



December 17, 2021

NOTICE OF LIBOR REMEDIATION

REPLACEMENT OF CONSTITUENTS REFERENCING CERTAIN INTERBANK OFFERED RATES (IBORS) AND OTHER BENCHMARKS

Further to the below, this 'USD LIBOR' notice updates the previous 'non-USD LIBOR' notice of October 13, 2021.

NOTICE IS HEREBY GIVEN that with effect from (i) October 1, 2021, in respect of non-USD LIBOR and (ii) December 17, 2021 in respect of USD LIBOR, J.P. Morgan Securities plc and J.P. Morgan Securities LLC, each acting in its capacity as index sponsor and calculation agent (“**Index Sponsor(s)**” and “**Index Calculation Agent(s)**”), have replaced index constituents referencing certain interbank offered rates (“**IBORS**”) and other benchmarks with the market recommended risk-free rates (“**RFR**”).

Consequently, the Index Calculation Agent has amended the index rules methodology of each index with direct or indirect exposure to such IBORs (each an “**Affected Index**” and together the “**Affected Indices**”), replacing IBOR references with the relevant RFR, pursuant to and in accordance with the existing provisions of the index rules methodology for that Affected Index. Further detail is set out in the FAQ below.

Please note the following:

- **This updated notice only applies to Affected Indices where the IBOR is referenced in a non-material constituent 'cash index' as further detailed in FAQ No 3 below.**
- **This updated notice does not apply to the following indices which shall not be considered “Affected Indices” for the purposes of this updated notice:**
 - **JPMorgan ETF Efficiente Modified Price Return 5 Index (EEJPM DPR)**
 - **J.P. Morgan Efficiente Plus 5 Index (Net ER) (EFPLUS5E)**
 - **J.P. Morgan Efficiente Plus DS 5 Index (Gross ER) (EFPLUS5G)**
 - **J.P. Morgan Efficiente Plus DS 8 Index (Net ER) (EFPLUS8D)**
 - **J.P. Morgan ETF Efficiente DS 5 Index (EEJPDS5E)**
 - **JPMorgan ETF Efficiente 5 Index (EEJPUS5E)**
 - **J.P. Morgan Efficiente Plus DS 5 Index (Net ER) (EFPLUS5D)**

This action is being taken in the context of the wider market initiatives for IBOR reform, legislative changes and regulatory guidance regarding the same. Further information in relation to LIBOR transition is available on the website of the FCA: <https://www.fca.org.uk/markets/libor/transition-getting-ready>.

If you have any queries on the impact of this notice for you, please contact your usual J.P. Morgan Sales Contact.

J.P. Morgan Securities PLC

J.P. Morgan Securities LLC

FAQs

Transition of the London Interbank Offered Rate (LIBOR) interest rates and impacts on Affected Indices - Frequently Asked Questions (FAQs)

1. What is the background?

On 5 March 2021, the UK Financial Conduct Authority (FCA) announced that:

- immediately after 31 December 2021, publication of all seven euro LIBOR settings, all seven Swiss Franc LIBOR settings, the spot next, 1-week, 2-month and 12-month Japanese Yen LIBOR settings, the overnight, 1-week, 2-month and 12-month British Pound Sterling LIBOR settings, and the 1-week and 2-month U.S. Dollar LIBOR settings will permanently cease;
- immediately after 30 June 2023, publication of the overnight and 12-month U.S. Dollar LIBOR settings will permanently cease;
- immediately after 31 December 2021, the 1-month, 3-month and 6-month Japanese Yen LIBOR settings and the 1-month, 3-month and 6-month British Pound Sterling LIBOR settings will cease to be provided or, subject to consultation by the FCA, be provided on a changed methodology (or “synthetic”) basis and no longer be representative of the underlying market and economic reality they are intended to measure and that representativeness will not be restored; and
- immediately after 30 June 2023, the 1-month, 3-month and 6-month U.S. Dollar LIBOR settings will cease to be provided or, subject to the FCA’s consideration of the case, be provided on a synthetic basis and no longer be representative of the underlying market and economic reality they are intended to measure and that representativeness will not be restored. Important information about these changes can be found at https://www.jpmorgan.com/disclosures/interbank_offered_rates (only available in English).

Regulatory authorities and central banks are encouraging the transition away from LIBOR rates and have identified "risk-free rates" (RFRs) to replace LIBOR rates as primary benchmarks.

