

# Guide to Investment Services and Brokerage Products

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

## INVESTING WITH J.P. MORGAN PRIVATE BANK

Thank you for your interest in investing with J.P. Morgan Private Bank (the “Private Bank”). We are providing this Guide to Investment Services and Brokerage Products (the “Guide”) to help you learn more about:

- The different ways you can invest with us
- Our brokerage products and investment services, including those we offer from third-party providers
- Compensation that the Private Bank, acting through JPMorgan Chase Bank, N.A. (“JPMCB”), J.P. Morgan Securities LLC (“JPMS”), Chase Insurance Agency, Inc. (“CIA”), and its affiliates (collectively, “J.P. Morgan”) and, if applicable, its investment professionals, can reasonably expect to be paid from the products and services we offer

We hope you find this Guide useful. We may make periodic updates and will notify you of any material changes. You can also view the most current version at [www.jpmorganinvestment.com](http://www.jpmorganinvestment.com) or you can contact your J.P. Morgan Private Bank team (“J.P. Morgan team”) for more information.

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## 1. Who We Are, Who We Serve and How We Serve You

### A. Who We Are

At J.P. Morgan Private Bank, we will work with you to create an integrated and comprehensive strategy to help you meet your investment needs. We offer a wide variety of investment products, including, as a part of our trust and fiduciary services, investment management and custody accounts through JPMCB and, through JPMS, investment advisory and other investment products and services, such as brokerage accounts.

The Guide will focus primarily on the investment products and services the Private Bank offers through JPMS. JPMS is a registered broker-dealer and investment adviser with the Securities and Exchange Commission (“SEC”). JPMS is also a member of the Financial Industry Regulatory Authority (“FINRA”), the Municipal Securities Rulemaking Board (“MSRB”) and the Securities Investor Protection Corp. (“SIPC”).

### B. Who We Serve

We provide brokerage, investment management and investment advisory services to a broad array of clients, including individuals, entities, trusts, endowments and foundations. Through our International Private Bank, we also serve individuals and entities domiciled outside the United States. Please be aware that some account types, and certain products and services, may not be available to all clients.

### C. How We Serve You

As a client of the Private Bank, you will receive the services of a dedicated J.P. Morgan team, which will provide access to the relevant and experienced specialists of J.P. Morgan. Your J.P. Morgan team can work with you and your other consultants (for example, lawyers, accountants and family offices, as appropriate) to develop a tailored and comprehensive financial plan focused on your goals across investing, banking, lending and much more. Alternately, you can choose to invest online. You can be serviced in a Private Bank office, client service center, online, or over the phone.

At your request, as a part of your services, your J.P. Morgan team can:

- Help you take a holistic view of your investments, evaluating assets in your account in light of your overall portfolio. This may include suggestions about tactical changes across your portfolio intended to help you rebalance your portfolio, reduce risk and/or increase returns.

- Periodically review your Investment Profile and Goals-Based Plan to help you stay on track to meet the goals most important to you and your family.
- Provide views on the market, and guidance during periods of market volatility, in an attempt to help you make good decisions and avoid ill-timed actions.

## 2. Investment Accounts and Services

### A. Different Types of Investment Accounts

The Private Bank offers brokerage and investment management and investment advisory services. There are important differences between them, as outlined below, including the types of services provided, the costs, and how they are regulated. We encourage you to speak with your J.P. Morgan team if you have any questions.

#### Brokerage Accounts

Brokerage accounts and related services primarily involve assisting you with the purchase and sale of securities based on your instructions. These accounts have a transaction-based cost structure where you retain the final investment decision on all transactions in the account.

- The Private Bank will handle the brokerage and related functions for your account, which may include, for example, holding securities and cash; executing, clearing and settling transactions; collecting and processing dividends; issuing buy and sell confirmations and statements; and looking after the various details incidental to the clearing and carrying of accounts. Brokerage execution and clearing services for the account are offered by JPMS. Custody and other banking services for the account are offered by JPMCB, unless otherwise noted in the relevant account agreements. For additional information regarding the services JPMS provides with respect to brokerage accounts, please refer to your J.P. Morgan Brokerage Account Agreement and other applicable service-related documents, which may be amended from time to time. You may request additional copies of these agreements or other documents at any time.
- In exchange for our brokerage services, you generally pay a commission for agency transactions or a mark-up/mark-down for principal transactions, in addition to any other applicable fees. Therefore, in a brokerage account, your total costs will normally increase or decrease as a result of the frequency of transactions in the account and the type of securities you purchase. We may also be paid by third parties that compensate us based on what you buy.

When acting as a broker-dealer:

- We assist you with the purchase and sale of securities based on your instructions. Your approval will be required before any securities transaction takes place. We do not have discretion to act on your behalf in a brokerage account. This means that although we may provide advice or recommendations regarding the purchase or sale of securities, we do not make investment decisions for you, manage your investments, or monitor your account.
- As further described below, we make investment recommendations to you regarding your retirement plan account or individual retirement account as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (the “Code”), as applicable, which are laws governing retirement accounts. The way we make money or otherwise are compensated creates some conflicts with your financial interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule’s provisions, we must:
  - Meet a professional standard of care when making recommendations (give prudent advice) to you;
  - Never put our financial interests ahead of yours when making investment recommendations (give loyal advice) to you;
  - Avoid misleading statements about conflicts of interest, fees and investments;
  - Follow policies and procedures designed to ensure that we give advice that is in your best interest;
  - Charge no more than what is reasonable for our services; and
  - Give you basic information about our conflicts of interest.

More specifically, we act as a fiduciary within the meaning of ERISA and/or the Code, as applicable, when a specific recommendation is provided to you based on your particular needs or circumstances, such as when we recommend that you enter into (or “solicit”) a brokerage transaction in your qualified retirement account or that you roll over or transfer qualified retirement account assets to us, and our communication to you regarding such transaction, rollover or transfer could reasonably be viewed as a “call to action.” However, we are not acting as a fiduciary under those laws, or otherwise, when we merely provide general investment information and education, or when you enter into a brokerage transaction in your qualified retirement account that is not based on our recommendation (i.e., the transaction is “unsolicited”) or roll over or transfer qualified retirement account assets to us on an unsolicited basis.

- Otherwise, when providing services as a broker-dealer, we are not acting as a fiduciary under any federal law, rule, or regulation.<sup>1</sup> As such, we are permitted to sell securities to you and buy securities

from you through our own account as principal, and act as agent for you and another client in the same trade. We will disclose this on the trade confirmations we send to you. In full service brokerage retirement accounts, we generally trade in an agency capacity where applicable.

- When we make recommendations to you, we do so in a broker-dealer capacity, not as your investment manager, unless we have entered into a written investment management agreement with you.

### **Discretionary Investment Management Accounts**

Discretionary Investment Management Accounts are discretionary accounts in which you authorize JPMCB to act as your discretionary investment manager, and give JPMCB the power to invest on your behalf by buying and selling securities in your account and making all investment decisions for your account without consulting you. You also authorize JPMCB to take any actions necessary to open and maintain your account and to complete and pay for executions or other transactions for your account and, if we deem it appropriate, to appoint a JPMCB affiliate or a third-party manager to act as a sub-advisor on your account.

For these investment management programs and services, you generally pay a fee based on the value of your account’s assets. Additionally, trade execution and other applicable fees may also apply. All fees will be outlined in our agreements with you, including the fee schedule for investment management accounts.

In providing investment management services, JPMCB has a fiduciary duty to you as set forth in 12 CFR Part 9 governing Fiduciary Duties of National Banks. JPMCB is subject to regulation and supervision by the Office of the Comptroller of the Currency and is a member of the Federal Reserve System. As a fiduciary, we are required to act in what we reasonably believe to be your best interests based on your investment objectives. We must not place our own interests ahead of your interests, and must treat all of our investment management clients fairly and equitably without unfairly favoring one client to the disadvantage of another.

