts will be sold and replaced with another Fund in the same asset class or the proceeds will be allocated to cash. When evaluating a replacement Fund, the Sub-Adviser is expected to consider the same factors described above and will notify JPMS of the replacement fund. JPMS will notify affected clients in writing of the Fund termination and the recommended replacement Fund for the Program Account assets invested in the terminated Fund. If clients do not select an alternative replacement Fund within the requested timeframe, the client's assets will automatically be re-invested into the designated replacement Fund. A client who does not approve of the replacement Fund must select an alternative Fund. Removal and replacement of Funds can cause income tax consequences and/or penalties. At times, the alternative Fund will be a J.P. Morgan Fund.

The manager solutions team of JPMPI or any of its affiliates will determine, when appropriate, that a Fund be put on probation. A Fund on probation will not be available to new clients. Existing clients can continue to hold shares and purchase additional shares of a Fund on probation, or they can choose a different Fund in that asset class. If a Fund on probation is reactivated, clients will be notified. If a Fund on probation is terminated, it will be replaced as described above.

### ***Sub-Adviser's Discretionary Investment Process***

Depending on the requirements of the Program, the Sub-Adviser is responsible for determining asset allocation, selecting Funds and Model Managers, determining portfolio construction and evaluating Investment Strategies on an ongoing basis subject to the oversight of, and pursuant to, an investment policy statement approved by JPMS.

Refer to "Use of J.P. Morgan Funds and Investment Strategies and Potential Conflicts of Interest" below for important information on the use of J.P. Morgan Funds and affiliated Model Managers.

### ***Asset Allocation Process***

The Sub-Adviser is responsible for establishing and updating the overall strategic and tactical asset allocations for the Models and Investment Strategies. Asset allocations are based on the firm's long-term capital market assumptions, as well as correlation between asset classes. Each Investment Strategy's asset allocation mix is selected to have the appropriate level of risk and return for such investment strategy. This process includes several internal forums. These asset allocations generally are the overall basis for the process described below. The JPMPI personnel who perform these functions are shared with JPMCB, an affiliate of JPMS and the Sub-Adviser, and perform substantially similar services for other clients. The Sub-Adviser periodically reviews the Program composition and asset allocation and performance of the Investment Strategies with JPMS. In MFAP, after the effective date of any changes to the target asset allocation or approved asset allocation ranges for a Model, JPMS notifies affected clients of the changes and whether clients need to rebalance to the updated asset allocation to continue the Program Account.

### ***Research Process***

The Sub-Adviser uses research from the manager solutions team of JPMPI or any of its affiliates to research, select and monitor Funds and Model Managers. The manager solutions team of JPMPI or any of its affiliates is comprised of employees of JPMCB and other affiliates. Specialists on the manager solutions team of JPMPI or any of its affiliates are supervised persons of JPMPI. The manager solutions team of JPMPI or any of its affiliates conducts due diligence of the Funds, Models and Investment

Strategies that are available for use in the relevant Programs and is responsible for researching and selecting Funds and Model Managers as well as for subjecting them to a review process. The due diligence process is designed to subject both J.P. Morgan and non-J.P. Morgan Investment Strategies to the same process; however, the manager solutions team of JPMPI or any of its affiliates applies its discretion and is not required to apply all factors equally to each Fund in the search universe. J.P. Morgan maintains certain capacity limitations on investment positions in non-J.P. Morgan Funds due to liquidity concerns, regulatory requirements, and related internal policies. In circumstances where these limitations mean that the Sub-Adviser would not be able to invest all desired client assets in a particular non-J.P. Morgan Fund, the manager solutions team of JPMPI or any of its affiliates will likely recommend a J.P. Morgan Fund. The manager solutions team of JPMPI or any of its affiliates will begin the search process by defining an applicable universe of managed strategies, which typically will include J.P. Morgan managed strategies when there is one in the desired asset class. The manager solutions team of JPMPI or any of its affiliates utilizes both quantitative and qualitative assessments during its initial review process. The manager solutions team then recommends particular Funds and Model Managers to an internal governance forum, which is responsible for approving or rejecting them. The manager solutions team of JPMPI or any of its affiliates is also responsible for monitoring and re-evaluating approved Funds and Model Managers as part of its ongoing review process.

### ***Centralized Due Diligence***

The manager solutions and operational due diligence teams of JPMPI or any of its affiliates provide research on Funds and Portfolio Managers. The "Qualitative Research Process," is used by the Programs. An operational due diligence review is performed on Funds, Portfolio Managers and Model Managers identified through the Qualitative Research Process. In the Qualitative Research Process, the manager solutions team of JPMPI or any of its affiliates conducts a qualitative analysis of Funds, Portfolio Managers and Model Managers on an ongoing basis. The team reviews the Portfolio Manager's and Model Manager's organization, investment process, investment philosophy and performance. As part of the due diligence process, JPMPI also applies an ESG eligibility framework that establishes minimum criteria for determining the universe of funds and strategies to be considered for inclusion in JPMPI sustainable investing and ESG strategies, and conducts a periodic review to confirm the ongoing applicability of the designation of such funds and strategies as JPMPI sustainable investing and ESG strategies.

Funds and SMA Managers may be removed from (or no longer be eligible for purchase in) the applicable J.P. Morgan advisory programs if they do not continue to meet these criteria.

### ***Initial Fund and Investment Strategy Review and Approval***

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

### ***Portfolio Construction***

From the pool of strategies, for JPMCAP and CSP, the Sub-Adviser selects the combination of Funds and/or SMAs or Model Managers that, in its view, fit each Model or Investment Strategy's asset allocation goals and investment objectives. In making portfolio construction decisions, the Sub-

Adviser will consider and is permitted to prefer J.P. Morgan Funds, including the Six Circles Funds, and affiliated SMA Managers. The Sub-Adviser is also more likely to select a J.P. Morgan Fund in circumstances where it would not be able to invest all desired client assets in a particular non-J.P. Morgan Fund due to capacity limitations as described under “Research Process” above. Refer to “Important Information About Your Investments and Potential Conflicts of Interest” below for more information on the use of J.P. Morgan Funds.

MFAP clients select one or more Funds in each asset class for their Accounts from the Funds available in the selected asset allocation model.

### ***Portfolio Implementation***

JPMPI (as Overlay Manager) provides portfolio implementation for each individual CSP and JPMCAP client’s Program Account. In MFAP, JPMS, not the Sub-Adviser, is responsible for the portfolio implementation in each individual client’s Account.

### ***Ongoing Review of Approved Funds and Investment Strategies***

Another internal governance forum is responsible for the ongoing monitoring and oversight of Funds and Model Managers as approved and available for the Programs. From time to time, this internal governance forum may place them on probation or terminate them as part of its ongoing monitoring and oversight responsibilities. The factors considered by the forum are generally the same for J.P. Morgan and non-J.P. Morgan managed strategies, as further described under “Research Process” above.

In addition, the Sub-Adviser may be limited from making additional purchases of a Fund due to capacity considerations.

The Sub-Adviser also can, for portfolio construction reasons, remove a Fund, SMA or Model Manager from the Programs.

A Fund or Model Manager Investment Strategy that is put on probation can be held in a client Account, but generally, the Sub-Adviser will not direct new purchases until the Fund or Model Manager is removed from probation. During the probation period, the manager solutions and operational due diligence teams of JPMPI or any of its affiliates will continue to review the Fund or Model Manager. Generally, a Fund or Model Manager that is terminated will be sold in a client Account, and the Sub-Adviser will not direct new purchases of that Fund or Model Manager.

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

If a Model Manager is terminated, the Sub-Adviser will determine whether to re-invest Program account assets in a replacement Fund or Model Manager, and the Sub-Adviser will determine the specific Fund or Model Manager in which to re-invest the assets, using the factors described above.

## **B. Advisory Program and FIAP**

### ***Portfolio Managers and Model Managers Available in the Advisory Program and FIAP***

The Portfolio Managers available in FIAP are solely affiliated Portfolio Managers and in the Advisory Program, are both affiliated and non-affiliated Portfolio Managers and Model Managers. JPMS uses the same criteria to evaluate affiliated and non-affiliated Portfolio Managers and Model Managers, except in the case of its affiliate JPMPI (refer to “Affiliated Portfolio Managers and JPMS Conflicts” below). JPMS has a conflict of interest in including affiliated Portfolio Managers and Model Managers in the Program because JPMS and/or its affiliates will receive additional compensation when affiliated Portfolio Managers and Model Managers are selected by clients. For more information, refer to “Important Information About Your Investments and Potential Conflicts of Interest” below.

JPMS is not responsible for the performance of any Portfolio Manager or Model Manager in the Program or any Portfolio Manager’s or Model

Manager’s compliance with laws or regulations, or other matters within the Portfolio Manager’s or Model Manager’s control. Each Portfolio Manager is solely responsible for the management of its designated Accounts. JPMS coordinates services with the Portfolio Manager and Model Manager but is not responsible for coordinating services among multiple Portfolio Managers or Model Managers if the client has allocated assets among more than one Portfolio Manager or Model Manager.

The Portfolio Managers and Model Managers in the Program manage the same or substantially similar strategies to those offered in the Program for clients of other affiliated and non-affiliated entities. The Advisory Fees charged for these strategies can be higher or lower than the Advisory Fee charged in the Program, and the strategies may not be handled identically to the Investment Strategies made available in the Program.

JPMS engages JPMPI to provide research services and perform initial and ongoing reviews of Portfolio Managers, Model Managers, and Investment Strategies, and perform periodic reviews. JPMPI also makes recommendations to JPMS about which Portfolio Managers, Model Managers and/or Investment Strategies to include in the Program.

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

### ***Selection of Portfolio Managers, Model Managers and Investment Strategies in the Programs***

JPMS reviews or arranges for the review of Portfolio Managers, Model Managers, and their Investment Strategies to determine whether they should be included in the Programs. JPMS selects the Portfolio Manager, Model Manager and Investment Strategies based upon the research services, including recommendations, provided by JPMPI and such other information and resources that JPMS deems appropriate. The research services provided by JPMPI are described further below.

The decision to include a particular Portfolio Manager, Model Manager and Investment Strategy in the Program is based upon the totality of the results of the review process and does not necessarily reflect a rigid application of any or all of the processes or guidelines applied. JPMS can remove a particular Portfolio Manager, Model Manager and/or Investment Strategy from the Program at any time for any reason and will notify clients that have selected that Portfolio Manager, Model Manager and/or Investment Strategy of the removal.

A Portfolio Manager or Model Manager typically manages Investment Strategies that are made available through the Program. Each Portfolio Manager and Model Manager available through the Program has entered into a contract with JPMS to manage a model or client Accounts as set forth in the Investment Advisory Services Account Agreement provided to clients.

### ***JPMPI’s Investment Strategy Selection Process for the Multi-Manager Strategies in the Advisory Program***

JPMPI, as Portfolio Manager of the Multi-Manager Strategies, is responsible for portfolio construction, including selecting Funds and Model Managers for these Investment Strategies. JPMPI’s process for selecting Funds and Model Managers as available for Portfolio Managers of the Multi-Manager Strategies is described below. Refer to “Use of J.P. Morgan Funds, and Investment Strategies and Potential Conflicts of Interest” below for important information on the use of J.P. Morgan Funds and affiliated Model Managers. In providing the manager research services, JPMPI expects to generally follow a similar process to the one described above under “Research Process,” “Strategy Approval,” “Ongoing Review of Approved Strategies,” and “Portfolio Construction” in Item 6.A.

### ***JPMPI Review Process for Multi-Manager Investment Strategies***

The Multi-Manager Investment Strategies are subject to an initial and ongoing internal review process by JPMPI. This is different from the review process applied by JPMPI to other Investment Strategies in the Advisory

Program and the FIAP described below and does not involve the manager solutions team of JPMPI or any of its affiliates or follow the same JPMPI governance procedure for placing an Investment Strategy on probation or terminating ongoing monitoring and oversight responsibilities for an Investment Strategy. However, JPMPI does have a process for taking action on the Multi-Manager Investment Strategies, if warranted, as a result of its ongoing internal review process.

#### ***Availability of Customized Services for Clients in FIAP Investment Strategies***

Taxable, Municipal and Preferred Customized Bond Portfolios options are available and can be customized to individual client investment needs. In municipal bond portfolio strategies and taxable bond portfolio strategies, clients have the ability to select certain customizations (e.g., state preference, minimum credit quality options). The credit quality parameters that each client selects for a particular Account only apply at the time the portfolio manager initially purchases a particular bond for that Account. The portfolio manager may or may not liquidate bonds upon a credit rating downgrade. As a result, an Account can hold bonds with a credit rating below the client-selected parameter. In C-preferred portfolio strategies, clients have the ability to select from an option for tax treatment. Collectively, all of the customizations are considered to be a “Customized Portfolio.”

During the course of the portfolio management of a client Account, a client can change their Customized Portfolio for a municipal bond portfolio or taxable bond portfolio Account. Clients can decide whether (1) to immediately restructure the entire Account based on the new Customized Portfolio or (2) to adjust the Account as existing bond positions mature in accordance with the new Customized Portfolio. Immediately restructuring the entire Account to the new Customized Portfolio can result in taxable events upon the sale of positions. Clients should consult with their own tax professional to understand any such consequences. If the client does not elect for (1) or (2) as previously described, the Portfolio Manager will apply option (2) as a default. The client portfolio may hold positions that are not in line with the new Customized Portfolio if option (2) is applied.