2. Which new risk-free rates (RFRs) will replace the respective LIBOR rates?

National working groups consisting of market participants, central banks and regulators recommend the following RFRs, which J.P. Morgan will use in lieu of the corresponding LIBOR rates in the future in connection with Affected Indices:

LIBOR Administrator	RFR / Administrator RFR
EUR-LIBOR / <u>ICE Benchmark Administration (IBA)</u>	<u>Euro Short-term Rate (€STR) / European Central Bank (ECB)</u>
EONIA/ <u>European Money Markets Institute (EMMI)</u>	<u>Euro Short-term Rate (€STR) / European Central Bank (ECB)</u>
GBP-LIBOR / <u>ICE Benchmark Administration (IBA)</u>	<u>Sterling Overnight Index Average (SONIA) / Bank of England</u>
CHF-LIBOR / <u>ICE Benchmark Administration (IBA)</u>	<u>Swiss Average Rate Overnight /National Swiss Bank</u>
JPY-LIBOR / <u>ICE Benchmark Administration (IBA)</u>	<u>Tokyo Overnight Average Rate (TONAR) / Bank of Japan</u>
USD-LIBOR / <u>ICE Benchmark Administration (IBA)</u>	<u>Secured Overnight Financing Rate (SOFR) / Federal Reserve Bank of New York (FRBNY)</u>

3. How are Affected Indices published by J.P. Morgan and subject to this notice impacted by such change in LIBOR rates?

The Affected Indices include a non-material constituent, a ‘cash index’, which seeks to synthetically replicate where the index or strategy would have a cash component e.g. a cash dividend paid on a listed share calculated by reference to a LIBOR rate or to synthetically replicate the borrow cost or cost of funds by reference to a LIBOR rate. This ‘cash index’ constituent is determined by the Index Calculation Agent in accordance with the LIBOR reference rate specified in the relevant index rules methodology. The LIBOR reference rate is usually a short-term/overnight interest rate in the currency of the Affected Index.

For (i) non-USD LIBOR Affected Indices prior to **October 1, 2021**, and (ii) USD LIBOR Affected Indices prior to **November 30, 2021**, the Index Calculation Agent has used the respective LIBOR rate in the currency of the underlying (e.g. for indices denominated in EUR, EONIA or EUR LIBOR).

Subject to FAQ No. 4 below, for (i) non-USD LIBOR Affected Indices on or after **October 1, 2021**, and (ii) USD LIBOR Affected Indices on or after **November 30, 2021**, the Index Calculation Agent will apply the respective RFRs as the relevant reference rate (e.g. for indices denominated in EUR, €STR). Due to the different calculation methods of the RFRs and the LIBORs it should be noted that there may be differences between the RFRs and the respective LIBOR rates. Therefore, Affected Indices taking into account a RFR as the ‘cash index’ constituent may not develop or perform in the same manner as corresponding products where a LIBOR rate is used as relevant reference rate.

For each Affected Index, the Index Calculation Agent has made the change pursuant to and in accordance with the existing provisions of the index rules methodology for that Affected Index.

4. Will the change in LIBOR rates only affect new indices or also existing indices?

For **non-USD LIBOR** Rates - effective **October 1, 2021**, J.P. Morgan will publish index levels where the respective RFR is used as the relevant reference rate for both new AND existing indices. Subject to FAQ No 5 below, this change will have no effect on the index levels of the Affected Indices published on or before October 1, 2021.

For **USD LIBOR** Rates - effective **November 30, 2021** (or as otherwise specified in the relevant index rules methodology), J.P. Morgan has published index levels where the respective RFR for USD LIBOR is used as the relevant reference rate for both new AND existing indices. Subject to FAQ No 5 below, this change will have no effect on the index levels of the Affected Indices published on or before November 30, 2021.

5. J.P. Morgan Cash Index published by GIRG

Some Affected Indices reference the ‘cash index’ constituent in their index rules methodology by reference to a separate standalone index, the J.P. Morgan Cash Index which is published by the Global Index Research Group (GIRG).

Effective as of **31 December, 2021**, GIRG has amended the J.P. Morgan Cash Index for USD LIBOR. This is further to the non-USD amendments effective as of **July 31, 2021**, where GIRG amended the J.P. Morgan Cash Index for non-USD LIBOR.

These replacements were made in accordance with the provisions of the J.P. Morgan Cash Index rules. The J.P. Morgan Cash Index has retained its unique identifier and the Affected Indices have inherited the update to the underlying reference rate. For further details, please see the J.P. Morgan Cash Index Update attached to this notice and available below.

https://www.jpmorgan.com/directdoc/JPM_J.P._Morgan_Cash_Index_Update_2021.pdf