As part of our fiduciary duty to you, among other things, we are required to make full and fair disclosure of all material facts relating to our advisory relationship with you, including conflicts between our interests and your interests, and must obtain your informed consent before engaging in transactions with you for your own account, the account of an affiliate, or the account of another client (to the extent otherwise permitted under applicable federal law). We act as an investment manager only when we have entered into a written agreement with you that describes our advisory relationship and obligations to you.

<sup>1</sup> A fiduciary standard for broker-dealers may be set forth under the rules of certain states or as a condition to maintaining certain certifications. For state-specific information where applicable, please refer to Section 5.

## Brokerage, Investment Management and Investment Advisory Accounts

In both brokerage and investment management accounts that include professionally managed investment products such as mutual funds or exchange-traded funds (“ETFs”), you will be charged additional operating expenses that are reflected in the product’s share price—for example, investment management fees assessed by the manager of the funds. There may also be other fees and expenses, which will be described in agreements and disclosures provided to you.

You can find additional information about brokerage fees and expenses in Section 3, Brokerage Products.

While we always take care in developing and making recommendations to you as a broker-dealer or investment manager, securities involve risk, and you may lose money. There is no guarantee that you will meet your investment goals, or that our recommended investment strategy will perform as anticipated. Please review all of the documents you are provided for the details of a product or service, the risks associated with the product and other important information.

### Investment Advisory Accounts

When acting as an investment advisor, we offer non-discretionary advisory programs. As part of our investment advisory programs and services, we provide ongoing account management and monitoring.

For investment advisory programs and services, you generally pay a fee based on the value of your account assets. Trade execution and other applicable fees may also apply. All fees will be outlined in our agreements with you.

While serving as your investment advisor, we are acting as a fiduciary. As

part of our fiduciary duty to you, we are required to make full and fair disclosure of all material facts relating to our advisory relationship with you, including conflicts between our interests and your interests, and we must obtain your informed consent before engaging in transactions with you for our own account or that of an affiliate or another client (to the extent permitted under applicable federal law). We act as an investment advisor only when we have entered into a written agreement with you that describes our advisory relationship and obligations to you.

## B. Different Types of Brokerage Accounts

We offer full service brokerage accounts. You can also open a self-directed brokerage account. You can also have both types of accounts. The main differences between them are how you work with us, who you work with, the types of investment options and services available to you, and the costs.

With full service brokerage accounts, you work with your J.P. Morgan team, which can provide goals-based advice, guidance, and help with specific investment needs. With self-directed brokerage accounts, which we call “J.P. Morgan Self-Directed Investing Accounts,” you will make your own investment decisions and will primarily engage with us online.

As a result of these differences, the fees that you pay will likely vary. Some account types, strategies, products and services may only be offered in one of the service models. For example, certain mutual fund share classes, investment strategies or types may only be available through a J.P. Morgan Self-Directed Investing Account while others may only be available through your J.P. Morgan team in a full service brokerage account. You can open multiple accounts and choose to work with us in different ways depending on your objectives in each account.

### FULL SERVICE BROKERAGE ACCOUNTS

- Designed for clients who wish to receive advice and guidance from a J.P. Morgan team, but who want to make the final investment decision on all transactions. For example, we may recommend the purchase of a security in your account—but you make the final decision about whether or not to accept our recommendation.
- These accounts have a transaction-based cost structure. Any recommendations we make are considered part of your brokerage services—there is no separate fee charged for our advice or recommendations.
- You will primarily engage with your J.P. Morgan team on the phone or in person.
- In this account, you can trade a variety of investments, which we describe in Section 3.
- We must act in your best interest at the time we make a securities recommendation to you.
- An account can hold cash for liquidity, funding, future investments or emergency funds.
- We offer a self-directed online trading feature in certain non-margin full service brokerage accounts and in self-directed investing accounts. We will not provide recommendations to you in connection with, or offer any opinion about the suitability of, any transactions, orders or investment strategy you enter into or effect using this feature.

### J.P. MORGAN SELF-DIRECTED INVESTING ACCOUNTS

- Designed for individual clients who wish to trade online themselves, with access to insights and research; accounts may include taxable brokerage, Traditional IRA and Roth IRA.
- We will not provide investment advice or recommendations, or offer any opinion about the suitability of any security, order, transaction or strategy.
- You will make investment decisions and transactions based on your own evaluation of your personal financial situation, needs, risk tolerance and investment objectives.
- You will primarily engage with us online through J.P. Morgan Online<sup>SM</sup> or the J.P. Morgan Mobile<sup>®</sup> app.
- In this account, you trade online in products, including U.S. equities, ETFs, mutual funds, options and fixed income.
- We do not have a general obligation to act in your best interest and will not make recommendations to you.
- An account can hold cash for liquidity, funding, future investments or emergency funds.

## C. Brokerage Account Fees

We may charge your account certain fees or other amounts in the normal course of providing certain services or products to you. These charges may include such things as fees for certain administrative services.

Please note that the fees outlined in the pages of this Guide are specific to U.S. products and services. If you are a client of the

International Private Bank, refer to the Full Service Brokerage with Custody Accounts Fee Schedule—International Clients in Section 6, starting on page 42, or contact your J.P. Morgan team for information on fees and expenses relating to the products and services available to you. Please also be aware that some account types, and certain products and services, may not be available to all clients.

FULL SERVICE BROKERAGE ACCOUNTS	J.P. MORGAN SELF-DIRECTED INVESTING ACCOUNTS
<ul style="list-style-type: none"><li>• Please see the published fee schedule for Full Service Brokerage Accounts—United States in the Appendix.</li><li>• For product-specific fees and other charges, please see Section 3, Brokerage Products.</li><li>• Fees are subject to change at any time at the option of J.P. Morgan.</li></ul>	<ul style="list-style-type: none"><li>• Please visit <a href="https://www.jpmorgan.com/online-investing-pricing">www.jpmorgan.com/online-investing-pricing</a>.</li></ul>

## D. Different Types of Investment Management and Investment Advisory Accounts

We offer discretionary account management and non-discretionary advisory programs that provide advice on the selection of investment managers, mutual funds and ETFs, and other securities

offered through our non-discretionary investment advisory and investment advisory programs.

DISCRETIONARY INVESTMENT MANAGEMENT ACCOUNTS	
<ul style="list-style-type: none"><li>• Discretionary Investment Management Accounts are accounts in which you authorize JPMCB to act as your investment manager. You give JPMCB the power to invest on your behalf by buying and selling securities in your account, and making all investment decisions for your account.</li></ul>	
NON-DISCRETIONARY INVESTMENT ADVISORY ACCOUNTS	
<ul style="list-style-type: none"><li>• Accounts in which you have sole discretion as to the purchase and sale of assets.</li><li>• Your J.P. Morgan team and/or J.P. Morgan Securities LLC gives you advice about securities that you may buy and sell, but you do not give your J.P. Morgan team or J.P. Morgan Securities LLC the authority to invest on your behalf.</li></ul>	<ul style="list-style-type: none"><li>• You are responsible for those investment decisions over the assets invested in those accounts.</li></ul>

## E. Investment Management and Investment Advisory Account Fees

Fees and costs associated with full service investment management services provided by JPMCB are detailed in the fee schedule for investment management accounts, or available upon request.

### Advisory Account Fees

Fees and costs associated with our full service investment advisory programs are available on request or at <https://www.chase.com/personal/investments/advisory-program>.

## F. Related Brokerage and Investment Management Services

The following are some additional products and services we may provide.