During the course of the portfolio management of a client Account, a client can change their Customized Portfolio within a preferred portfolio Account. Clients can only restructure an entire preferred portfolio Account based on the parameters of the new Customized Portfolio. This includes a sale of any current securities in the Account that do not meet the requirements of the new Customized Portfolio subject to market liquidity and other market conditions. Immediately restructuring the entire Account to the new Customized Portfolio can result in taxable events upon the sale of positions. Clients should consult with their own tax professional to understand any such consequences.

#### ***JPMPI Manager Research Services for Advisory Program and FIAP Investment Strategies***

JPMS has engaged JPMPI to perform manager research services regarding the Advisory Program and FIAP Investment Strategies for potential inclusion in the Advisory and Fixed Income Advisory Programs. The manager research services that JPMPI performs for JPMS include: (1) recommending the Portfolio Manager or Model Manager to an internal governance committee, which is responsible for approving or rejecting them for use in the Programs, (2) providing ongoing review of the Portfolio Manager or Model Manager, and (3) determining appropriate Portfolio Managers or Model Managers be placed on probation or terminated. The FIAP Investment Strategies are managed by an affiliated Portfolio Manager, JPMIM. The Advisory Program Investment Strategies are managed by affiliated Portfolio Managers and Model Managers, including JPMIM and JPMPI, and unaffiliated Portfolio Managers and Model Managers. JPMPI uses its manager solutions and operational due diligence teams to provide the manager research services. In providing the manager research services for the Advisory Program and FIAP Investment Strategies, JPMPI expects to generally follow a similar process to the one described under “Research Process,” “Strategy Approval,” “Ongoing Review of Approved Strategies,” and “JPMPI Review Process for Advisory Program and FIAP Investment

Strategies,” above. Refer to “JPMPI’s Investment Strategy Selection Process for the Multi-Manager Strategies in the Advisory Program” above for manager research services for multi-manager strategies available in the Advisory Program.

The manager research services JPMPI provides to JPMS for the Advisory Program and FIAP Investment Strategies are not advisory services provided by JPMPI or tailored to clients of the Advisory or Fixed Income Advisory Programs. JPMS (not JPMPI) is solely responsible for selecting the Advisory Program and FIAP Portfolio Managers to be made available in the Advisory and Fixed Income Advisory Programs, based upon the information and recommendations provided by the manager solutions team of JPMPI or any of its affiliates and such other information and resources that JPMS deems appropriate.

JPMPI has the authority to place an Advisory Program or FIAP Portfolio Manager or Model Manager on probation or to terminate it from the Advisory Program or Fixed Income Advisory Program. When the manager solutions team of JPMPI or any of its affiliates’ monitoring process uncovers a significant enough concern, it will notify JPMS and will place the Advisory Program or FIAP Portfolio Manager or Model Manager on probation or terminate it from the Advisory Program or Fixed Income Advisory Program. JPMPI can terminate its manager research services on Advisory Program or FIAP Portfolio Managers or Model Managers at any time.

#### ***Potential Conflicts of Interest in the Research and Advisory Program and FIAP Investment Strategies***

Depending on the Program, JPMPI recommends Investment Strategies managed by JPMPI, JPMIM or unaffiliated third parties for approval in the Programs. JPMPI has an incentive to recommend, and JPMS has an incentive to include, JPMPI and JPMIM-managed Investment Strategies because J.P. Morgan receives more overall fees when these strategies are chosen by clients. Similarly, with respect to manager termination, JPMPI has a greater incentive to recommend the termination of unaffiliated third-party managers from the Programs and a greater incentive to terminate unaffiliated portfolio managers, particularly where the manager’s strategy is similar to one offered by JPMPI or JPMIM.

For additional potential conflicts of interest, refer to Item 9.C., below.

#### ***Affiliated Portfolio Managers and Model Managers and JPMS Conflicts***

JPMIM and JPMPI are affiliates of JPMS that act as Portfolio Managers in the Program. JPMIM is the Portfolio Manager and Model Manager for certain Advisory Program Investment Strategies and FIAP Investment Strategies and JPMPI is the sole Portfolio Manager for Multi-Manager Investment Strategies.

JPMIM and its Investment Strategies in the Program are subject to the same selection and review processes, conducted by the manager solutions team of JPMPI or any of its affiliates, as unaffiliated Portfolio Managers and Investment Strategies available in other Programs, though the manager solutions team of JPMPI or any of its affiliates applies its discretion and is not required to apply all factors equally to each Fund in the search universe. JPMPI’s strategies are subject to the separate though similar review process incorporating similar quantitative and qualitative assessments but implemented by different governance processes and committees. However, the JPMPI strategy review process does not include a search process to identify a universe and core peer set of strategies from which to select. For disclosures on the distinct review process over JPMPI and its Multi-Manager Investment Strategies and potential conflicts related to research and review processes conducted by JPMPI, refer to “Potential Conflicts of Interest in the Research and Review of the Advisory Program and FIAP Investment Strategies” and “JPMPI Review Process for Multi-Manager Investment Strategies” above.

JPMS has a conflict of interest in: (1) including JPMIM and JPMPI in the Program; (2) conducting, or having an affiliate research services provider (i.e., JPMPI) conduct, initial and periodic reviews of affiliated Portfolio Managers and their Investment Strategies in the Program; (3) identifying JPMIM, JPMPI and their Investment Strategies in the Program to clients;

and (4) designating JPMPI and JPMIM Investment Strategies as default replacement Investment Strategies for Program Accounts invested in Investment Strategies that are removed from the Program when a client selects (or is re-invested into) one of their Investment Strategies.

JPMS and its affiliates receive more total revenue than if the client were able to select an Investment Strategy of an unaffiliated Portfolio Manager. JPMS manages this conflict through disclosure to clients and by subjecting affiliated Portfolio Managers and Model Managers to a comprehensive review process.

#### ***Termination, Removal, Discontinuance and Replacement of Portfolio Managers, Model Managers and Investment Strategies***

As a result of JPMPI's research services and recommendations, and/or other information and events, Portfolio Managers, Model Managers and/or specific Investment Strategies may be terminated, replaced, removed or discontinued from the Programs, in which event JPMS will notify affected clients and will either designate a Portfolio Manager, Model Manager or Investment Strategy in the Program as the default replacement for the Program Account assets invested in the removed Portfolio Manager, Model Manager or Investment Strategy, or recommend liquidation of clients' securities in the Portfolio Manager, Model Manager or Investment Strategy. Discontinued Investment Strategies will be liquidated. If JPMS designates a default replacement or liquidation, each affected client will be notified in writing that, unless the client affirmatively selects, in writing, a replacement Investment Strategy in the Program by the date specified by JPMS (within 30 days of notification), the client's assets will automatically be re-invested into the designated replacement Investment Strategy, without further notice to or consent of the client. In the case of a liquidation recommendation or liquidation of a discontinued Investment Strategy, the Program Account will be terminated from the Program and transferred to a JPMS limited purpose brokerage account. In designating a default replacement Investment Strategy (if any), JPMS will consider the appropriateness of the Investment Strategies available in the Program as suitable replacements for the removed Investment Strategy. JPMS also will assist the client in identifying a suitable replacement Portfolio Manager, Model Manager and/or Investment Strategy in cases where JPMS does not designate a default replacement Investment Strategy or in cases where JPMS does recommend liquidation, when an Investment Strategy is discontinued, or where the client wishes to consider alternatives to the default replacement Investment Strategy designated by JPMS. Such assistance is typically based on the same types of factors used by JPMS to identify Portfolio Managers, Model Managers, and Investment Strategies for Program clients in the first instance.

The replacement Portfolio Manager can decline the Account if it deems the client's investment restrictions unreasonable or if the client's Account is below the replacement Portfolio Manager's minimum account size. The replacement Portfolio Manager can sell securities to align the Account with its Investment Strategy, which can have tax consequences for clients.

The manager solutions team of JPMPI or any of its affiliates' review of FIAP and the Advisory Program Portfolio Managers and Model Managers and their Investment Strategies, as well as other information and events, also may result in the Portfolio Manager, Model Manager and/or one or more of its Investment Strategies in the Program being closed to new investors pending further review. During such status, clients cannot select the Portfolio Manager, Model Manager and/or Investment Strategy for the first time, but clients with Program assets already being managed according to an affected Investment Strategy when it was closed to new investors are permitted to contribute additional assets to such client's Account(s). Clients invested according to an affected Investment Strategy will be notified in writing that the Portfolio Manager, Model Manager and/or Investment Strategy have been closed to new investors. Further review of the affected Portfolio Manager, Model Manager and/or Investment Strategies by the manager solutions team of JPMPI or any of its affiliates can result in a re-opening to new investors.

#### ***Recommendations of Portfolio Managers and Model Managers in the Advisory Program and FIAP for Particular Clients***

In connection with opening a Program Account, clients complete a client Profile that requests information about the client's financial situation, investment experience, investment objectives, time horizon and risk tolerance. Based upon this information, the client, with the consultation of the IAR, will specify in what asset class the Account will be invested. An example of an asset class is Fixed Income. An example of an asset class subgroup is the LMS strategy which is a subgroup of fixed income that seeks to address specific fixed income investment objectives. Examples of investment style are U.S. Large Cap Growth, U.S. Small Cap Value, Municipal Fixed Income and Taxable Fixed Income. Based upon the client's asset class selection, the IAR will provide the client with information about the Portfolio Managers and Model Managers available in the Program in the selected asset class and investment style and will assist client in selecting a Portfolio Manager or Model Manager.

JPMS identifies suitable Investment Strategies for a client based on the investment objectives and other information provided by the client in the investment proposal. Clients are solely responsible for the selection of Portfolio Managers and Model Managers and Investment Strategies from among those identified by JPMS. JPMS and JPMPI cannot ensure that a given Investment Strategy's investment objective will be attained.

#### ***Important Information About Your Investments and Potential Conflicts of Interest***

The Portfolio Managers and Model Managers available in the Program include Portfolio Managers and Model Managers affiliated with JPMS. JPMS has a conflict of interest including affiliated Portfolio Managers and Model Managers in the Program because JPMS and/or its affiliates and parent company will receive more overall compensation when those Portfolio Managers and Model Managers are selected by clients. JPMS manages this conflict through disclosure to clients and by subjecting affiliated Portfolio Managers and Model Managers to a comprehensive review process. For more information on the review of affiliated Portfolio Managers, refer to "Affiliated Portfolio Managers and Model Managers and JPMS Conflicts" above.

#### ***Information About Portfolio Managers, Model Managers and Investment Strategies***

JPMS provides clients and prospective clients with information about Portfolio Managers and Model Managers that is provided by third parties and is based on and/or incorporates information provided by Portfolio Managers and Model Managers, and other third-party sources. JPMS believes that this information is accurate; however, JPMS does not independently verify or guarantee the accuracy or completeness of the information. JPMS shall have no liability with respect to information provided by Portfolio Managers or Model Managers. Performance information included in the information provided by JPMS is provided by Portfolio Managers. This performance is calculated by the Portfolio Managers themselves or by third parties, and neither JPMS nor a third party engaged by it reviews Portfolio Manager performance information for JPMS to determine or verify its accuracy or its compliance with presentation standards. Portfolio Manager performance information is not calculated on a uniform and consistent basis.

Program clients typically receive a quarterly performance review prepared by JPMS summarizing the investment performance of the client's Account(s) for the prior quarter. In preparing such reviews for Program clients, JPMS uses various industry standards to measure Account performance. ***Clients receiving periodic written performance reviews from JPMS should review carefully the disclosures, definitions and other information contained in the reviews.***

#### ***Program Account Reports and Disclosures***

Performance reviews are not a substitute for regular monthly or quarterly brokerage account statements or IRS Forms 1099 and should not be used to calculate the fees or to complete income tax returns. JPMS and its

affiliates are entitled to rely on the financial and other information that clients or any third party provides to JPMS. The client is solely responsible for any information that the client provides to JPMS, and JPMS shall not be liable in connection with its use of any information provided by the client or a third party.

JPMS and its IARs do not provide tax advice, and nothing in the performance review should be construed as advice concerning any tax matter. Neither JPMS nor any of its supervised persons acts as a Portfolio Manager in the Program.

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

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

#### ***Portfolio Manager Disclosure Documents and Performance***

Clients will receive one or more Portfolio Manager Disclosure Documents. Clients should review the Portfolio Manager Disclosure Document carefully for important information about the Portfolio Manager, including risks associated with the selected Investment Strategy (if applicable). Each Portfolio Manager is solely responsible for the truthfulness, completeness and accuracy of its own disclosure document.

JPMS is not responsible for the performance of any Portfolio Manager or any Portfolio Manager's compliance with applicable laws and regulations or other matters within the Portfolio Manager's control. Each Portfolio Manager is solely responsible for the management of that Portfolio Manager's designated Account(s). If a client selects more than one Portfolio Manager, the Portfolio Managers may engage in contrary transactions with respect to the same security. JPMS will effect transactions for an Account only if and to the extent instructed by a Portfolio Manager. JPMS shall not be responsible for any act or omission of any Portfolio Manager or any misstatement or omission contained in any document prepared by or with the approval of any Portfolio Manager or any loss, liability, claim, damage or expense whatsoever, as incurred, arising out of or attributable to such misstatement or omission.

Portfolio Managers are responsible for obtaining best execution. To learn more about Portfolio Manager trading and execution practices, refer to each Portfolio Manager's Portfolio Manager Disclosure Document.