DESCRIPTION	FEES AND COSTS
<p><b>Custody</b></p> <ul style="list-style-type: none"> <li>The Private Bank provides custody services through JPMCB.</li> <li>JPMCB, acting as your custodian, will hold cash, securities and other property on your behalf, settle transactions and perform other services incidental to the custody and safekeeping of your assets. This may include processing corporate actions, income and dividend payments, foreign exchange, proxies, asset reporting and other asset services.</li> <li>JPMCB may also make purchases, sales and deliveries in accordance with instructions given by you.</li> <li>For more information regarding the custody services offered by JPMCB, please refer to the Asset Account Agreement.</li> </ul>	<ul style="list-style-type: none"> <li>JPMCB charges asset and transaction-based fees for its custody services as disclosed on the Custody Fee Schedule provided at account opening. A copy is available upon request.</li> <li>Unless otherwise indicated, when you open a custody account with JPMCB that is linked to brokerage services offered through JPMS, the custody fees charged by JPMCB will be in addition to, but separate from, any commissions and fees charged by JPMS for its brokerage services.</li> </ul>
<p><b>Retirement Accounts</b></p> <ul style="list-style-type: none"> <li>We offer two types of tax-advantaged Individual Retirement Accounts to our clients, including: <ul style="list-style-type: none"> <li><b>Traditional IRAs</b>—Your contributions may be tax-deductible, and any investment gains will not be taxed while in the IRA. You will have to pay taxes on any amounts withdrawn comprising deductible contributions and investment gains.</li> <li><b>Roth IRAs</b>—Your contributions are made with after-tax dollars (if you are eligible to contribute), but any investment gains will not be taxed while in the account, and your withdrawals will be tax-free if they are qualified.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Please see the published fee schedule for J.P. Morgan Private Bank Full Service Brokerage Accounts in the Appendix.</li> </ul>
<p><b>529 Plan (Full Service Only)</b></p> <ul style="list-style-type: none"> <li>A 529 Plan is an investment account that offers: <ul style="list-style-type: none"> <li>Tax-deferred growth and tax-free withdrawals when the funds are used to pay for a designated beneficiary's qualified education expenses. Contributions may be tax-deductible in some states.</li> <li>Numerous professionally managed investment options from which to choose, including mutual funds and ETFs. You have full control over your plan's investments and withdrawals.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>529 Plans may charge a program management fee and/or a state administration fee (generally 0-0.50% in aggregate) in addition to the expense ratios of the underlying mutual funds.</li> <li>Many 529 Plans charge an annual account maintenance fee. (generally \$20-\$25 annually). Such plans often reduce or eliminate this fee for residents, clients who make automatic contributions or for accounts above a minimum balance, typically \$25,000.</li> <li>529 Plan investments include A Shares and C Shares, and sales charges vary by plan. Please see Section 3, Brokerage Products for more information on mutual funds share classes and sales charges.</li> <li>529 plans managed by J.P. Morgan increase the overall revenue of the firm. Please refer to Section 3, Brokerage Products, for more information on proprietary mutual funds and affiliated service providers.</li> </ul>



DESCRIPTION	FEES AND COSTS
<p><b>Margin</b></p> <p>The following applies to both full service and Self-Directed Investing Accounts except as indicated.</p> <ul style="list-style-type: none"> <li>• Margin involves borrowing money from JPMS in order to purchase an investment.</li> <li>• Margin may also be used to sell securities short, which may be borrowed from JPMS. (Full service accounts only.)</li> <li>• Securities in your margin account are JPMS's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and as a result, JPMS can take action, such as issuing a margin call and/or selling securities or other assets in any other accounts held with us in order to maintain the required equity in the account.</li> <li>• Margin also allows you to borrow against the value of securities you already own. We will earn interest and may also earn additional compensation when extending margin. When you have a margin account with us, we are permitted to use certain securities in your account for, among other things, settling short sales and lending securities for short sales. We will generally be compensated in connection with these transactions. As a result, we have a financial incentive for you to incur margin debt to buy securities in your account.</li> <li>• Your J.P. Morgan team is not compensated based on interest paid for your margin loans.</li> <li>• Before trading stocks in a margin account, you should carefully review the Margin Disclosure Statement at <a href="https://www.finra.org/sites/default/files/InvestorDocument/p005895.pdf">https://www.finra.org/sites/default/files/InvestorDocument/p005895.pdf</a>.</li> </ul> <p><b>Fully Paid Lending</b></p> <ul style="list-style-type: none"> <li>• Fully Paid Lending involves making your fully owned U.S. equity positions available for lending to JPMS, giving you the opportunity to earn income through loan fees.</li> <li>• The securities you wish to make available for lending will be transferred to a margin account you designate for that purpose, and we will create a new collateral account for the program. If there is demand for your positions, JPMS will move cash into your collateral account, and transfer the securities out of your margin account.</li> <li>• You will receive fees, paid monthly, for lending your securities. The amount of income you earn is subject to change and may depend on certain factors, including supply and demand.</li> <li>• There is no guarantee that securities will be borrowed by JPMS. The securities lending market is driven by supply and demand. The types of securities that are attractive to borrowers are generally those which are limited in supply relative to demand.</li> <li>• J.P. Morgan will receive compensation in connection with the use of the loaned securities.</li> </ul>	<p>Interest will be charged as provided below on any credit extended to you by JPMS for the purpose of purchasing, carrying or trading in any security. The annual rate of interest you are charged<sup>2</sup> may fluctuate with changes in the stated base rates. The changes in rates resulting from this fluctuation will be made without prior notice to you.</p> <ul style="list-style-type: none"> <li>• \$0 to \$25,000: Prime + 4.75%</li> <li>• \$25,001 to \$50,000: Prime + 4.50%</li> <li>• \$50,001 to \$100,000: Prime + 4.00%</li> <li>• \$100,001 to \$500,000: Prime + 3.75%</li> <li>• \$500,001 to \$1,000,000: Prime + 3.00%</li> <li>• \$1,000,001 to \$3,000,000: Prime + 2.50%</li> <li>• \$3,000,001 to \$10,000,000: SOFR + 2.35%</li> <li>• \$10,000,001 and above: SOFR + 1.85%</li> </ul> <p>Short sales incur fees that are based on a fluctuating rate applied daily to the market value of the securities sold short. These fees, which are in addition to interest charged on any debit balances in your account created in connection with your short positions, are based on (i) the costs and expenses incurred by J.P. Morgan to settle and maintain those transactions, and (ii) service fees in connection with the establishment and/or maintenance of your short positions. (Full service accounts only.)</p> <p>You will not be charged any monetary fees associated with a Fully Paid Lending account. The fees, charges and expenses associated with the Collateral Account will be paid by JPMS.</p> <p>However, the provisions of the Securities Investor Protection Act of 1970 (SIPA) may not protect you in respect to the loaned securities once the securities are removed from your account, and therefore, the collateral delivered to you may constitute the only source of protection in the event JPMS fails to return the loaned securities.</p> <p>Please see Section 4, Compensation and Potential Conflicts, for more information. You should also consult a tax advisor regarding the tax implications of entering into such a loan with JPMS.</p>

### 3. Products Available for Brokerage Accounts

This section is intended to provide you with a general description of the various products available within a brokerage account. While we will take care in developing and making recommendations to you, securities and investment products involve risk, and you may lose money. There is no guarantee that you will meet your investment goals, or that our recommended investment strategy will perform as anticipated.

Please note that the fees outlined in the pages of this Guide are specific to U.S. products and services. If you are a client of the

International Private Bank, refer to the Full Service Brokerage with Custody Accounts Fee Schedule—International Clients in Section 6, starting on page 42, or contact your J.P. Morgan team for information on fees and expenses relating to the products and services available to you. Please also be aware that some account types, and certain products and services, may not be available to all clients.

Please also note that we may recommend certain investment products offered by a limited number of sponsors, managers, issuers and providers after we have conducted appropriate due diligence.

<sup>2</sup> The annual rate of interest that you will be charged on any U.S. dollar-denominated credit is based on either the Prime interest rate ("Prime") or the Secured Overnight Financing Rate ("SOFR"). The Prime interest rate is an important index used by banks to set rates on many consumer loan products, such as credit cards or auto loans. The Prime interest rate will move up or down in lockstep with changes made by the Federal Reserve Board. SOFR is a benchmark for dollar-denominated derivatives and loans. SOFR is based on transactions in the Treasury repurchase market.

## A. Equities/Stocks

### Description

What is a stock?

- Stocks represent an ownership interest in a company. When you own a company's stock, you can have an equity interest in the company, or own a fractional portion of the company.
- A stockholder can achieve returns through price appreciation/depreciation and dividends.
- A stock's market value can change at any moment, depending on market conditions, investor perceptions, or a host of other issues.
- Owning stocks typically gives you the right to vote on important company issues and policies.
- Stockholders have a claim on a company's assets if the company goes bankrupt. However, in the event of liquidation, stockholders will receive what is left after all of the company's creditors have been paid.

There are different types of stocks:

- **Listed common stock**—Stock that is made available by public companies to the public for purchase (typically through an initial public offering, or an "IPO"), and may also refer to the secondary trading of these shares.
- **Preferred stock**—Stock that entitles the holder to a fixed dividend, and whose payment takes priority over that of common stock dividends.
- **Restricted stock**—Shares in a company issued in private transactions (for example, to employees as part of their pay), but which cannot be transferred until certain conditions have been met.

In addition to exchange-traded securities, we offer equities in the following ways:

- **Equity Syndicate**<sup>3</sup>—We may participate in an Initial Public Offering (IPO), which is the first sale of shares of a company to the public. This includes offerings by special purpose acquisition companies (SPACs), which are only shell companies at the time of the IPO.
- **Secondary Offering**—We also may participate in a Secondary Offering, which is the sale of additional shares of a company following an IPO (already trading in public market).

### Fees

As mentioned above, you pay JPMS a commission for each equity transaction, as described in the applicable fee schedule:

U.S. EQUITY LISTED CLEARING MEMBER TRADE AGREEMENT (CMTA) <sup>4</sup>	
CMTA (Executed Away) Fees	Fees
Transaction fee (per transaction)	US\$8.00
Contract fee (per contract)	US\$0.50

  

CASH EQUITIES—U.S. SECONDARY MARKET	
Shares	Fees per share
1 to 50,000	US\$0.06
50,001 or higher	US\$0.05
<b>Minimum ticket charge</b>	<b>US\$25.00</b>

  

CASH EQUITIES—NON-U.S. SECONDARY MARKETS NOTIONAL IN LOCAL CURRENCY	
Shares	Fees
Up to 500,000	0.50%
500,001 to 1,000,000	0.40%
1,000,001 or higher	0.30%
<b>Minimum ticket charge (USD equivalent)</b>	<b>US\$25.00</b>

### Risks and Other Relevant Information

An investment in stock involves a number of risks. The following discussion is not meant to be exhaustive, and the risks discussed do not comprise a complete list of all the risks relating to stocks. You should consider these risks as you choose your investments.

- The price of stocks may rise or fall because of changes in the broad market or changes in a company's financial condition, or industry-specific risks, sometimes rapidly or unpredictably.
- If a company becomes insolvent, its stocks are repaid only after all other debts of the company have been repaid. This can result in a potential severe reduction in, or total loss of, the value of the securities.

<sup>3</sup> The firm leading the underwriting process may bring together several firms (known as a "syndicate") to distribute the new offering.

<sup>4</sup> Clearing Member Trade Agreement (CMTA) is an agreement by which investors enter derivative trades with a limited number of broker-dealers and later consolidate the trades with one broker-dealer for clearing purposes.

- Some securities trade less frequently and in smaller volumes, often stocks of smaller or newer companies. In addition, smaller or newer companies may be more vulnerable to economic, market and industry changes and, thus, can be riskier.
- Stocks may not be registered, publicly listed or traded on an exchange, and these securities are more likely to be illiquid and therefore subject to a higher degree of liquidity risk than registered or listed securities.
- Issuers typically compensate JPMS for the distribution of new issues of securities. Similar to other products, compensation JPMS receives may be allocated as revenue to the Private Bank.
- New issues/syndicates are not available for purchase in full service brokerage retirement accounts.
- Direct purchases of, or investments in, non-U.S. equity securities (excluding ADRs) may not be recommended in full service brokerage retirement accounts.
- SPAC securities have unique additional risks that you should consider. In particular, in a SPAC structure, the SPAC's ability to successfully effect a business combination and to be successful thereafter will be particularly dependent, in whole or in part, upon the efforts of the SPAC's key personnel. Although JPMS will not receive any special compensation (other than customary underwriting compensation) in connection with a SPAC IPO, JPMS may potentially provide other services and products to the SPAC and/or the SPAC's key personnel, which may enhance JPMS's relationships with such parties, and enable J.P. Morgan to obtain additional business and generate additional revenue from such parties.
- Some securities (including certain funds or structured products) may hold, derive value from, or have exposure to "digital assets" (e.g., Bitcoin, Ether, etc.). These securities present unique risks because of the connection to the underlying digital assets, including, but not limited to, increased volatility, ongoing regulatory uncertainty including lack of clear precedent in various jurisdictions surrounding digital assets, and increased sensitivity to news, speculation and manipulation. Likewise, various digital assets may differ from one another in their technological characteristics, regulatory treatment, market convention and performance. You should consider these unique characteristics and whether these securities are suitable for you when making an investment decision.<sup>5</sup>

#### Resource(s) to Obtain Additional Information

Please consult available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you, or help you to find them.

## B. Fixed Income/Bonds

### Description

- Bonds are debt securities of an issuer. By buying a bond, the bondholder extends a loan to the bond issuer. In return, the bond issuer promises to pay the bondholder interest periodically, and principal at maturity.
- Fixed income securities generally provide investors with a steady stream of income, creating a consistent cash flow to investors. An investor can also use fixed income to achieve returns through price appreciation/depreciation.
- Key risks of bonds and other fixed income investments include interest rate risk, credit risk and inflation risk, as described further below.
- There are different types of fixed income products. The following is an illustrative list of some, but not all, of the bonds available to investors and their typical features.
  - **Government bonds** are debt issued by a federal government to support government spending. Government bonds can pay periodic interest payments called coupon payments. Government bonds are generally considered low-risk investments since the issuing government backs them. Examples include U.S. Treasuries, Japanese government bonds and UK government bonds.
  - **Municipal bonds** are issued by cities, states, counties, or other local governments. Income from municipal bonds is generally exempt from federal taxation.
  - **Agency bonds** are bonds issued by a government agency. These bonds do not include those issued by the U.S. Treasury or municipalities, and are not fully guaranteed in the same way as U.S. Treasuries. Agency bonds are also known as agency debt.
  - **Corporate bonds** are debt obligations issued by corporations to fund capital improvements, expansions, debt refinancing, share buybacks, or acquisitions. Interest is subject to federal, state and local taxes.
    - **Investment grade corporate bonds** are typically issued by high-quality corporations, those with credit ratings between AAA to BBB-.
    - **High yield corporate bonds** have a higher risk of default or other adverse credit event, but typically pay higher interest rates than higher-rated bonds in order to make them attractive to investors. These bonds are typically less liquid.
  - **Emerging market debt** is a term used to encompass bonds issued by less developed countries. It does not include borrowing from governments, supranational organizations

<sup>5</sup> In a previous joint statement with the CFTC, the SEC has defined "digital assets" to include instruments that may qualify under applicable U.S. laws as securities, commodities, and security- or commodity-based instruments such as futures or swaps. These include cryptocurrency assets such as Bitcoin or Ether.

such as the International Monetary Fund or private sources, although loans that are securitized and issued to the markets can be included.