#### **C. Use of J.P. Morgan Funds and Investment Strategies and Potential Conflicts of Interest**

##### ***Investment Principles and Potential Conflicts of Interest***

Conflicts of interest will arise whenever J.P. Morgan has an actual or perceived economic or other incentive in its management of our clients' accounts to act in a way that benefits J.P. Morgan. Conflicts will result, for example (to the extent the following activities are permitted in a client's Account): (1) when J.P. Morgan invests in an investment product, such as a mutual fund, structured product, SMA, or hedge fund issued or managed by a J.P. Morgan affiliate, such as JPMIM or JPMPI; (2) when a J.P. Morgan entity obtains services, including trade execution and trade clearing, from a J.P. Morgan affiliate; (3) when J.P. Morgan receives payment as a result of purchasing an investment product for a client's Account; or (4) when J.P. Morgan receives payment for providing services (including shareholder servicing, recordkeeping or custody) with respect to investment products purchased for a client's Account. Other conflicts will result because of relationships that J.P. Morgan has with other clients or when J.P. Morgan acts for its own account.

Except for FIAP, where only affiliated Investment Strategies are made available, depending on the investments available in each Program,

Investment Strategies are selected from both J.P. Morgan and third-party asset managers and are subject to a review process by J.P. Morgan manager research teams. From this pool of Investment Strategies, J.P. Morgan portfolio construction teams select those Investment Strategies J.P. Morgan believes fit its asset allocation goals and forward-looking views in order to meet the investment objective of the Investment Strategy or portfolio.

As a general matter, J.P. Morgan prefers J.P. Morgan managed strategies. J.P. Morgan expects the proportion of J.P. Morgan managed strategies will be high (in fact, up to 100 percent) in strategies, such as, for example, cash and high-quality fixed income, subject to applicable law and any account-specific considerations. J.P. Morgan may allocate a significant portion of the assets in JPMCAP, CSP and Multi-Manager Investment Strategy to J.P. Morgan Funds. That portion varies depending on market or other conditions.

While J.P. Morgan's internally managed Investment Strategies generally align well with J.P. Morgan's forward-looking views, and J.P. Morgan is familiar with the investment processes as well as the risk and compliance philosophy of the J.P. Morgan, it is important to note that J.P. Morgan receives more overall fees when internally managed Investment Strategies are included. In certain Programs (e.g., as discussed in Item 4 above, clients can elect to exclude from their JPMCAP Accounts investments in J.P. Morgan Funds and affiliated Model Managers), J.P. Morgan offers the option of choosing to exclude J.P. Morgan managed strategies (other than cash and liquidity products) in certain portfolios.

The J.P. Morgan Six Circles Funds (defined below) are mutual funds advised by JPMPI and sub-advised by third parties. Although considered internally managed strategies, neither JPMPI nor its affiliates retain a fee for Fund management or other Fund services.

#### **Separately Managed Accounts**

Investment Strategies invested in individual equity or fixed income securities may be managed by JPMS affiliates or by a third-party manager. When an affiliate manages these investments, there is a benefit to J.P. Morgan since it increases the overall revenue of J.P. Morgan. Additionally, a manager of an SMA may invest in products that may result in additional revenue to J.P. Morgan.

#### **IMPORTANT INFORMATION ABOUT MUTUAL FUNDS AND EXCHANGE-TRADED FUNDS REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED**

**J.P. Morgan Funds – Management Fees.** J.P. Morgan and its affiliates are the sponsor or manager of Funds, including ETFs, that can be purchased for accounts. In such case, J.P. Morgan or its affiliates will receive a fee for managing such Funds or for providing other services to such Funds based on the value of the assets invested in the Funds. As such, J.P. Morgan and its affiliates will receive more total revenue when the client's portfolio is invested in such Funds than when it is invested in third-party Funds. When a retirement account can be invested in J.P. Morgan Funds, the retirement account will be credited an amount equal to the account's pro rata share of all such fees paid to J.P. Morgan or its affiliates in connection with the account's investments in J.P. Morgan Funds.

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

All Funds have various internal fees and other expenses that are paid by managers or issuers of the Funds or by the Funds themselves, but that ultimately are borne by the investor. These fees and expenses are in addition to any fees paid to JPMS or received by JPMIM for acting as Portfolio Manager. J.P. Morgan may receive administrative and servicing fees for providing services to both J.P. Morgan Funds and third-party Funds that are held in a client's Account. Refer to the discussion of "Share Classes" in Item 4 above for more information on the receipt of administrative and servicing fees. Clients can review the applicable prospectuses for Funds (including Liquid Alternative Funds, as applicable) for more information about these fees and expenses. These payments may be made by sponsors of the Funds (including affiliates of J.P. Morgan), or by the Funds

themselves, and may be based on the value of the Funds in the client's Account. Funds or their sponsors may have other business relationships with J.P. Morgan outside of its portfolio management role or with its broker-dealer affiliates of J.P. Morgan, which may provide brokerage or other services that pay commissions, fees, and other compensation.

### J.P. Morgan Six Circles Funds

J.P. Morgan developed the J.P. Morgan Six Circles Funds (**Six Circles Funds**) exclusively for use in JPMC investment advisory accounts. Since October 2018, the Six Circles Funds have been available in Program Accounts where JPMPI is sub-adviser.

Six Circles Funds are specifically designed for use in discretionary Program Accounts as completion funds to align with JPMC core portfolio views. JPMPI acts as investment adviser to the Six Circles Funds and engages third-party investment managers as sub-advisers to the Six Circles Fund investment portfolios. JPMC will have certain benefits and efficiencies from investing account assets in the Six Circles Funds instead of unaffiliated Funds; however, JPMC does not retain investment advisory fees for managing the Six Circles Funds through an agreement to waive any investment advisory fees that exceed the fees owed to Six Circles Fund third-party sub-advisers. Six Circles Funds do not pay fees to JPMC for any other services to the Six Circles Funds. Services to the Six Circles Funds are provided by third-party service providers and are generally paid by the Six Circles Funds or JPMC. (The market value of assets invested in the Six Circles Funds will be included in calculating the advisory fees paid on the overall portfolio.)

Six Circles Fund shares may only be purchased in Program Accounts for which JPMC has investment discretion. Should the Client choose to close its discretionary Program Account but retain the interest in Six Circles Funds, Six Circles Fund shares must be held through an eligible brokerage account and no new purchases into the Six Circles Funds will be permitted (other than dividend reinvestment). Since the Six Circles Funds are completion portfolios designed to complement and work as part of the overall discretionary portfolio and are not intended to be standalone investments, each Six Circles Fund may underperform as a standalone investment, even in instances where the overall portfolio performs as intended. Further, the overall performance and liquidity of a Six Circles Fund may be negatively affected, and additional transaction costs may be incurred by the Six Circles Fund, as a result of (i) allocation decisions made by JPMC to shift discretionary client assets among the Six Circles Funds and other investments and (ii) allocation decisions made by JPMC to shift Six Circles Fund assets among different investment strategies and sub-advisors, which may negatively affect the value of Six Circles Fund shares even if they are no longer held through a JPMC portfolio.

For more information about the Six Circles Funds, including the funds' objectives, risks, charges, and expenses, go to [sixcirclesfunds.com/literature](http://sixcirclesfunds.com/literature) or call your IAR for a prospectus. Read the prospectus carefully.

### Allocation of J.P. Morgan Funds in the Advisory Program

JPMPI can allocate a significant portion of the assets in a JPMPI Multi-Manager Strategy to J.P. Morgan Funds. That portion varies depending on market or other conditions. There are multiple Investment Strategies available in JPMPI Multi-Manager Strategies. Certain Investment Strategies invest only in mutual funds and ETFs, while other Investment Strategies also utilize Model Managers.

The following chart illustrates, as of the date indicated, the allocation of J.P. Morgan Funds (excluding Six Circles Funds), non-J.P. Morgan Funds, Six Circles Funds and J.P. Morgan cash for JPMPI Multi-Manager Strategies. The chart does not reflect strategies that utilize Model Managers. For the Dynamic Multi-Asset Strategy, the chart does not reflect models that elect not to use J.P. Morgan Funds. The chart assumes the sweep vehicle is J.P. Morgan Cash.

February 5, 2025 - Multi-Manager Investment Advisory Strategies				
Multi-Manager Investment Strategy	J.P. Morgan Funds	Non-J.P. Morgan Funds	Six Circles Funds	J.P. Morgan Cash
Dynamic Multi-Asset Strategy	17.00%	81.00%	0.00%	2.00%
Dynamic Multi-Asset Strategy - Non-Prop	0.00%	97.00%	0.00%	3.00%
Dynamic Yield Strategy	26.00%	72.00%	0.00%	2.00%
Emerging Markets Growth and Income Strategy	0.00%	98.00%	0.00%	2.00%
Liquidity Management Strategy	29.00%	70.00%	0.00%	1.00%
Liquidity Management Strategy - Retirement	29.00%	70.00%	0.00%	1.00%
Sustainable Equity Strategy	2.00%	97.00%	0.00%	1.00%
Sustainable Fixed Income Strategy	0.00%	99.00%	0.00%	1.00%

### Affiliated SMA and Model Managers in CSP, JPMCAP and the Advisory Program

With respect to SMA and Model Managers, when an affiliate serves as Model Manager, there is a benefit to J.P. Morgan since it increases the overall revenue of J.P. Morgan. Additionally, both affiliated and unaffiliated Model Managers can invest in products that can result in additional revenue to J.P. Morgan.

### Sub-Adviser Allocation of Assets in CSP and JPMCAP

JPMPI can allocate a portion of the assets in CSP and JPMCAP to J.P. Morgan Funds. That portion varies depending on market or other conditions. There are multiple Models in each of the Investment Strategies available in CSP and JPMCAP. Certain Models invest only in mutual funds and ETFs, while other Models can also invest in Liquid Alternative Funds and individual securities through Model Managers and SMAs. The prior composition of Investment Strategies in CSP and JPMCAP is not intended to predict the future composition of Investment Strategies or use of J.P. Morgan Funds in CSP and JPMCAP. The use of J.P. Morgan Funds, non-J.P. Morgan Funds and JPMorgan Money Market Funds in a client's Account will depend on the client's asset level, the Model selected, reasonable restrictions placed by the client on the management of an Account, and other factors. Each client should review account opening documentation, confirmations, and quarterly and annual statements for more information about the actual allocation in their Account.

The following charts for CSP and JPMCAP show the allocation of assets between J.P. Morgan and non-J.P. Morgan Funds by Fund type for each Investment Strategy. The charts do not reflect models that elect not to use J.P. Morgan Funds, Models that elect only Index-Oriented Vehicles, or models that utilize Liquid Alternative Funds (other than the Aggressive Growth Investment Strategy because all Aggressive Growth Investment

Strategies include Liquid Alternative Funds), Model Managers, or municipal fixed income options. The charts show the difference between the taxable and retirement Models in each Investment Strategy (except for the U.S. Focused Model).

Allocations shown here are illustrative only, do not necessarily represent actual use of J.P. Morgan Funds and third-party issuers and managers represented in any particular client's Account, and can change without notice. In CSP and JPMCAP, JPMP has full discretionary authority to select securities, investment vehicles, SMAs and Model Managers, and is not required to adhere to the illustrative allocations pictured here.

February 5, 2025 - Taxable Models				
CSP Investment Strategy	J.P. Morgan Funds	Non-J.P. Morgan Funds	Six Circles Funds	J.P. Morgan Cash
Fixed Income Focused	2.00%	74.00%	23.00%	1.00%
Conservative	4.00%	59.00%	36.00%	1.00%
Moderate	3.00%	57.00%	39.00%	1.00%
Moderate Growth	4.00%	54.00%	41.00%	1.00%
Growth	6.00%	58.00%	35.00%	1.00%
Aggressive Growth	5.00%	34.00%	60.00%	1.00%

February 5, 2025- Taxable Models				
JPMCAP Investment Strategy	J.P. Morgan Funds	Non-J.P. Morgan Funds	Six Circles Funds	J.P. Morgan Cash
Aggressive Growth	13.00%	58.00%	28.00%	1.00%
Growth	7.00%	57.00%	35.00%	1.00%
Balanced	6.00%	52.00%	41.00%	1.00%
Conservative	4.00%	59.00%	36.00%	1.00%
Managed Equities	9.00%	30.00%	60.00%	1.00%
Managed Fixed Income	8.00%	60.00%	31.00%	1.00%
U.S. Focused	0.00%	99.00%	0.00%	1.00%
Balanced ESG	0.00%	99.00%	0.00%	1.00%
US Endowments & Foundations*	1.00%	98.00%	0.00%	1.00%

February 5, 2025 - Retirement Models				
CSP Investment Strategy	J.P. Morgan Funds	Non-J.P. Morgan Funds	Six Circles Funds	J.P. Morgan Cash
Fixed Income Focused	2.00%	74.00%	23.00%	1.00%
Conservative	4.00%	59.00%	36.00%	1.00%
Moderate	4.00%	56.00%	39.00%	1.00%
Moderate Growth	6.00%	52.00%	41.00%	1.00%
Growth	7.00%	57.00%	35.00%	1.00%
Aggressive Growth	9.00%	30.00%	60.00%	1.00%

February 5, 2025- Retirement Models				
JPMCAP Investment Strategy	J.P. Morgan Funds	Non-J.P. Morgan Funds	Six Circles Funds	J.P. Morgan Cash
Aggressive Growth	13.00%	58.00%	28.00%	1.00%
Growth	7.00%	57.00%	35.00%	1.00%
Balanced	6.00%	52.00%	41.00%	1.00%
Conservative	4.00%	59.00%	36.00%	1.00%
Managed Equities	9.00%	30.00%	60.00%	1.00%
Managed Fixed Income	8.00%	60.00%	31.00%	1.00%
U.S. Focused	0.00%	99.00%	0.00%	1.00%
Balanced ESG	1.00%	98.00%	0.00%	1.00%

Does not include Legacy Models/Strategies (refer to “Transition Accounts and Legacy Model/Strategies” above).