- **Brokered CDs** are certificates of deposit sold by an intermediary, called a broker. Financial institutions use brokers to market their CDs to help them gain deposits. The rates on brokered CDs tend to be very competitive because the financial institution is competing directly with other institutions for deposits.
- In addition to exchange-traded securities, we may offer new bond issuance/syndicate, which are bond securities that have been registered, issued and are being sold on a market to the public for the first time.
- Your J.P. Morgan team may not recommend the purchase of, or investment in, new bond issuance/syndicate in full service brokerage retirement and discretionary retirement accounts except for non-J.P. Morgan issued Retail Fixed Income Notes in full service brokerage retirement accounts.<sup>6</sup>
- We may not recommend the purchase of, or investment in, corporate bonds issued by J.P. Morgan and bonds denominated in foreign currencies in full service brokerage retirement accounts.

## Fees

JPMS charges a mark-up/mark-down for bond transactions. A mark-up is the difference between a security's lowest current offering price and the price charged to the client, while a mark-down is the difference between the highest current bid price for a security and the lower price that a client receives when selling a bond. Please see the published fee schedule for Full Service Brokerage Accounts—United States in the Appendix for more information. In brokerage retirement accounts, you generally pay a commission for agency transactions or a mark-up/mark-down for riskless principal transactions.

ASSET CLASS (\$/BOND)	MAXIMUM MARK-UP
High Grade	US\$20.00
High Yield	US\$25.00
Treasury Bills	US\$1.00
Treasury Notes/Bonds	US\$6.25
Municipal Bonds	US\$25.00
U.S. Government Agency Bonds	US\$15.00

## Risks and Other Relevant Information

Although fixed income investments are generally perceived to be more conservative than stocks, they are not without risk. Below are some of the major risks associated with fixed income securities.

- Bond prices rise when interest rates fall and vice versa. Longer-term securities are more prone to price fluctuation than shorter-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to substantial gain or loss. Income is subject to the credit risk of the issuer of the bond. If an issuer defaults, no future income payments will be made.
- Credit risk is the risk that the issuer of a security may not honor its obligation to pay principal or interest, resulting in a loss to the investor. You should consider the credit risk of an issuer when making an investment decision.
- There are many fixed income products with different degrees of liquidity. There may be no market for a particular fixed income instrument, and you 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 price for a fixed income instrument. Even when a market exists, there may be a substantial credit spread, which is the difference in yield between two fixed income instruments that have similar maturity but different credit quality. For example, if a 10-year U.S. Treasury note has a yield of 4% and a corporate bond has a yield of 7%, the spread would be  $(7-4)*100 = 300$  basis points.
- The value of fixed income instruments generally moves in the opposite direction of credit spreads. Values decrease when credit spreads widen, and increase when credit spreads narrow.
- Interest rate (or duration) risk is the risk that changes in prevailing market interest rates will affect the value of a fixed income security. The value of a fixed income security will generally move in the opposite direction of interest rates. Values decrease when interest rates rise and increase when interest rates fall.
- A callable bond permits the issuer to redeem the bonds before the maturity date. Investors in callable bonds may not receive the bond's original coupon rate for the entire term of the bond, and once the call date has been reached, the market value of the bond may be capped at the call price.
- U.S. government securities are issued directly by the U.S. government and are guaranteed by the U.S. Treasury; however, other U.S. government securities issued by an agency of the U.S. government may not carry such a guaranty. The U.S. government may not provide financial support to its agencies if not required to do so by law. Similar risks apply to securities issued by state government agencies and municipalities.
- Many of the risks in fixed income securities apply to other investments as well. For instance, inflation risk (the risk that returns will not keep pace with inflation) affects every investment. Foreign investments also have currency risk (the risk

<sup>6</sup> The firm leading the underwriting process may bring together several firms (or "syndicate") to distribute the new offering.

that currency exchange rate fluctuations may reduce gains or increase losses on foreign investments). Exchange rate volatility also may affect the ability of an issuer to repay its foreign currency denominated debt, thereby increasing credit risk.

- Issuers typically compensate JPMS for the distribution of new issues of securities. Similar to other products, compensation JPMS receives may be allocated as revenue to the Private Bank.

### Resource(s) to Obtain Additional Information

Please consult available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you, or help you to find them.

## C. Structured Investments

### Description

- Structured Investments (or “Structured Products”), in general terms, are fixed tenor securities that establish payoff profiles and detail potential benefits and risks linked to market outcomes. The underlying reference assets may include one or more of a single equity or debt securities, indexes, commodities, interest rates, foreign currencies or digital assets, as well as baskets of these reference assets or market measures.
- Structured Products typically have two underlying component parts—a note and a derivative, which is often an option. The note, in some instances, may pay interest or a coupon rate at a specified rate and interval, which may be contingent on the occurrence or non-occurrence of certain event(s). (See Section 3.E for further information about derivatives.)
- When packaged into a single security, the components of a Structured Product have the ability to adjust the underlying reference asset’s overall risk and return profile.
- Potential investors should consider whether to invest in a Structured Product in light of their own circumstances, investment objectives, tax position and financial condition. Structured Products will be offered by prospectus, term sheet, or offering memorandum, and the offering document will provide more detailed information regarding the Structure. Potential investors should consider carefully all the information and risk factors set forth in the term sheet or Pricing Supplement along with all the information set forth in the Offering Memorandum.
- Some Structured Products are certificates of deposit of a bank, with the principal amount of the investment protected by FDIC insurance (up to applicable limits) in the case of a bank failure. For more information regarding the FDIC insurance coverage and any applicable limits, please visit [www.FDIC.gov](http://www.FDIC.gov).

### Fees

- J.P. Morgan is typically paid a distribution fee of up to 5% of the notional amount of the security. Details on the specific fees and

costs associated with each note will be contained in the term sheet for the Structured Product.

- The issue price of a Structured Product will reflect the costs associated with issuing, selling, structuring and hedging a Structured Product, and will include compensation to an issuer or its affiliate for structuring work involved in packaging a Structured Product as one instrument.
- Costs and compensation will vary with each Structure. A Structured Product may also include an annual fee embedded in an index or calculation, payable to the issuer or index sponsor (which may be J.P. Morgan or a non-J.P. Morgan affiliate issuer) for structuring or calculating a proprietary index or formula.
- In addition, the issue price of a Structured Product purchased in a brokerage account will include a fee to compensate J.P. Morgan for marketing and distributing the Structured Product.
- If a Structured Product has an early redemption feature and is redeemed prior to maturity, the compensation will not be prorated to the period during which the Structured Product was outstanding and, as a result, the rate of compensation will be higher. This compensation structure creates a conflict of interest which incentivizes your J.P. Morgan team to recommend frequent Structured Product transactions.

### Restrictions

- **Issuers**—Only Structured Products issued by J.P. Morgan-approved counterparties will be recommended. All approved counterparties are periodically reviewed.
- **Payoff Profiles**—Payoff Profiles offered are documented and vetted through appropriate internal approval channels.
- **Paperless delivery**—You must be enrolled in paperless delivery of all investor materials to be approved for Structured Products. If we do not have your electronic consent and email address on file, you will not be able to invest in this product.
- Clients need to meet suitability criteria to transact in Structured Products, which may vary across different types of Structured Products.
- Structured Products may not be available for all investors or account types.

### Risks and Other Relevant Information

An investment in Structured Products involves a number of risks. The following discussion is not meant to be exhaustive, and the risks discussed do not comprise a complete list of all the risks relating to Structured Products. You should consider these risks as you choose your investments.

- **Suitability**—Investments in Structured Products may not be suitable for all investors. These types of investments entail varying degrees of risk, and while some Structured Products offer full or partial principal



protection, others can result in the loss of the full amount invested.

- **Credit Risk**—Structured Products are subject to the issuer’s and the guarantor’s, if any, financial ability to meet their payout obligations.
- **Liquidity Risk**—Structured Products may not be publicly listed or traded on an exchange and therefore may be illiquid investments.
- **Early Redemption Risk**—Prior to maturity, Structured Products will generally only be repurchased by the issuer and only upon terms and conditions acceptable to it, and, in most cases, Structured Products may not be transferable or negotiable. In the event that an issuer consents to early liquidation, you will likely not fully participate in any benefits of the Structured Product, such as principal protection, buffers or enhanced returns. Additionally, an early liquidation or redemption may expose you to reinvestment risk in light of other investments available at the time of liquidation/redemption.
- **Underlying Risk; Relative Performance; Volatility**—Investing in a Structured Product is not the same as investing directly in the underlying asset. The return on a Structured Product at maturity may not be the same as the return on a direct investment in the underlying asset, and the maximum payment on a Structured Product may be subject to a cap, which would limit appreciation potential compared to a direct investment. Because the amounts payable with respect to a Structured Product are generally calculated based on the value or level of the underlying asset on a specified date or over a limited period of time, the volatility of the asset increases the risk that the return on the Structured Product may be adversely affected by a fluctuation in the level of the underlying asset. The volatility of an asset, particularly a currency or commodity, may be affected by political or economic events, including governmental actions, or by the activities of participants in the relevant markets.
- **Conflicts of Interest; Hedging and Issuer Trading Activities**—Issuers of Structured Products generally hedge their exposure on the Structured Product. Such hedging may involve the issuer, directly or through its affiliates, entering into transactions involving the securities, commodities or currencies or other instruments underlying the Structured Product, or derivative instruments, such as swaps, options or futures, on the underlying asset. By engaging in transactions of this kind, the issuer could adversely affect the value of a Structured Product and could achieve substantial returns from its hedging transactions, while the value of the Structured Product may decline. Issuers and their affiliates also may engage in trading, including trading for hedging purposes, for their proprietary accounts or for other accounts under their management, in the securities, commodities or currencies or other instruments underlying a Structured

Product; or in other derivative instruments related to the underlying asset. These trading activities could adversely affect the value of a Structured Product. The issuer and its affiliates may also introduce competing products into the marketplace that adversely affect the value of a Structured Product thereby.

- **Conflicts of Interest; Affiliates**—We have a conflict of interest when recommending Structured Products issued by J.P. Morgan affiliates because it increases the overall revenue of J.P. Morgan. When playing multiple roles and performing duties, JPMS’s and J.P. Morgan’s economic interests and your economic interests in Structured Products potentially could be adverse. It is also possible that JPMS’s or its affiliates’ hedging or trading activities in connection with Structured Products could result in substantial returns for JPMS or its affiliates while the value of Structured Products decline.
- **Split Hedging**—For certain Structured Products, JPMS may engage in up to 50% of the hedging activities—known as “split hedging”—with third-party issuers who issue the Structured Products. There is a conflict of interest when engaging in split hedging because this may increase the overall revenue of JPMS.
- Use of Structured Products may not be suitable for all investors. Neither JPMS nor any of its affiliates render tax or legal advice. Therefore, clients are strongly encouraged to consult with outside tax and legal professionals regarding the potential that the use of Structured Products may generate undesired tax liabilities and penalties.

#### **Resource(s) to Obtain Additional Information**

Please consult available offering documents for any security we recommend for a discussion of risks associated with the Structured Product. We can provide these documents to you, or help you to find them.

## **D. Securitized Products**

### **Description**

- Securitized Products are financial products that pool various types of contractual debt such as residential mortgages, commercial mortgages, auto loans or credit card debt obligations (or other non-debt assets which generate receivables) and package the related cash flows to third-party investors as securities, pass-through securities, or collateralized debt obligations (CDOs). Holders are repaid from the cash flows collected from the underlying debt and redistributed through the capital structure of the securitization. Securities backed by mortgage receivables are called mortgage-backed securities (MBS), while those backed by other types of receivables are generally called asset-backed securities (ABS).

## Fees

JPMS charges a mark-up/mark-down for Securitized Products transactions. A mark-up is the difference between a security's lowest current offering price and the price charged to the client, while a mark-down is the difference between the highest current bid price for a security and the lower price that a client receives.

ASSET CLASS	MAXIMUM MARK-UP (\$/BOND)
<b>Securitized Products</b>	
Mortgage-Backed Securities	US\$25.00
Asset-Backed Securities	US\$25.00

## Restrictions

Private Bank clients are required to meet certain criteria to transact in these products.

## Risks and Other Relevant Information

- Risks generally include interest rate risk, basis risk, liquidity risk, prepayment risk, reinvestment risk and credit/default risk. While in some transactions the issuer may retain economic credit risk associated with securitized assets, the credit risk of certain asset types may be small compared with these other risks.
- Securities not backed by government agencies expose investors to greater credit risk/default risk. Credit/default risk is the borrower's inability to meet interest and principal payment obligations on time, and there is potential for no return of principal. Events of default may occur when certain obligations relating to the underlying collateral are not sufficiently met as detailed in its prospectus. A key indicator of a particular security's default risk is its credit rating. Different classes within a deal's structure may be rated differently, with senior classes of most issues receiving the highest rating, and subordinated classes receiving correspondingly lower credit ratings due to increased chance of loss.
- Movements in market interest rates may have a greater effect on securitized products, such as those linked to mortgages, than on other fixed-rate obligations because rate movements may affect prepayment rates of the underlying asset and, consequently, the securitized product's average life and yield. Prepayments often accelerate in a declining interest rate environment and decline in a rising interest rate environment. Investors should carefully consider the effect that sharp moves in interest rates would have on the performance of their investments.
- Default risk is the borrower's inability to meet interest payment obligations. For ABS, default may occur when certain obligations relating to the underlying collateral are not sufficiently met as detailed in its prospectus. A key indicator of a particular security's default risk is its credit rating. Different tranches within the ABS are rated differently, with senior classes receiving the highest rating,

and subordinated classes receiving correspondingly lower credit ratings. Almost all mortgages, including reverse mortgages, and student loans, are now insured by the government.

- Fluctuations in interest rates affect floating-rate ABS prices less than fixed-rate securities, as the index against which the ABS rate adjusts will reflect interest rate changes in the economy. Interest rate changes may affect the prepayment rates on underlying loans that back some types of ABS, which can affect yields. Home equity loans tend to be the most sensitive to changes in interest rates, while auto loans, student loans, and credit cards are generally less sensitive to changes in interest rate.

## Resource(s) to Obtain Additional Information

Please consult available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you, or help you to find them.

## E. Derivatives

### Over-the-Counter Derivatives

#### Description

- Over-the-Counter ("OTC") Derivatives take one of four basic forms, although the forms can be overlapping and one transaction can involve elements of all four forms. These basic forms are 1) swaps, 2) options, 3) forwards, and 4) hybrid instruments, the latter of which are debt obligations with an embedded swap, option or forward.
- Derivatives can be settled in cash or settled by physical delivery of property against cash. Derivatives that are regulated by the SEC as securities include (a) non-cleared security-based swaps; (b) any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof); (c) any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or (d) any warrant or right to subscribe to or purchase, any of the foregoing.
- Derivatives are typically used for hedging systematic or market risks such as, among other things, currency fluctuations, market movements, interest rate movements or inflation.
- A common feature of Derivatives is that the obligations of one or both of the parties are based on the value or market price of one or more underlying financial or commodity markets to which the transaction is linked. You should not enter into an OTC Derivative unless you understand, at a minimum:
  - The fundamentals of the market underlying the Derivative;
  - The legal terms and conditions of the documentation for the Derivative;

- The extent of the economic risk(s) to which you are exposed as a result of the Derivative (and determine that such risk is suitable for you in light of your financial circumstances and objectives);
- The tax treatment of the Derivative; and
- The regulatory treatment of the Derivative.

### Fees

Fees for OTC Derivatives are determined on a contract-by-contract basis, typically calculated as a percentage of the notional amount of the trade, depending on tenor, notional, asset class and complexity of trade. Details on the fees are contained in the OTC term sheet and confirmation for each trade.