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

#### ***Credits for Retirement Accounts holding J.P. Morgan Funds***

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

#### ***Prospectus Delivery for Discretionary Accounts***

A discretionary investment adviser can receive prospectuses and other issuer-related materials on behalf of a client for mutual funds and ETFs in a client's account with client authorization. JPMS, the Sub-Adviser or the Portfolio Manager, as a client's agent, will have access to the prospectuses and issuer-related materials and can rely upon them to make mutual fund and ETF investments on the client's behalf; however, clients will not receive such prospectuses or issuer-related materials directly, but can access them via the issuer's website or request copies from their IAR at any time. Prospectuses and issuer-related materials contain important information and detailed descriptions of additional fees and expenses, investment minimums, risk factors and conflicts of interest disclosures as well as client's rights, responsibilities and liabilities with respect to such investments. Additionally, this Brochure contains other general information regarding fees and expenses, invest minimums, risk factors and conflicts of interest disclosure.

#### ***Risk of Loss***

Investing in securities involves risk of loss that clients should be prepared to bear. The investment performance and success of any particular investment cannot be predicted or guaranteed, and the value of a client's investments will fluctuate due to market conditions and other factors. Investments are subject to various risks including, but not limited to, market, liquidity, currency, economic and political risks, and will not necessarily be profitable. Past performance of investments is not indicative of future performance.

Set forth below are certain material risk factors that are associated with the Programs. There are certain other risk factors described elsewhere in this Brochure. For a more complete summary of material risk factors and conflicts of interest associated with the Program, refer to the

applicable Portfolio Manager's Form ADV Part 2A and/or any applicable prospectuses or other relevant disclosure documents.

## GENERAL RISKS

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

**Infectious Disease Risk.** The effects of any future pandemic or other global events to business and market conditions may have a significant negative impact on the performance of the separately managed accounts and JPMorgan Fund investments; increase separately managed account and fund volatility; exacerbate pre-existing political, social and economic risks to separately managed accounts and J.P. Morgan Funds; and negatively impact broad segments of businesses and populations. In addition, governments, their regulatory agencies or self-regulatory organizations, have taken or may take actions in response to a pandemic or other global event that affect the instruments in which a separately managed account or J.P. Morgan Fund invests, or the issuers of such instruments, in ways that could have a significant negative impact on such account's or fund's investment performance. The ultimate impact of any pandemic or other global event and the extent to which the associated conditions and governmental responses impact a separately managed account or J.P. Morgan Fund will also depend on future developments, which are highly uncertain, difficult to accurately predict and subject to frequent changes.

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

**Key Personnel Risk.** If one or more key individuals become unavailable, including any of the portfolio managers of an Investment Strategy, who are important to the management of the portfolio's assets, the portfolio could suffer material adverse effects, including substantial share redemptions that could require the portfolio to sell portfolio securities at times when markets are not favorable.

**Risks Associated with the Use of Artificial Intelligence (AI) Tools.** J.P. Morgan may rely on programs and systems that utilize AI, machine learning, probabilistic modeling and other data science technologies (**AI Tools**). AI Tools are highly complex and may be flawed, hallucinate, reflect biases included in the data on which such tools are trained, be of poor quality, or be otherwise harmful. J.P. Morgan typically incorporates human oversight to reduce the risk of acting on potentially defective outputs. AI Tools present Data Sources Risk, Cybersecurity Risk and Model Risk (as further described below). The U.S. and global legal and regulatory

environment relating to the use of AI Tools is uncertain and rapidly evolving, and could require changes in JPMPI's implementation of AI Tools and increase compliance costs and the risk of non-compliance. Further, J.P. Morgan may rely on AI Tools developed by third parties, and J.P. Morgan may have limited visibility over the accuracy and completeness of such AI Tools.

**Data Sources Risk.** Although J.P. Morgan obtains data, including alternative 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 has controls for certain data that, among other things, consider the representations of such third parties with regard to provision of the data to J.P. Morgan in compliance with applicable laws. J.P. Morgan does not make any express or implied warranties of any kind with respect to such third-party data. J.P. Morgan shall not have any liability for any errors or omissions in connection with any data provided by third-party sources.

AI Tools often use data feeds from a number of sources. If those data feeds or formats become corrupted, compromised, or discontinued in any material manner, or become undeliverable or inaccessible in a timely manner, the tool will be unable to properly function or their operation may be adversely impacted. The tools' ability to use the data may also be adversely impacted by any change in the format of data delivered or acquired by the tool. The timeliness and quality of a third party's data may be compromised for a variety of reasons, some of which are outside of the control of J.P. Morgan and the third-party data provider. A tool's ability to process data may also be adversely affected if J.P. Morgan experiences any disruptions to its computing resources or network connections, including disruption of cloud-based computing resources.

**Cybersecurity 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 cybersecurity, 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, including, but not limited to, AI Tools and cloud-based computing resources relating to the operations of J.P. Morgan and its service providers. Cybersecurity risks can result in financial losses to J.P. Morgan and its clients; the inability of J.P. Morgan to transact business with its clients; delays or mistakes in materials provided to clients; the inability to process transactions with clients or other parties; violations of privacy and other laws; regulatory fines, penalties and reputational damage; and compliance and remediation costs, legal fees and other expenses. J.P. Morgan's service providers (including any sub-advisers, administrator, transfer agent, and custodian or their agents), financial intermediaries, companies in which client accounts and funds invest and parties with which J.P. Morgan engages in portfolio or other transactions also may be adversely impacted by cybersecurity 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 cybersecurity, there is no guarantee that those measures will be effective, particularly since J.P. Morgan does not directly control the cybersecurity defenses or plans of its service providers, financial intermediaries and companies in which they invest or with which they do business. Use of AI Tools may lead to increased risks of cyber attacks or data breaches and the ability to launch more automated, targeted, and coordinated attacks, due to the vulnerability of AI technology to cybersecurity threats.

**LIBOR Discontinuance Risk.** The London Interbank Offering Rate (**LIBOR**) was intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. After the global financial crisis, regulators globally determined that existing interest rate benchmarks should be reformed based on a number of factors, including that LIBOR and other interbank offering rates (**IBORs**) may no longer be representative of the underlying markets. New or alternative references rates have since been used in place of LIBOR. Replacement rates that have been identified include the Secured Overnight Financing Rate

(**SOFR**, which is intended to replace U.S. dollar LIBOR and measures the cost of U.S. dollar overnight borrowings collateralized by treasuries) and the Sterling Overnight Index Average rate (**SONIA**, which is intended to replace pound sterling LIBOR and measures the overnight interest rate paid by banks in the sterling market). Markets are slowly developing in response to these new rates. As a result of the benchmark reforms, publication of all LIBOR settings has ceased, and the Adviser and the funds and accounts it manages have generally transitioned to successor or alternative reference rates as necessary. Although the transition process away from IBORs for most instruments has been completed, there is no assurance that any such alternative reference rate will be similar to or produce the same value or economic equivalence as LIBOR or that it will have the same volume or liquidity as did LIBOR prior to its discontinuance which may affect the value, volatility, liquidity, or return on certain of a fund's or other client account's loans, notes, derivatives, and other instruments or investments comprising some or all of a fund's or other client account's portfolio and result in costs incurred in connection with changing reference rates used for positions, closing out positions and entering into new trades. The transition from LIBOR to alternative reference rates may result in operational issues for a fund or a client account or their investments. Moreover, certain aspects of the transition from IBORs will rely on the actions of third-party market participants, such as clearing houses, trustees, administrative agents, asset servicers and certain service providers; no assurances can be given as to the impact of the transition away from LIBOR on a fund or other client account or their investments. These risks may also apply with respect to changes in connection with other IBORs (e.g., Euribor) and a wide range of other index levels, rates and values that are treated as "benchmarks" and are the subject of recent regulatory reform. **Model Risk.** Some Investment Strategies can include the use of various proprietary quantitative or investment models. Investments selected using models may perform differently than expected as a result of changes from the factors' historical – and predicted future – trends, and technical issues in the implementation of the models, including, for example, issues with data feeds. Moreover, the effectiveness of a model may diminish over time, including as a result of changes in the market and/or changes in the behavior of other market participants. A model's return mapping is based partially on historical data regarding particular economic factors and securities prices. The operation of a model, similar to other fundamental, active investment processes, may result in negative performance, including returns that deviate materially from historical performance, both actual and pro-forma. For a model-driven investment process – and again similar to other, fundamental, and active investment processes, there is no guarantee that the use of models will result in effective investment outcomes for clients. Additionally, client accounts with lower asset levels can experience some dispersion from the established models.

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

**Tax Risks and Risks That Apply to Tax-Harvesting and Tax-Managed Investment Strategies.** Account transactions can give rise to tax liability for which the client is responsible. Certain securities may generate unwanted excise taxes, income taxes and penalties under the Internal Revenue Code of 1986, as amended, any or all of which may affect the client's return on investment and exempt tax status. JPMS nor any of its affiliates provide tax or legal advice. Clients should consult their own tax professional with respect to the federal, state and local tax consequences

of investing in any Investment Strategy including, the potential application and impact of Section 1091 of the Internal Revenue Code of 1986, as amended, and the corresponding Treasury regulations (the **wash sale rules**) with respect to the client's accounts inside or outside of J.P. Morgan. The client is responsible for complying with all applicable tax rules, including, but not limited to, the wash sale rules.

Clients have the ability to select tax-managed or tax-aware strategies (each such strategy, a **Tax-Managed** strategy). There are risks and limitations associated with Tax-Managed strategies, and these limitations may result in tax-inefficient trades and wash sales. Tax management is not tax advice and may not achieve the intended results. Although Tax-Managed investment strategies may reduce a client's taxable income, it will not eliminate it. These strategies may require trade-offs that reduce pre-tax income. Managing an Account or Investment Strategy to maximize after-tax returns may also potentially have a negative effect on an Account or Investment Strategy's performance. To the extent tax consequences are considered in managing an Account or Investment Strategy, the Account's or Investment Strategy's pre-tax performance may be lower than that of a similar Investment Strategy that is not tax managed.

Certain Tax-Managed Investment Strategies utilize tax-loss harvesting from positions which have experienced a capital loss. In certain market conditions, or when portfolio positions have not otherwise experienced capital losses during the relevant tax period, tax-loss harvesting opportunities will be limited.

The manager of a Tax-Managed strategy may change the strategy's parameters, including the manner and frequency of tax harvesting, at any time without notice. Generally, such strategy entails a repurchase of the sold security after the "wash sale" (i.e., 30-day) period. However, the wash sale rules apply to securities transactions in not only that Account but also to securities transactions in all other accounts held by the client, their spouse and certain entities controlled by the client and the client's spouse. Tax-Managed strategies will not consider trading activity in any of these other securities accounts, and it is the client's responsibility to comply with the wash sale rules with respect to such accounts. Additionally, Tax Managed strategies are not customized to a client's specific tax circumstances; incorrect assumptions about the client's tax attributes and transactions outside of the strategy may lead to inefficient tax management. This may have an adverse effect on investment performance and result in adverse tax consequences. In addition, clients may engage in wash sale rule transactions in certain strategies as a result of trading activity for risk management purposes, among other reasons, and, in these instances, the tax benefit of this trading activity will be limited and clients may have additional tax liability. The client is responsible for understanding the merits and consequences of tax harvesting.

As a result of tax considerations, a portfolio may dispose of certain securities or fail to acquire certain securities, which could adversely impact pre-tax returns. In addition, the deductibility of losses recognized within the portfolio may be subject to certain limitations depending on a client's particular circumstances, such as investments they make outside the portfolio and the aggregate net capital losses they recognize during the year. Clients should speak with their own tax professional regarding the proper treatment of transactions in their portfolio.

Mutual funds and exchange-traded funds may make large distributions of interest and dividends to investors at various times in a calendar year, and the client will be liable for taxes on such distributions without regard to the date of the client's investment in an Investment Strategy.

**Exchange-Traded Funds and Index Mutual Funds.** ETFs and index mutual funds are marketable securities that are interests in registered funds and are designed to track, before fees and expenses, the performance or returns of a relevant basket of assets, usually an underlying index. The index may be published or calculated by affiliates of JPMP. Unlike mutual funds, an ETF trades like a common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. ETFs typically have higher daily liquidity and lower fees than mutual fund shares.

Physical replication and synthetic replication are two of the most common structures used in the construction of ETFs and index mutual funds. Physically replicated ETFs and index mutual funds buy all or a representative portion of the underlying securities in the index that they track. In contrast, some ETFs and index mutual funds do not purchase the underlying assets but gain exposure to them by use of swaps or other derivative instruments.