### Restrictions

- Restrictions are based on an approved product list.
- Clients need to meet certain criteria to trade.
- Some OTC Derivatives are subject to Dodd-Frank requirements.

### Risks and Other Relevant Information

The following points should be considered in deciding whether to enter into a particular OTC Derivative:

- **Market risk:** To the extent the obligations or rights associated with an OTC Derivative are linked to prices or values in a particular market, you will be exposed to a risk of loss as a result of price or value movements in that market.
- **Credit risk:** You will be dependent upon the financial capacity of J.P. Morgan to meet its obligations under each OTC Derivative contract prior to settlement, and you may incur unsecured credit risk with respect to those obligations.
- **Price transparency:** Because the prices and characteristics of non-cleared OTC Derivatives are individually negotiated and there is no central source for obtaining prices, dealers in non-cleared OTC Derivatives may quote different prices for similar transactions. J.P. Morgan does not warrant that its prices will always be the best prices available.
- **Option risk:** Option transactions can be very risky. The risk of selling (writing) options is considerably greater than the risk involved in buying options. If you buy an option, you cannot lose more than the premium. If you sell (write) an option, the risk can be unlimited. Fluctuations in currency exchange rates may affect the value of any OTC Option on securities trading in, or denominated in, a foreign currency, as well as the value of any payment or delivery of securities in connection with such OTC Option.
- **Leverage risk:** Certain Derivatives can be structured to allow for significant leverage. The use of leverage may have the effect of magnifying an investor's losses or gains, and can cause an investor to be highly exposed to risk with very little capital

or cash investment. As a result, a relatively small, unexpected change in the notional amount of an investor's position could have a much larger adverse impact on the principal amount invested.

- **Collateral:** Collateral may be required to support your obligations under OTC Derivatives. Additional collateral may be required after you have entered into an OTC Derivative.

### Resource(s) to Obtain Additional Information

Please consult available offering or transaction documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you, or help you to find them.

### Listed Options

#### Description

- Listed Options are a type of derivative security traded on an exchange. Specifically, options are contracts that grant the right, but not the obligation, to buy or sell an underlying asset at a set price, on or before a certain date.
  - **Call options** are financial contracts that give the option buyer the right, but not the obligation, to buy an underlying asset at a specified price within a specific time period. The underlying asset can be a stock, bond or commodity.
  - **Put options** are contracts that give the owner the right, but not the obligation, to sell, or short, an underlying asset at a predetermined price within a specified timeframe.
- There are three common types of listed options, namely American style, European style and Bermudan style.
  - **A European option** may only be exercised on expiration.
  - **An American option** may be exercised on any trading day on or before expiry.
  - **A Bermudan option** may be exercised only on specified dates on or before expiry.
- **Uncovered Options**
  - An uncovered (or "naked") option transaction occurs when an investor buys or sells (writes) an option without owning the position in the underlying asset. There are special risks associated with uncovered option writing that potentially expose the investor to significant loss. Therefore, this type of strategy may not be suitable for all clients, including those generally approved for options transactions.
  - The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position, and may incur large losses if the value of the underlying instrument increases above the exercise price.



## Fees

### Equity Listed Options—United States

PREMIUM PRICE	FEES CHARGED PER CONTRACT
US\$0.01-0.49	US\$1.00
US\$0.50-0.99	US\$2.00
US\$1.00+	US\$4.00
<b>Minimum ticket charge</b>	<b>US\$25.00</b>

### Restrictions

Listed option exchanges may, from time to time, restrict the types of transactions that are permitted.

### Risks and Other Relevant Information

- Options trading involves additional risk, is not suitable for all investors, and is subject to approval. Before buying and selling options, investors should understand all of their rights and obligations associated with trading options. For example, the risk of selling (writing) options is considerably greater than the risk involved in buying options. If you buy an option, you cannot lose more than the premium. If you sell (write) an option, the risk can be unlimited. Fluctuations in currency exchange rates may affect the value of any OTC Option on securities trading in, or denominated in, a foreign currency, as well as the value of any payment or delivery of securities in connection with such OTC Option.
- In addition, options can be structured to allow for significant leverage. The use of leverage may have the effect of magnifying an investor's losses or gains and can cause an investor to be highly exposed to risk with very little capital or cash investment. As a result, a relatively small, unexpected change in the notional amount of an investor's position could have a much larger adverse impact on the principal amount invested.
- JPMS or an affiliate may act as Primary Market Maker or Competitive Market Maker in option trades executed on an options exchange, and may have a position (long or short) in such securities, and may be on the opposite side of public orders executed in such securities.

### Resource(s) to Obtain Additional Information

- Please consult available offering or transaction documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you, or help you to find them.
- Prior to buying or selling an option, investors must read a copy of the Characteristics & Risks of Standardized Options, also known as the options disclosure document issued by the Options Clearing Corporation. It explains the characteristics and risks of exchange-traded options. To view it, go to <https://www.theocc.com/about/publications/character-risks.jsp>.

## Foreign Exchange

### Description

A foreign exchange spot transaction involves two parties agreeing to exchange currency at the exchange rate at the time of trade, or "on the spot." A foreign exchange spot transaction is normally settled within two days.

### Fees

- Forward<sup>7</sup> and spot transactions in foreign exchange are executed by JPMCB and are subject to a mark-up (if you are the buyer) or mark-down (if you are the seller) of up to 1.00% of the notional amount per transaction. If you request that a foreign exchange transaction be executed by J.P. Morgan Private Bank Client Service rather than through your J.P. Morgan Private Bank investment professional, you will incur fees different from those listed here. In those cases, our fees will be up to 2.00% of the notional amount per transaction.
- Pricing also varies according to the market conditions at the time of trade and takes into consideration the notional amount (in the case of foreign exchange transactions).

### Risks and Other Relevant Information

- Foreign currencies or baskets of currencies may be very volatile and may experience significant drops in value over a short period of time. The value of a foreign currency will depend on, among other economic indicators, movements in exchange rates. Risks and special considerations with respect to foreign currencies include, but are not limited to, economic uncertainties, currency devaluations, political and social uncertainties, exchange control regulations, high rates of interest, a history of government and private sector defaults, significant government influence on the economy, less rigorous regulatory and accounting standards than in the United States, relatively less developed financial and other systems, and limited liquidity and higher price volatility of the related securities markets.
- We may not recommend the purchase of, or investment in, foreign currencies in full service brokerage retirement accounts.

## F. Mutual Funds

The following information applies to mutual funds that are regulated by the SEC in the United States under the Investment Company Act of 1940, as amended. For clients outside of the United States, UCITS, which are regulated by the European Union under the Directive 2014/91/EU, will generally be more suitable. To learn more about UCITS, including associated fees, sales charges, remuneration paid to J.P. Morgan, and expenses, please contact your J.P. Morgan team.

<sup>7</sup> A forward contract, or futures contract, involves an agreement of contract terms on the current date with the delivery and payment at a specified future date.