In addition to the general risks of investing in funds, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to:

- **Variance from Benchmark Index.** ETF and index mutual fund performance may differ from the performance of the applicable index for a variety of reasons. For example, ETFs and index mutual funds incur operating expenses and portfolio transaction costs not incurred by the benchmark index, may not be fully invested in the securities of their indices at all times, or may hold securities not included in their indices. In addition, corporate actions with respect to the equity securities underlying ETFs and mutual funds (such as mergers and spin-offs) may impact the variance between the performances of the funds and applicable indices.
- **Passive Investing Risk.** Passive investing differs from active investing in that ETF and index mutual fund managers are not seeking to outperform their benchmark. As a result, managers may hold securities that are components of their underlying index, regardless of the current or projected performance of the specific security or market sector. Passive managers do not attempt to take defensive positions based upon market conditions, including declining markets. This approach could cause a passive vehicle's performance to be lower than if it employed an active strategy.
- **Secondary Market Risk.** ETF shares are bought and sold in the secondary market at market prices. Although ETFs are required to calculate their NAV on a daily basis, at times the market price of an ETF's shares may be more than the NAV (trading at a premium) or less than the NAV (trading at a discount). Given the differing nature of the relevant secondary markets for ETFs, certain ETFs may trade at a larger premium or discount to NAV than shares of other ETFs depending on the markets where such ETFs are traded. The risk of deviation from NAV for ETFs generally is heightened in times of market volatility or periods of steep market declines. For example, during periods of market volatility, securities underlying ETFs may be unavailable in the secondary market, market participants may be unable to calculate accurately the NAV per share of such ETFs, and the liquidity of such ETFs may be adversely affected. This kind of market volatility may also disrupt the ability of market participants to create and redeem shares in ETFs. Further, market volatility may adversely affect, sometimes materially, the prices at which market participants are willing to buy and sell shares of ETFs. As a result, under these circumstances, the market value of shares of an ETF would vary substantially from the NAV per share of such ETF, and the client may incur significant losses from the sale of ETF shares.
- **Tracking the Index.** Certain funds track financial indexes indices in which J.P. Morgan retains various intellectual property rights. As a result, J.P. Morgan may be entitled to receive index licensing fees from unaffiliated licensees of these indices. Affiliates of JPMPi may develop or own and operate stock market and other indices based on investment and trading strategies developed by such affiliates. Affiliates of JPMPi may also assist unaffiliated entities in creating indices that are tracked by certain ETFs or certain client accounts utilized by JPMPi. Some of the ETFs advised by affiliates of JPMS (J.P. Morgan ETFs) seek to track the performance of certain of these indices. In addition, J.P. Morgan may manage client accounts which track the same indices used by the J.P. Morgan ETFs or which may be based on the same, or substantially similar, strategies that are used in the operation of the indices and the J.P. Morgan ETFs. The operation

of the indices, the J.P. Morgan ETFs and client accounts in this manner may give rise to potential conflicts of interest. For example, client accounts that track the same indices used by the J.P. Morgan ETFs may engage in purchases and sales of securities relating to index changes to a time different to the implementation of index updates or J.P. Morgan ETFs engaging in similar transactions because the client accounts may be managed and rebalanced on an ongoing basis, whereas the J.P. Morgan ETFs' portfolios are only rebalanced on a periodic basis corresponding with the rebalancing of an index. These differences may result in the client accounts having more or less favorable performance relative to that of the index and the J.P. Morgan ETFs or other client accounts that track the index. Furthermore, J.P. Morgan may, from time to time, manage client accounts that invest in these J.P. Morgan ETFs. Other potential conflicts include the potential for unauthorized access to index information, allowing index changes that benefit JPMPi or other client accounts and not the investors in the ETFs and index mutual funds. J.P. Morgan has established certain information barriers and other policies to address the sharing of information between different businesses within J.P. Morgan, including with respect to personnel responsible for coordinating the development and governance of the indices and those involved in decision-making for the ETFs and index mutual funds. In addition, JPMPi has adopted a code of ethics.

**Market-linked Certificates of Deposit (MLCD).** MLCDs are a type of structured products (**Structure**) which are securities whose value is derived from an underlying asset or index. Structures have varying degrees of risk and can offer full or partial principal protection, others can subject you to the loss of the full amount invested. In addition, you are dependent on the issuer's financial capacity to meet its obligations under a Structure. Structures may not be publicly listed or traded on an exchange and therefore may be illiquid investments.

The MLCD strategy typically has a monthly investment process and it can take an extended period of time (e.g., 60 days) for a client's account to be fully invested in the strategy. MLCDs provide principal protection from market downturns because the original principal is not impacted by market activity when held to maturity. There is no guarantee of principal return unless the investment is held to maturity. MLCDs are not publicly listed or traded on an exchange and therefore are illiquid investments.

Investing in an MLCD is not the same as investing directly in the underlying asset or index. The return on a MLCD at maturity generally will not be the same as the return on a direct investment in the underlying asset or index, and the maximum payment on a MLCD is subject to a cap, which would limit appreciation potential compared to a direct investment. A cap limits a client's gain per year regardless of how well the relevant underlying asset or index performs. There are no voting rights or the right to receive dividends, distributions or other payments that would increase the return on a direct investment. Prior to maturity, the market value on the MLCD may change significantly, up or down, over a short period of time reflecting, a number of factors, including any volatility in the underlying asset or index, the time remaining until the MLCD matures, and the issuer's creditworthiness. The amount of principal or interest that can be expected to become payable on a MLCD may vary substantially from time to time. There is no guarantee that any payment in excess of the original MLCD value will be paid.

- **Capped Upside Potential Risk.** The return on certain MLCDs may be capped by a predetermined maximum return cap and, as a result, may be lower than the return on a direct investment in the applicable underlying index.
- **Federal Deposit Insurance Corporation (FDIC) Protection.** MLCDs are insured CDs subject to applicable FDIC limits and regulations. In general, the original value of a MLCD held by clients is insured by the FDIC up to the amount permitted by law per issuer. A client purchasing a principal amount of MLCDs in excess of FDIC insurance limits, when aggregated with all other deposits held by the client at the respective issuer, will be subject to the credit risk of the issuer. In addition, any

payment of the MLCD in excess of the applicable FDIC insurance limits is subject to the credit risk of the issuer.

- **Rate of return.** Rate of return is calculated based on the valuation date of the CD based on the particular terms of the contract. There is no guarantee that any payment in excess of the original CD value will be paid.
- **Principal protection.** MLCDs provide principal protection from market downturns because the original principal is not at risk, when held to maturity. The investor is risking the interest that would otherwise be paid on the CD for the term. MLCDs sold before maturity may be worth less than the purchase amount or face value. There is no guarantee of principal return unless the investment is held to maturity.
- **MLCD Issuer Credit Risk.** Any investment in an MLCD that exceeds applicable FDIC insurance limits is subject to the ability of the issuer to make payments when due. If the issuer defaults on its payment obligations, the client may not receive any amount in excess of applicable FDIC insurance limits and could lose all or a significant portion of the initial investment, including the loss of the client's entire investment. In addition, the actual or perceived creditworthiness of the issuer may affect the value of MLCDs prior to maturity.
- **Early Liquidation and Secondary Market Risk.** MLCDs are highly illiquid, long-term investments and a client may not be able to redeem their MLCD at their discretion. MLCDs are typically not listed on any securities exchange, and there is no guarantee of the existence of a secondary market. Neither the issuer, the Adviser, nor any other person is required to maintain a secondary market for any MLCD. Accordingly, there may be limited opportunities, if any, to redeem MLCDs prior to maturity and a client may be unable to sell their MLCD prior to its maturity date. MLCDs generally are repurchased only by the issuer and only upon terms and conditions acceptable to such issuer, and, in most cases, the MLCDs are non-transferable and non-negotiable. In the event an issuer consents to early liquidation, the client will likely not fully participate in the benefits of the MLCD, such as principal protection, buffers, or enhanced returns. The price offered by the issuer may be lower than the principal amount of the MLCD.
- **Tax treatment.** MLCDs may be treated differently than traditional CDs for tax purposes. Before investing in these products, you should carefully review the disclosures concerning the reporting of interest income and consult a tax adviser if appropriate.

#### ***Risks That Apply Primarily to ESG/Sustainable Investing Strategies***

Investment approaches that incorporate **ESG** considerations or sustainable investing can include additional risks. ESG or sustainable investing strategies (together, **ESG Strategies**), including SMAs, mutual funds and ETFs, can limit the types and number of investment opportunities and, as a result, could underperform other strategies that do not have an ESG or sustainable focus. Certain strategies focusing on a particular theme or sector can be more concentrated in particular industries that share common characteristics and are often subject to similar business risks and regulatory burdens. Because investing on the basis of ESG/sustainability criteria can involve qualitative and subjective analysis, there can be no assurance that the methodology utilized by or determinations made by JPMS, the Overlay Manager, the Implementation Manager or the investment manager or investment adviser will align with the beliefs or values of the client. Additionally, other investment managers and investment advisers, including JPMIM and JPMPI, can have a different approach to ESG or sustainable investing and can offer ESG Strategies that differ from the ESG Strategies offered by J.P. Morgan with respect to the same theme or topic. In addition to the ESG Strategies, J.P. Morgan also offers investment products that utilize ESG criteria in developing the product while seeking to maximize financial return.

When evaluating investments, an investment manager or investment adviser is dependent upon information and data that might be incomplete,

inaccurate or unavailable, which could cause the manager to incorrectly assess an investment's ESG or sustainable attributes. In making investment decisions, J.P. Morgan uses data and information, including, but not limited to, industry classifications, industry grouping, ratings, scores and issuer screening provided by third-party data providers or by a J.P. Morgan affiliated service provider. J.P. Morgan does not review, guarantee or validate any third-party data, ratings, screenings or processes. Such data and information will not have been validated by J.P. Morgan and can therefore be incomplete or erroneous.

ESG and sustainable investing are not uniformly defined concepts, and scores or ratings may vary across data providers that use similar or different screens based on their process for evaluating ESG characteristics. Investments identified by as demonstrating positive ESG characteristics might not be the same companies identified by other investment managers in the market that use similar ESG screens or methodologies. In addition, Investments identified as demonstrating positive ESG characteristics at a particular point in time might not exhibit positive or favorable ESG characteristics across all relevant metrics or methodologies or on an ongoing basis. ESG or sustainable investing practices differ by asset class, country, region and industry and are constantly evolving. As a result, a company's ESG or sustainability-related practices and the Advisor's assessment of such practices could change over time.

J.P. Morgan takes a global approach to ESG or sustainable investing, and the solutions offered through our sustainable investing platform meet our internally developed criteria for inclusion in our sustainable investing platform and, where applicable, take into account ESG or sustainable investing regulations. As part of the due diligence process, the manager solutions team of JPMPI or any of its affiliates applies an ESG eligibility framework that establishes minimum criteria for determining the universe of funds and strategies to be considered for inclusion in the ESG Strategies offered to our clients.

The evolving nature of sustainable finance regulations and the development of jurisdiction-specific legislation setting out the regulatory criteria for a "sustainable investment" or "ESG" investment mean that there is likely to be a difference in the regulatory meaning of such terms. This is already the case in the European Union where, for example, under the Sustainable Finance Disclosure Regulation (**EU**) (2019/2088) (**SFDR**), certain criteria must be satisfied in order for an investment to be classified as a "sustainable investment." Unless otherwise specified and where permitted by applicable law, any references to "sustainable investing" or "ESG" in this material are intended as references to our internally developed criteria only and not to any jurisdiction-specific regulatory definition.

#### ***Category Restrictions and Exclusions Risks***

ESG Strategies can follow different approaches. For example, some ESG Strategies select companies based on positive ESG characteristics while others may apply screens in order to exclude particular sectors or industries from a portfolio.

Restrictions and exclusions can affect the investment manager's ability to make investments or take advantage of opportunities that may be available to clients that do not choose similar restrictions and, as a result, investment performance could suffer. In order to implement category restrictions, JPMS, the Overlay Manager, the Implementation Manager or the investment manager may rely on information about a company, industry classification, industry grouping and/or issuer screening provided by J.P. Morgan, an affiliate service provider or a third party.

Category restrictions aim to screen companies that engage in certain behaviors or earn revenue derived from a restricted category; however, they do not exclude all companies with any tie or revenue derived from such restricted category. If a client holds an investment that is perceived to belong to the restricted category, such security will be sold and could result in a taxable event for the client.

Third-party managers or Programs may apply category restrictions differently than J.P. Morgan or its affiliates and use different data and methodologies; therefore, the selection of restricted securities and the number of restricted securities may differ in the same category. Category restrictions require assumptions, opinions and the subjective judgement of the data provider that might not reflect J.P. Morgan's views or values and/or the views or values of the client. Further, use of a particular data source from an organization does not mean that J.P. Morgan endorses all the activities of that organization. Additionally, data providers will have conflicts of interest when receiving compensation from or providing services to companies that use or obtain their ratings. J.P. Morgan does not review, guarantee or validate any third-party data, ratings, screenings or processes. Moreover, issuer screenings and processes to implement category restrictions are not absolute, and could be discontinued or changed at any time, including, but not limited to, changes to industry sector definitions, parameters, ownership categories, revenue calculations and estimations that could result in the portfolio holding investments in companies that derive revenue from the restricted category.

The application of category restrictions vary by asset class. Restrictions are not available for all strategies and JPMS, the Overlay Manager, the Implementation Manager or the investment managers can reject a restriction if it deems the restriction to be unreasonable or not in line with the strategy. The number of restrictions that a client can select are limited based on the potential impact to the applicable Investment Strategy and potential deviation from the Investment Strategy. Only those restrictions that can be applied by JPMS, the Overlay Manager, the Implementation Manager or the Portfolio Manager will be applied.

Any faith-based restrictions will exclude multiple categories selected by a third-party provider based generally on the values and norms of such groups; however, such restrictions will not completely represent or fully align with the client's values or religious beliefs.

Category and security restrictions will not be applied to strategies that invest only in mutual funds, ETFs and other pooled investments, nor will they be applied to investments made by mutual funds, ETFs and pooled investments, so it is possible that client restrictions would not have any practical effect on an Account comprised primarily of mutual fund and ETF investments.

#### ***Methods of Analysis and Risk of Loss - JPMS as Implementation Manager for Model Manager Investment Strategies in the Advisory Program***

JPMS will implement Model Manager Investment Strategies. When acting as Implementation Manager, JPMS generally purchases and sells in the Accounts investments that are consistent with the Model Portfolios provided by the Model Manager, though JPMS retains investment discretion over the Account investments.

#### ***Risks That Apply Primarily to Equity Investments***

**Equity Securities.** Investment Strategies that invest in equity securities (such as stocks) will be more or less volatile and carry more risks than some other forms of investment. The price of equity securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements will generally result from factors affecting individual companies, sectors or industries selected or recommended for a portfolio or the securities market as a whole, such as changes in economic or political conditions.

Equity securities that are included for inclusion in growth strategies are generally those that the Wealth Advisor or Portfolio Manager believes will experience rapid earnings growth relative to value or other types of stocks. The value of these stocks generally is much more sensitive to current or expected earnings than stocks of other types of companies. Short-term events, such as a failure to meet industry earnings expectations, can cause dramatic decreases in the growth stock price compared to other types of stock. Growth stocks generally trade at higher multiples of current earnings compared to value or other stocks, leading to inflated prices and thus potentially greater declines in value.

Equity securities that are included or recommended for inclusion in value strategies are generally those that the Wealth Advisor or the Portfolio Manager believes the market has undervalued, according to the Wealth Advisor's or Portfolio Manager's estimate of the company's true worth. A Wealth Advisor or Portfolio Manager that engages in value investing selects stocks at prices that it believes to be temporarily low relative to factors such as the company's earnings, cash flow or dividends. A value stock can decrease in price or not increase in price as anticipated by the Wealth Advisor or Portfolio Manager if other investors fail to recognize the company's value or the factors that the Wealth Advisor or Portfolio Manager believes will cause the stock price to increase do not occur.

Certain Investment Strategies or Portfolio Managers may invest or may recommend investments in securities of smaller companies. Investments in smaller companies are generally riskier than investments in larger companies. Securities of smaller companies tend to be less liquid than securities of larger companies. In addition, small companies are generally more vulnerable to economic, market and industry changes. As a result, the changes in value of their securities may be more sudden or erratic than in large capitalization companies, especially over the short term. Because smaller companies may have limited product lines, markets or financial resources or may depend on a few key employees, they may be more susceptible to particular economic events or competitive factors than large capitalization companies. This may cause unexpected and frequent decreases in the value of an investment. Finally, emerging companies in certain sectors may not be profitable and may not realize earning profits in the foreseeable future.

**Equity Investment Conversion Risk.** A non-equity investment such as a convertible debt obligation, may convert to an equity security. Alternatively, equity securities may be acquired in connection with a restructuring event related to non-equity investments. An investor may be unable to liquidate the equity investment at an advantageous time from a pricing standpoint.

#### **Other Miscellaneous Investment Risks**

**Liquidity Risk.** Investments in some equity or other instruments can be difficult to purchase or sell, possibly preventing the sale of these illiquid securities at an advantageous price or when desired. A lack of liquidity can also cause the value of investments to decline, and the illiquid investments can also be difficult to value. Additionally, there may be no market for a fixed income instrument, and the holder may not be able to sell the security at the desired time or price. Even when a market exists, there may be a substantial difference between the secondary market bid and ask prices for a fixed income instrument.

**Active Trading.** Certain Investment Strategies engage in active and frequent trading leading to increased portfolio turnover, higher transaction costs, and the possibility of increased capital gains, including short-term capital gains that are generally taxable as ordinary income.

**Geographic and Sector Focus Risk.** Certain Investment Strategies concentrate their investments in a region, small group of countries, an industry or economic sector, and as a result, the value of the portfolio will generally be subject to greater volatility than a more geographically or sector diversified portfolio. Investments in issuers within a country, state, geographic region, industry or economic sector that experiences adverse economic, business, political conditions or other concerns will impact the value of such a portfolio more than if the portfolio's investments were not so concentrated. A change in the value of a single investment within the portfolio may affect the overall value of the portfolio and may cause greater losses than it would in a portfolio that holds more diversified investments.

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

**Focused Portfolio Risk.** A focused portfolio Investment Strategy's portfolio will generally have more volatility risk than a strategy that invests in securities of a greater number because changes in the value of an individual security will have a more significant effect, either negative or positive, on the portfolio's value. To the extent that the portfolio invests its assets in fewer securities, the portfolio is subject to greater risk of loss if any of those securities lose value.

**Foreign Issuers Risk.** Investments in securities of foreign issuers denominated in foreign currencies are subject to risks in addition to the risks of securities of U.S. issuers. These risks include political and economic risks, civil conflicts and war, greater volatility, expropriation and nationalization risks, sanctions or other measures by the United States or other governments, currency fluctuations, higher transactions costs, delayed settlement, possible foreign controls on investment, liquidity risks, and less stringent investor protection and disclosure standards of some foreign markets. Events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. These risks are magnified in countries in "emerging markets," which may have relatively unstable governments and less-established market economies than those of developed countries.

**Emerging Markets Risk.** International investing bears greater risk due to social, economic, regulatory and political instability in countries in "emerging markets." Emerging market securities can be more volatile and less liquid than developed market securities. Changes in exchange rates and differences in accounting and taxation policies outside the U.S. can also affect returns. Investments in foreign currencies and foreign issuers are subject to additional risks, including political and economic risks, greater volatility, civil conflicts and war, currency fluctuations, higher transaction costs, delayed settlement, possible foreign controls on investment, expropriation and nationalization risks, and less stringent investor protection and disclosure standards. These risks are magnified in countries in "emerging markets."

**Counterparty Risk.** An account may have exposure to the credit risk of counterparties with which it deals in connection with the investment of its assets, whether engaged in exchange traded or off-exchange transactions or through brokers, dealers, custodians and exchanges through which it engages. In addition, many protections afforded to cleared transactions, such as the security afforded by transacting through a clearing house, might not be available in connection with over-the-counter (OTC) transactions. Therefore, in those instances in which an account enters into OTC transactions, the account will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and will sustain losses. This includes where accounts enter into uncollateralized covered agency transactions and derivatives transactions.

**Currency Risk.** Changes in foreign currency exchange rates will affect the value of certain portfolio securities. Generally, when the value of the U.S. dollar rises in value relative to a foreign currency, an investment impacted by that currency loses value because that currency is worth less in U.S. dollars. Currency exchange rates may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates. Devaluation of a currency by a country's government or banking authority also will have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets, may be riskier than other types of investments, and may increase the volatility of a portfolio.

**REITs Risk.** The value of real estate securities in general, and REITs in particular, are subject to similar risks as direct investments in real estate and mortgages, and their value will be influenced by many factors including the value of the underlying properties or the underlying loans or interests. The underlying loans may be subject to the risks of default or of prepayments that occur later or earlier than expected, and such loans may also include so-called "subprime" mortgages. The value of these securities will rise and fall in response to many factors, including economic conditions, the demand for rental property, interest rates and, with respect

to REITs, the management skill and creditworthiness of the issuer. In particular, the value of these securities may decline when interest rates rise and will also be affected by the real estate market and by the management of the underlying properties. There is no public trading market for private or public non-traded REITs; therefore, such REITs may be more volatile and/or more illiquid than publicly traded REITs and other types of equity securities

**Concentration of Investments.** Concentration of investments in a region, a small group of countries, or an industry or economic sector or in specific securities resulting in holding a relatively small number of securities positions, each representing a relatively large portion of assets, can result in the value of an account being subject to greater volatility than a more geographically or sector diversified portfolio. Investments in issuers within a country, state, geographic region, industry or economic sector that experiences adverse economic, business, political conditions or other concerns will impact the value of such a portfolio more than if the portfolio's investments were not so concentrated. A change in the value of a single investment within the portfolio may affect the overall value of the portfolio and may cause greater losses than it would in a portfolio that holds more diversified investments.

## ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

JPMS provides to Overlay, Implementation and Portfolio Managers a summary of information relevant to the Overlay, Implementation or Portfolio Manager's services to the client, which can include the client's name, address, Account number, Social Security number or taxpayer identification number, whether the Account is taxable or non-taxable, the name of the IAR, Investment Strategy selected, investment restrictions requested by the client and the amount invested. The information provided to the Overlay, the Implementation and the Portfolio Managers is updated if it becomes materially incorrect, such as in the event that the client changes the investment restrictions.

This Item is not applicable to MFAP as MFAP does not involve the engagement of Overlay, Implementation or Portfolio Managers.

## ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS

For CSP and JPMCAP Program Accounts, JPMS, JPMPI, SMA and Model Manager personnel knowledgeable about the management of CSP and JPMCAP Program Accounts are available for client consultation upon reasonable request. IARs can assist clients in contacting such personnel.

FIAP and Advisory Program Portfolio Managers and Model Managers are available for consultation by clients upon reasonable request. Clients should contact their IAR if they wish to consult with their Portfolio Manager or Model Manager.

The MFAP Program does not engage portfolio managers to manage Program Accounts; clients select Funds for their Accounts. Clients will generally have no contact with the investment advisers of the Funds. JPMS personnel knowledgeable about the management of the MFAP Program Accounts are available for client consultation upon reasonable request. IARs can assist clients in contacting such personnel.

## ITEM 9 – ADDITIONAL INFORMATION

### A. Disciplinary Information

JPMS has been involved in the following material legal or disciplinary events during the last ten years.

- 1) On December 18, 2015, JPMS and JPMCB (together **Respondents**) entered into a settlement with the SEC resulting in the SEC issuing an order (**Order**). The Respondents consented to the entry of the order that finds that JPMS violated Sections 206(2), 206(4), and 207 of the Investment Advisers Act of 1940 and Rule 206(4)-7 and JPMCB violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933. The Order finds that JPMCB negligently failed to adequately disclose (a) from February 2011 to January 2014, a preference for affiliated mutual funds in certain discretionary investment portfolios (the

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

Concurrently, on December 18, 2015, JPMCB reached a settlement agreement with the Commodity Futures Trading Commission (**CFTC**) to resolve its investigation of JPMCB's disclosure of certain conflicts of interest to discretionary account clients of J.P. Morgan Private Bank's U.S.-based wealth management business. In connection with the settlement, the CFTC issued an order (**CFTC Order**) finding that JPMCB violated Section 4o(1)(B) of the Commodity Exchange Act (**CEA**) and Regulation 4.41(a)(2) by failing to fully disclose to certain clients its preferences for investing certain discretionary portfolio assets in certain commodity pools or exempt pools, namely (a) investment funds operated by J.P. Morgan Asset Management and (b) third-party managed hedge funds that shared management and/or performance fees with an affiliate of JPMCB. The CFTC Order directs JPMCB to cease-and-desist from violating Section 4o(1)(B) of the CEA and Regulation 4.41(a)(2). Additionally, JPMCB shall pay \$40 million as a civil penalty to the CFTC and disgorgement of \$60 million satisfied by disgorgement to be paid to the SEC by JPMCB and an affiliate in a related and concurrent settlement with the SEC.

For a copy of the Order, go to [sec.gov/litigation/admin/2015/33-9992.pdf](http://sec.gov/litigation/admin/2015/33-9992.pdf).

- 2) On or about July 28, 2016, JPMS and JPMCB entered into a Consent Agreement (**Agreement**) with the Indiana Securities Division (**ISD**). The Respondents consented to the entry of the Agreement that alleged that certain conduct of the Respondents was outside the standards of honesty and ethics generally accepted in the securities trade and industry, in violation of 710 Ind. Admin. Code§ 4-10-1(23) (2016). Specifically, the Agreement alleged that between 2008 and 2013, JPMS failed to disclose to Indiana investors that certain proprietary mutual funds purchased for 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.

- 3) In October 2018, JPMS submitted an AWC to FINRA pursuant to which JPMS was censured and required to certify in writing to FINRA that it had engaged in a risk-based review of Chase Wealth Management (**CWM**) client-facing third-party vendors, that it had corrected any issues detected, and that JPMS had established and implemented systems and policies and procedures (written or otherwise) reasonably designed to achieve compliance with applicable FINRA and NASD rules. JPMS had discovered and self-reported to FINRA that a vendor responsible for the automated realignment of portfolio assets (**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.
- 4) On January 9, 2020, JPMS entered into a settlement with the SEC resulting in the SEC issuing an administrative order (the **2020 Order**). JPMS consented to the entry of the 2020 Order, which found that JPMS violated Section 17(a)(2) and 17(a)(3) of the Securities Act of 1933. The 2020 Order found that JPMS negligently omitted to state from at least January 2010 through December 2015 that (a) it received greater compensation from eligible customers' purchases of more expensive mutual fund share classes, resulting in eligible customers not having sufficient information to understand that JPMS had a conflict of interest from sales of the more expensive share classes; and (b) the purchase of the more expensive share classes, when the customers were otherwise eligible for less expensive share classes, would negatively impact the overall return on the eligible customers' investments, in light of the different fee structures for the different fund share classes. The 2020 Order also found that JPMS did not have adequate systems and controls in place to determine whether eligible customers were eligible to purchase the less expensive share classes. Solely for the purpose of settling this proceeding, JPMS consented to the 2020 Order, without admitting or denying the findings set forth in the 2020 Order. The 2020 Order censured JPMS and directed JPMS to cease-and-desist from committing or causing any violations and any future violations of Securities Act Sections 17(a)(2) and 17(a)(3). Additionally, the 2020 Order required JPMS to pay a total of \$1,822,438 in disgorgement, pre-judgment interest, and civil penalty.
- 5) On March 9, 2020, JPMS entered into an agreed order (the **March 2020 Order**) with the Kentucky Department of Financial Institutions (**KDFI**). JPMS consented to the entry of the March 2020 Order that alleged that JPMS failed to disclose conflicts of interest arising from preferences for J.P. Morgan Funds, in violation of KRS 292.320 and 808 KAR 10:450§2(8)(c) and (11)(a). Specifically, the March 2020 Order alleged that, between 2008 and 2013, JPMS failed to disclose to Kentucky investors that (i) CSP was designed and operated with a preference for J.P. Morgan Funds, (ii) there was an economic incentive to invest CSP assets in J.P. Morgan Funds as a result of discounted pricing for services provided to JPMS for CSP by a JPMS affiliate, and (iii) until November 2013, JPMS failed to disclose to CSP clients the availability of certain less expensive J.P. Morgan Fund share classes. Solely for the purpose of settling these proceedings, JPMS consented

to the March 2020 Order, with no admissions as to liability. JPMS agreed to pay a total of \$325,000 to resolve the KDFI investigation.

- 6) 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.
- 7) On January 16, 2024, JPMS entered into a settlement with the SEC resulting in the SEC issuing an administrative order (the **Order**). JPMS consented to the entry of the Order, which found that JPMS willfully violated Rule 21F-17(a) under the Securities Exchange Act of 1934 (the **Exchange Act**). The Order arose out of JPMS, from 2020 through July 2023, asking certain clients and customers to whom it had issued a credit or settlement over \$1000 in value to sign a confidential release agreement that required the clients to keep confidential the release agreement and all information relating to the specified account at JPMS. The confidential release agreement neither prohibited nor restricted clients from responding to any inquiry about the confidential release agreement or its underlying facts from FINRA, the SEC, or any other government entity or self-regulatory organization, or as required by law, but did not permit voluntary communications with such regulators. The Order censured JPMS and directed JPMS to cease-and-desist from committing or causing any violations and any future violations of Rule 21F-17(a) under the Exchange Act. Additionally, the Order required JPMS to pay a civil money penalty in the amount of \$18,000,000. JPMS has paid the civil monetary penalty in accordance with the terms of the Order.
- 8) On October 31, 2024, JPMS entered into a settlement with the SEC resulting in the SEC issuing an administrative order (the **Order**). JPMS consented to the entry of the Order, which found that JPMS willfully violated Sections 206(2) and 206(4) of the Investment Advisers Act of 1940 (**Advisers Act**) and Rule 206(4)-7 thereunder. The Order arose out of JPMS, from at least July 2017 until October 11, 2024,

failing to fully and fairly disclose the financial incentive of itself and certain of its financial advisors to recommend a certain advisory program – the Portfolio Manager Program – over other advisory programs offered by JPMS that use third-party managers. The Order also found that JPMS failed to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with the disclosure of conflicts of interest presented by the fee structure of the advisory programs for itself and its financial advisors. The Order censured JPMS and directed JPMS to cease-and-desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. Additionally, the Order required JPMS to pay a civil money penalty in the amount of \$45,000,000. JPMS has paid the civil monetary penalty in accordance with the terms of the Order.

## **B. Other Financial Industry Activities and Affiliations**

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

JPMS is affiliated with several other SEC registered broker-dealers, investment companies, investment advisers, insurance agencies, mortgage companies and JPMCB. Other registered investment advisers, collectively referred to as "J.P. Morgan Asset Management," are affiliated with JPMS under the common ownership by JPMC. JPMIM, an Affiliated Portfolio Manager, serves as the investment adviser to the various J.P. Morgan Funds. Program clients, by selecting a Program, Model or Investment Strategy which uses affiliated Portfolio Managers, or by investing in J.P. Morgan Funds within their Program Account, should note that JPMC receives more overall fees. JPMS affiliates will benefit from such selection and/or purchase as the result of receipt of the investment advisory fees. JPMS addresses this conflict through disclosure to clients.

JPMS can receive as additional compensation distribution (Rule 12b-1) fees on money market fund assets held in Program Accounts. If a client selects a money market fund for which an affiliate of JPMS serves as investment advisor, the client will pay both its pro rata share of the money market funds advisory fees paid to JPMS or an affiliate as well as the Advisory Fee on the assets invested in the money market fund. However, any 12b-1 fees received by JPMS will be credited to the client's Program Account.

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

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

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

### ***Affiliated Portfolio Managers and Model Managers in the Advisory Program and FIAP***

JPMS and IARs can recommend to clients Portfolio Managers and Model Managers that are affiliated with JPMS. Should clients select an affiliated Portfolio Manager or Model Manager, it is important to note that JPMC

receives more overall fees when affiliated Portfolio Managers or Model Managers are used. JPMS addresses this through disclosure to clients.

### ***Affiliated Fund Advisors and Model Managers***

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

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

### ***Securities Allocations and Limitations***

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

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

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

Conflicts of interest can arise with both the allocation of investment opportunities, including trading opportunities and pricing of trading generally, and the aggregation of orders and allocation of executed transactions specifically, because of market factors or investment restrictions imposed upon JPMS and its affiliates by law, regulation, contract or internal policies. Allocations of transactions resulting from aggregated orders, particularly orders that are only partially completed (due to limits on availability, capacity constraints and other factors) and allocation of investment opportunities generally, would raise a conflict of interest where JPMS or its affiliates have an incentive to allocate investment opportunities or securities that are expected to increase in value to favored accounts, including affiliated accounts and accounts that pay higher fees. JPMS mitigates this conflict by using guidelines designed by JPMS and affiliates to allocate investment and trading opportunities among similarly situated Program Accounts on a fair and equitable basis

over time. A conflict of interest also would arise if transactions in securities in one account closely follow transactions in the same securities in different accounts, especially when the transactions or series of transactions are large in relation to the securities’ trading volume and potentially have market impact, such as when a purchase increases the value of securities previously purchased by the other accounts or when a sale in one account lowers the sale price received in a sale by other accounts.

JPMS and its affiliates have intercompany arrangements whereby one or more affiliates share personnel for one or more purposes, including the construction and implementation of trade orders for multiple programs and affiliated entities. Any such shared personnel are subject to the policies and procedures of the applicable affiliate when acting on its affiliate’s behalf. Any such shared personnel will have potentially conflicting interests when playing these various roles. Such personnel splitting time and attention between one or more JPMS affiliates creates conflicts of interest in that the time and effort of these shared personnel will not necessarily be devoted exclusively, or even predominately, to JPMS. While the affected affiliates have adopted policies, procedures or guidelines to address conflicts of interest associated with personnel sharing, such policies, procedures or guidelines can differ and there can be no assurance that such policies, procedures or guidelines will successfully eliminate or mitigate all such conflicts in every case.

### ***Conflicts Related to the Advising of Multiple Accounts***

Certain portfolio managers of JPMS manage or advise multiple client accounts, investment vehicles or portfolios. These portfolio managers are not required to devote all or any specific portion of their working time to the affairs of any specific client. Conflicts of interest do arise in allocating management time, services, or functions among such clients, including clients that have the same or similar type of investment strategies. JPMS addresses these conflicts by disclosing them to clients and through its supervision of portfolio managers and their teams. Responsibility for managing JPMS’ client portfolios is organized according to investment strategies within asset classes. Generally, client portfolios with similar strategies are managed by portfolio managers in the same portfolio management group using the same or similar objectives, approach and philosophy. Therefore, portfolio holdings, relative position sizes, industry and sector exposures generally tend to be similar across client portfolios with similar strategies. JPMS faces conflicts of interest when JPMS’ portfolio managers manage accounts or portfolios with similar investment objectives and strategies. For example, investment opportunities that are appropriate for certain clients may also be appropriate for other groups of clients, including the clients of JPMS, other affiliated investment advisers, and related persons, and, as a result, client accounts would have to compete for positions. There is no specific limit on the number of accounts which will be managed or advised by JPMS or its related persons. Once held by a client, certain investments compete with other investments held by other clients of JPMS and its related persons. The conflict associated with managing assets on behalf of different clients that compete with each other are heightened when JPMS retains certain management, control or consent rights over such assets. JPMS has controls in place to monitor and mitigate these potential conflicts of interest.

Also, it is JPMS’ policy, to the extent practicable, to allocate, within its reasonable discretion, investment opportunities among clients over a period of time on a fair and equitable basis. One or more of JPMS’ other client accounts may at any time hold, acquire, increase, decrease, dispose of, or otherwise deal with positions in investments in which another client account would have an interest. For instance, due to differences in investment strategies, JPMS might sell a security for a client at the same time that it might hold or purchase the same security for a different client.

### ***Distribution and Other Fees and Revenue Sharing***

JPMS receives distribution fees from certain mutual funds pursuant to Rule 12b-1 under the Investment Company Act of 1940. If JPMS receives 12b-1 fees on load-waived Class A shares, it will credit these fees to the client’s Program Account. JPMS, directly or indirectly, receives servicing or administrative fees for certain Funds that are held in a client’s Account.

Refer to the discussion of “Share Classes” in Item 4 above for more information on the receipt of administrative and servicing fees. In addition, JPMS’ affiliates receive licensing fees for their indices used by unaffiliated ETFs or other product sponsors.

JPMS has negotiated revenue sharing arrangements with a number of mutual funds and mutual fund families. Some of these mutual funds are available in the Programs, and JPMS will receive additional revenue on either the mutual fund assets in Program Accounts or on the initial purchase of these mutual funds. Some of the mutual funds make revenue sharing payments to JPMS for mutual funds held in brokerage accounts for which JPMS does not provide investment advisory services. Additional information about these arrangements is available at [chase.com/RevenueSharing](https://chase.com/RevenueSharing).

IARs are not compensated from JPMS’ receipt of shared revenues received from mutual funds.

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

JPMS may effect trades on behalf of Program Accounts through exchanges, electronic communications networks, alternative trading systems, and similar execution systems and trading venues (collectively, **Trading Systems**), including Trading Systems in which J.P. Morgan has a direct or indirect ownership interest. J.P. Morgan will receive indirect proportionate compensation based upon its ownership percentage in relation to the transaction fees charged by such Trading Systems in which it has an ownership interest. Such Trading Systems (and the extent of J.P. Morgan’s ownership interest in any Trading System) may change from time to time. JPMS addresses this conflict by disclosure to its clients.

#### ***Ownership Interest in J.P. Morgan Stock***

Certain asset management firms (each, an **asset manager**) through their funds and separately managed accounts currently hold a 5% or more ownership interest in J.P. Morgan publicly traded stock. This ownership interest presents a conflict of interest when JPMCB, JPMS, JPMPI and J.P. Morgan (collectively, **JPM**) recommends or purchases the publicly traded security of the asset manager or the separately managed accounts or funds that are managed or advised by the asset manager. JPM addresses this conflict by disclosing the ownership interest of the asset manager and by subjecting the asset manager’s separately managed accounts and funds to a research process. Additionally, the financial advisors and Portfolio Managers that may purchase or recommend securities, separately managed accounts and funds of an asset manager that has an ownership interest in J.P. Morgan do not receive any additional compensation for that purchase or recommendation. A fund ownership interest in J.P. Morgan can cause the fund and its affiliates to determine that they are unable to pursue a transaction or the transaction will be limited or the timing altered. J.P. Morgan monitors ownership interests in J.P. Morgan for regulatory purposes and to identify and mitigate actual and perceived conflicts of interest. As of February 26, 2025, the Vanguard Group, Inc. and BlackRock, Inc. hold more than a 5% interest in J.P. Morgan.

#### ***Payment for Order Flow***

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

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

#### ***J.P. Morgan’s Use of Index Products***

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

#### ***Other Compensation from ETFs***

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

#### ***Portfolio Manager Trading Practices in the Advisory Program and FIAP***

Certain Portfolio Managers can execute trades for institutional and other non-wrap fee clients before executing trades for clients in SMA programs, such as the “Advisory Program” and “Fixed Income Advisory Program.” As a result, Program Accounts can pay a higher price, or receive a lower price, than the Portfolio Manager’s trades in the same security for institutional or other clients. Trade execution practices of the Portfolio Managers are described in the Portfolio Manager ADV Disclosure Document, which is provided to Program clients.

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

JPMCB is a national banking association affiliated with JPMS and is subject to supervision and regulation by the U.S. Department of Treasury’s Office

of the Comptroller of the Currency. JPMCB provides investment management, trustee, custody and other services to both institutional and non-institutional clients. Refer to Item 4 for additional conflicts of interest and other information relating to the sweep Deposit Account.

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

#### **D. Participation or Interest in Client Transactions and Other Conflicts of Interest**

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

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

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

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

fees, monitoring fees, adviser fees or fees in connection with restructurings or mergers and acquisitions, as well as underwriting or placement fees, financing or commitment fees, trustee fees and brokerage fees.

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

##### ***J.P. Morgan's Policies and Regulatory Restrictions Affecting Client Accounts***

As part of a global financial services firm, JPMS will be precluded from effecting or recommending transactions in certain client accounts and will restrict its investment decisions and activities on behalf of its clients due to applicable law, regulatory requirements, other conflicts of interest, information held by J.P. Morgan, J.P. Morgan's roles in connection with other clients and in the capital markets, J.P. Morgan's internal policies and/or potential reputational risk. As a result, client accounts managed by JPMS may be precluded from acquiring, or disposing of, certain securities or instruments at any time. This includes the securities issued by J.P. Morgan.

In addition, potential conflicts of interest also exist when J.P. Morgan maintains certain overall investment limitations on positions in securities or other financial instruments due to, among other things, investment restrictions imposed upon J.P. Morgan by law, regulation, contract or internal policies. These limitations have precluded and, in the future could preclude, JPMS from including particular securities or financial instruments in its portfolios, even if the securities or financial instruments would otherwise meet the investment objectives of such portfolio. For example, there are limits on the aggregate amount of investments by affiliated investors in certain types of securities within a particular industry group that cannot be exceeded without additional regulatory or corporate consent. If such aggregate ownership thresholds are reached, the ability of a client to purchase or dispose of investments, or exercise rights or undertake business transactions, will be restricted.

Potential conflicts of interest may also arise as a result of JPMS' current policy to seek to manage its clients' accounts so that the various requirements and liabilities imposed pursuant to Section 16 of the Securities Exchange Act of 1934 (**Section 16** and the **Exchange Act**, respectively) are not triggered. Section 16 applies to, among other things, "beneficial owners" of 10% or more of any security subject to reporting under the Exchange Act. In addition to certain reporting requirements, Section 16 also imposes on such "beneficial owner" a requirement to disgorge "short-swing" profits derived from the purchase and sale or sale and purchase of the security, executed within a 6-month period. JPMS may be deemed to be a "beneficial owner" of securities held by its advisory clients. Consequently, and given the potential ownership level of the various accounts and funds managed for its clients, JPMS may limit the amount, or alter the timing, of purchases of securities in order not to trigger the foregoing requirements. As a result, certain contemplated transactions that otherwise would be consummated by JPMS on behalf of its clients will not take place, will be limited in their size, or will be delayed.

Furthermore, J.P. Morgan has adopted policies and procedures reasonably designed to ensure compliance with economic and trade sanctions-related obligations applicable to its activities (although such obligations are not necessarily the same obligations that its clients are subject to). Such economic and trade sanctions prohibit, among other things, transactions with and the provision of services to, directly or indirectly, certain

countries, territories, entities and individuals. These economic and trade sanctions, and the application by JPMS of its compliance policies and procedures in respect thereof, may restrict or limit a client's account's investment activities. In addition, J.P. Morgan from time to time subscribes to or otherwise elects to become subject to investment policies on a firm-wide basis, including policies relating to environmental, social and corporate governance. JPMS may also limit transactions and activities for reputational or other reasons, including when J.P. Morgan (i) provides or may provide advice or services to an entity involved in such activity or transaction; (ii) when J.P. Morgan or a client is or may be engaged in the same or a related activity or transaction to that being considered on behalf of the client account; (iii) when J.P. Morgan or a client account has an interest in an entity involved in such activity or transaction; or (iv) when such activity or transaction on behalf of or in respect of the client account could affect J.P. Morgan, its clients or their activities. J.P. Morgan may become subject to additional restrictions on its business activities that could have an impact on Program Account activities. In addition, JPMS may restrict its investment decisions and activities on behalf of particular advisory accounts and not other accounts.

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

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

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

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

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

Positions taken by a certain client account may also dilute or otherwise negatively affect the values, prices or investment strategies associated with positions held by a different client account. For example, this can occur when investment decisions for one client are based on research or other information that is also used to support portfolio decisions by JPMS or an affiliate for a different client following the same, similar or different investment strategies or by an affiliate of JPMS in managing its clients' accounts. When a portfolio decision or strategy is implemented for an account ahead of, or contemporaneously with, similar portfolio decisions or strategies for JPMS or an affiliate's other client (whether or not the portfolio decisions emanate from the same research analysis or other

information), market impact, liquidity constraints or other factors could result in one account being disadvantaged or receiving less favorable investment results than the other account, and the costs of implementing such portfolio decisions or strategies could be increased.

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

#### **E. Account Errors and Resolutions**

Account errors, trade errors and other operational mistakes occasionally occur in connection with the management of funds and client Accounts. JPMS has developed policies and procedures that address the identification and correction of such errors and generally require that errors affecting a client's account be resolved promptly and fairly. Errors can result from a variety of situations, including 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, executing the order as a buy rather than a sell and vice versa).

The intent of the policies and procedures is to restore a client account to the appropriate financial position as determined in good faith by JPMS based on what it considers reasonable in light of all relevant facts and circumstances surrounding the error. JPMS makes its determinations pursuant to its error policies and procedures on a case-by-case basis, in its discretion, based on factors it considers reasonable. Under certain circumstances, JPMS considers whether it is possible to adequately address an error through cancellation, correction, reallocation of losses and gains or other means.

#### **F. Code of Ethics**

JPMS has adopted the JPMS Code of Ethics (the **Code of Ethics**) pursuant to Rule 204A-1 under the Investment Advisers Act of 1940. The Code of Ethics is designed to ensure that JPMS and its supervised persons comply with applicable federal securities laws and place the interests of their clients before their own personal interests at all times. The Code of Ethics imposes certain restrictions on securities transactions in the personal accounts of covered persons to help avoid or mitigate conflicts of interest, as described more fully below. A copy of the Code of Ethics is available free of charge to any client or prospective client upon request by contacting your IAR.

The Code of Ethics contains policies and procedures relating to:

Account holding reports and personal trading, including reporting and pre-clearance requirements for all personnel of JPMS and JPMSI; confidentiality obligations to clients set forth in the JPMC privacy notices; conflicts of interest, which include guidance relating to restrictions on trading on MNPI, gifts and entertainment, political and charitable contributions and outside business activities; and escalation guidelines for reporting Code of Ethics violations.

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

Additionally, all JPMS personnel are subject to the JPMC firm-wide policies and procedures including those found in the JPMC Code of Conduct (the **Code of Conduct**). The Code of Conduct sets forth restrictions regarding

confidential and proprietary information, information barriers, private investments, outside interests and personal trading. All JPMC employees, including JPMS personnel, are required to familiarize themselves, comply and attest annually to their compliance with provisions of the Code of Conduct's terms as a condition of continued employment.

#### **G. Review of Accounts**

Clients have ongoing reasonable access, during normal business hours, to an IAR or a centralized team of IARs who are available for consultation regarding clients' Program Accounts. IARs are an essential component of the Programs and provide clients with nondiscretionary advisory services and Account maintenance support.

JPMS contacts clients at least annually to determine whether there have been any changes in the client's financial situation, investment objectives or investment restrictions that would require changes to the client's Program Account. To ensure that the Program and the selected Model, Investment Strategy and/or Portfolio Manager remain suitable for the client, clients are instructed to promptly notify their IAR or JPMS of any material changes to their investment objectives and/or financial situation.

As most Program Accounts are managed in a similar manner according to the Model or Investment Strategy selected by the client, JPMS does not review individual trades or individual Program Accounts. As described in this Brochure, JPMS periodically reviews Model composition, Funds available, Investment Strategies, Model Managers and the Portfolio Managers available in the Programs to ensure that the Models, Funds, Model Managers, Investment Strategies and Portfolio Managers continue to meet the Program requirements. For Program Accounts that have requested investment restrictions, JPMS periodically monitors the Accounts to ensure compliance with the accepted investment restrictions.

JPMS, JPMPI, JPMIM, Portfolio Managers and Model Manager personnel who are knowledgeable about the management of client Program Accounts are available for client consultation upon reasonable request.

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

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

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

#### **H. Testimonials and Endorsements**

Program Accounts are offered and sold only through IARs associated with JPMS. In addition to compensating IARs for their provision of investment advisory services to clients on behalf of JPMS, and/or for their referral or introduction of investors who become advisory clients of JPMS, JPMS has entered into agreements with certain unaffiliated third-party solicitors (sometimes also called a "finder," "referrer" or "promoter") for their referral of prospective investment advisory clients to JPMS in accordance with Rule 206(4)-1 of the Advisers Act. Under these arrangements, JPMS agrees to pay each finder when a referred prospective client is either referred or becomes an investment advisory client of JPMS. JPMS either pays the finder a flat amount or a specified portion of the Fee it receives and retains relating to each such client's advisory account.

In addition to the third-party referral agreement described above, pursuant to an agreement between JPMS and JPMCB, an affiliate, JPMCB can

compensate its employees for referring clients to JPMS for various products and services, including the Program and other advisory products and services. Any such payments to JPMCB employees shall not increase the total account fees paid by the client.

#### **I. Financial Information**

JPMS is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients, nor has JPMS been the subject of a bankruptcy petition at any time during the past 10 years.



**FORM ADV, PART 2B**  
**BROCHURE SUPPLEMENT**

**J.P. Morgan Securities LLC**

**Model Manager Strategies:  
Advisory Program  
Strategic Investment Services Program**

File No. 801-3702  
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New York, New York 10179  
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March 28, 2025

This brochure supplement provides information about investment management personnel of J.P. Morgan Securities LLC ("JPMS") that supplements the JPMS Advisory Program and JPMS Strategic Investment Services Program brochures. You should have received a copy of that brochure. Please call the above number if you did not receive the applicable JPMS brochure or if you have any questions about the contents of this supplement

## **Mr. J. Daniel Roberts**

### **Item 2: Educational Background and Business Experience**

Dan Roberts is an Executive Director and manager in the Portfolio Management Group, responsible for implementing various managed account equity models in client portfolios under the Advisory Program umbrella of model delivery strategies.

Mr. Roberts has been an employee of JPMorgan Chase & Co. for 17 years, 15 of which have been in managed account trading and implementation. His teams perform trading and implementation services for more than 100,000 accounts totaling more than \$35 billion. Mr. Roberts holds a B.A. in Economics from The Ohio State University and an M.B.A. from Franklin University. Mr. Roberts was born in 1977.

### **Item 3: Disciplinary Information**

There is no disciplinary information to report.

### **Item 4: Other Business Activities**

Mr. Roberts is not actively engaged in any other investment-related business or occupation.

### **Item 5: Additional Compensation**

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

### **Item 6: Supervision**

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

Andrew Casella, Executive Director, is responsible for monitoring Mr. Cunningham's advisory activities. Mr. Casella can be reached at the telephone number on the cover of this Part 2B Supplement.

### **Item 7: Requirements for State Registered Advisers**

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

## **Mr. Andrew Casella**

### **Item 2: Educational Background and Business Experience**

Andrew Casella is an Executive Director and oversees the Portfolio Management Group/Managed Accounts Portfolio Implementation Team, responsible for implementing various managed account strategies in client portfolios across the Private Bank, Chase Wealth Management, and J.P. Morgan Securities, including Chase Strategic Portfolio, J.P. Morgan Core Advisory Portfolio, and the Advisory Program. Additionally, Mr. Casella oversees the implementation manager team for the model delivery strategies offered in the Advisory Program and Strategic Investment Services Program.

Mr. Casella has been an employee of JPMorgan Chase & Co. for approximately 18 years in managed account operations, trading, and implementation. His teams perform trading and implementation services for more than 590,000 accounts totaling more than \$185 billion. Prior to joining J.P. Morgan in 2003, Mr. Casella was a portfolio assistant supervisor in managed accounts at Regent Investor Services/Alliance Bernstein. Previously, he worked as a client service manager and trading supervisor at CSFB direct. Mr. Casella began his career as a Financial Representative.

Mr. Casella holds a B.S. in Economics from SUNY Albany. Mr. Casella was born in 1974.

### **Item 3: Disciplinary Information**

There is no disciplinary information to report.

### **Item 4: Other Business Activities**

Mr. Casella is not actively engaged in any other investment-related business or occupation.

### **Item 5: Additional Compensation**

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

### **Item 6: Supervision**

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

Rob Ascenzi, Managing Director, is responsible for monitoring Mr. Casella's advisory activities. Mr. Ascenzi can be reached at the telephone number on the cover of this Part 2B Supplement.

### **Item 7: Requirements for State Registered Advisers**

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

## **Mr. Chad Karpoff**

### **Item 2: Educational Background and Business Experience**

Chad Karpoff is part of the implementation manager team for the model delivery strategies offered in the Advisory Program and Strategic Investment Services Program. Mr. Karpoff brings over twenty years of experience in wealth management spanning investments, data analytics, project management and technology. Prior to his current role, Mr. Karpoff had roles overseeing strategic initiatives covering client and product analytics.

Mr. Karpoff holds a Master of Science in Computational Finance from Carnegie Mellon University and a Bachelor of Science in Computer Science from the University of Virginia. He is a CFA Charterholder. Mr. Karpoff was born in 1977.

### **Item 3: Disciplinary Information**

There is no disciplinary information to report.

### **Item 4: Other Business Activities**

Mr. Karpoff is not actively engaged in any other investment-related business or occupation.

### **Item 5: Additional Compensation**

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

### **Item 6: Supervision**

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

Rob Ascenzi, Managing Director, is responsible for monitoring Mr. Karpoff's advisory activities. Mr. Ascenzi can be reached at the telephone number on the cover of this Part 2B Supplement.

### **Item 7: Requirements for State Registered Advisers**

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

## **Ms. Kristine Rooney-Granger**

### **Item 2: Educational Background and Business Experience**

Kristine Rooney-Granger is part of the implementation manager team for the model delivery strategies offered in the Advisory Program and Strategic Investment Services Program. Ms. Rooney-Granger brings over fifteen years of experience in wealth management spanning global investments, transition capabilities, and project management. Prior to her current role, Ms. Rooney-Granger had roles building a specialized team focused on single line equity management and product development specific to the equity asset class.

Ms. Rooney-Granger holds a Bachelor of Arts degree in Political Science with a Minor in English Arts from Fordham University. Ms. Rooney-Granger was born in 1975.

### **Item 3: Disciplinary Information**

There is no disciplinary information to report.

### **Item 4: Other Business Activities**

Ms. Rooney-Granger is not actively engaged in any other investment-related business or occupation.

### **Item 5: Additional Compensation**

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

### **Item 6: Supervision**

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

Rob Ascenzi, Managing Director, is responsible for monitoring Ms. Rooney-Granger's advisory activities. Mr. Ascenzi can be reached at the telephone number on the cover of this Part 2B Supplement.

### **Item 7: Requirements for State Registered Advisers**

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