## Description

- Many investors turn to mutual funds to meet their long-term financial goals. They offer the benefits of diversification and professional management, and are seen as an easy and efficient way to invest. A mutual fund is an investment company that pools assets from many investors and invests the money in stocks, bonds and other securities or assets in some combination. The holdings of the mutual fund are its “portfolio.” Each share of the mutual fund represents an investor’s proportionate ownership of the fund’s holdings and the income those holdings may generate.
  - There is a wide variety of mutual funds available for residents of the United States and outside of the United States, covering a range of strategies and risks, including stock, fixed income, balanced, multi-asset and index funds. Although many mutual funds available through the Private Bank will follow a traditional long-only investment strategy, some mutual funds may utilize more complex investment strategies similar to those employed by private alternative funds, including hedge funds and private equity funds. Please see the section titled “Complex Registered Mutual Funds and Exchange-Traded Products” for more information regarding these products.
  - All mutual funds carry risk. Your investment will go up and down in value. You can lose some or all of your money. Your earnings can fluctuate too. All mutual funds have costs that lower your investment returns.
  - Your J.P. Morgan team will only recommend approved J.P. Morgan Mutual Funds to you on the U.S. full service brokerage platform, although certain third-party mutual funds may be purchased upon client request or under limited circumstances. For clients residing outside of the United States, your J.P. Morgan team will recommend both approved J.P. Morgan and third-party mutual funds to you on the full service brokerage platform.
  - Before you invest, be sure to read the fund’s prospectus, or Key Investor Information Document for offshore funds, to learn about the fund you’re considering. The fund prospectus contains important information regarding the fund’s investment objectives, strategies, risks, charges, expenses and other matters significant to your investment choice. To obtain a prospectus, please contact your J.P. Morgan team.
- securities, but has different sales charges and expenses. Some mutual funds charge a fee (known also as a “load”) to purchase shares, which is paid when you buy or sell the fund. Unless otherwise agreed by you and us, J.P. Morgan does not charge you a commission when you purchase a mutual fund.
- The J.P. Morgan mutual funds we will recommend to you through the Private Bank’s full service brokerage platform do not carry a front-end or other sales charge; only no-load shares are available for purchase.
  - Investors should be aware that funds and the share class of a fund available through the Private Bank full service brokerage platform may differ from the funds or the share classes available to similar accounts managed by or held at JPMS or its affiliates. Clients should contact their J.P. Morgan team for information about any limitations on share classes available through the full service brokerage platform.
  - Other funds and/or share classes may be available to you through the Private Bank’s asset-based fee advisory programs. In these programs, you typically pay an annual fee based on a percentage of the value of the assets held in your account, including the value of the fund shares. No-load mutual funds may be purchased directly through many mutual fund companies without intervention of a financial intermediary. Please consult the prospectus for the fund in which you are interested for direction on how to do so.
  - You may purchase load-waived and no-load mutual funds in your J.P. Morgan Self-Directed Investing Account. Representative-assisted trades are subject to a transactional fee.
  - For additional information about mutual fund fees, you should also refer to the fund’s prospectus or contact your J.P. Morgan team.

## Fees and Expenses

### Fees and Charges Paid Directly by Investors—No Loads

- In general, there are fees you pay to a mutual fund company and/or financial intermediary when you purchase a mutual fund. Mutual funds are offered in different share classes, and these fees may vary based on which share class you purchase. Each share class invests in the same investment portfolio of
- Fees and Expenses Paid to or Indirectly through the Mutual Fund**
- **Fund fees and expenses**—The ongoing costs of running a fund are called its fees and expenses. The fund pays these fees and expenses from the fund’s assets before distributing any earnings to investors, which reduces the returns of the fund. You can find the fees and expenses of a fund by looking at its “expense ratio,” which is disclosed in a fund’s fact sheet and prospectus/summary prospectus. The expense ratio is the fund’s total annual costs as a percentage of its assets, or net asset value (NAV). Types of fees and expenses include:
    - **Management fees**—The management fee is paid to the fund’s investment adviser for researching and selecting securities in the fund portfolio and managing its assets. As the funds approved for the Private Bank full service brokerage platform are limited to J.P. Morgan Funds, these

fees are paid to J.P. Morgan Investment Management Inc. or its affiliates.

- **Distribution [and/or Service] (12b-1) fees**—Fees paid by some mutual funds pursuant to Rule 12b-1 of the Investment Company Act of 1940, which allows funds to use fund assets to pay the costs of marketing and distribution of the fund’s shares. Some 12b-1 plans also authorize and include “shareholder service fees,” which are fees paid for personal services provided to shareholders and/or the maintenance of shareholder accounts, such as responding to investor inquiries and providing investors information about their investments. A fund may pay fees for shareholder servicing without adopting a 12b-1 plan. If paid as part of a fund’s 12b-1 plan, such fees will be included in the fund’s fee table. If paid outside a 12b-1 plan, then these fees will be included in the “Other expenses” category described below. The mutual funds and share classes approved for the Private Bank full service brokerage platform do not charge 12b-1 fees, though these fees may be received by J.P. Morgan in connection with other funds that are not approved, but held upon client request or on other J.P. Morgan platforms.
- **Other expenses**—Other costs, such as shareholder servicing, recordkeeping, legal and accounting services, custody, transfer agency, and administration, are also included in the fund’s expenses.
- **Other fees on transactions**—Although you pay no sales charges, you may need to pay other fees on certain mutual fund transactions, including:
  - **Redemption fees**—Some funds may charge fees to investors who redeem their shares within a specified time period (generally within a few months of purchasing them). These fees are typically up to 2%, and are usually returned to the portfolio to offset the trading costs.
  - **Exchange fees**—Exchange privileges allow shareholders to exchange their investment in a fund for another within the same fund family. However, in some cases, you may be charged a small exchange fee for doing so.

For more information about these fund fees and expenses, please refer to the fund prospectus, which can be obtained from your J.P. Morgan team.

### Compensation J.P. Morgan Receives from Mutual Fund Companies<sup>8</sup>

- **Administrative servicing/recordkeeping fees**—Many mutual funds or their fund affiliates pay JPMS fees for providing certain administrative services and/or recordkeeping, which may 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, and distributing prospectuses and other fund reports. The fees for these services are typically called “administrative servicing fees,” or “recordkeeping fees.” These may also be referred to as “shareholder servicing fees.” The fees for shareholder servicing may be expressed by mutual funds as basis points on assets (generally in the range of 0-0.25%), as is the case with J.P. Morgan Mutual Funds available on the Private Bank full service brokerage platform or, for other funds available through other J.P. Morgan platforms, based on the number of fund positions held. These fees generally are paid from investor assets in mutual funds, but in some cases are subsidized in part by affiliates or the distributor of the mutual funds (such affiliate payments may be referred to as “revenue sharing”).

- **Distribution [and/or Service] (12b-1) fees**—The mutual funds and share classes approved for the Private Bank full service brokerage platform do not charge 12b-1 fees, though these fees may be received by J.P. Morgan in connection with other funds that are not approved but held upon client request or on other J.P. Morgan platforms.
- **Revenue sharing**—Separate from 12b-1 fees and administrative servicing fees and/or recordkeeping described above and in the mutual fund’s prospectus, certain mutual fund sponsors or distributors make additional payments to JPMS or its affiliates in certain sales channels based on overall sales and/or assets. These payments are typically called revenue sharing and are paid from the entity’s revenues or profits, not from the fund’s assets, but the entity’s revenues or profits may reflect fees paid to them by the fund. For the J.P. Morgan Funds available on the full service brokerage platform, JPMS receives payments as a percentage per year of the amount held in these mutual funds—currently ranging from 0.00% to 0.10%.
- **Conflicts of interest**—The level of payments to JPMS varies in any given year. Payments for sales of one fund’s shares may be more or less than the payments JPMS receives from other mutual funds’ advisers, distributors or other entities, and in certain instances, the payments could be significant. While revenue sharing payments will not change the net asset value or price of a fund’s shares, the payments create a conflict of interest, as there will be an incentive to promote and recommend those funds whose sponsors make significant payments over funds that do not. Similarly, JPMS has a conflict in recommending mutual funds that pay these fees instead of ETFs or other securities or products that do not pay any of these fees.

<sup>8</sup> The fee ranges quoted in this section are generally for the funds approved for purchase on the Private Bank full service brokerage platform. Similar fees may be taken by J.P. Morgan in connection with other funds that are not approved, but held upon client request or on other J.P. Morgan platforms, and applicable rates may differ.

## J.P. Morgan Team Compensation for Mutual Funds Sales

Your J.P. Morgan team does not receive commissions or direct payment for specific mutual funds transactions.

## Proprietary Mutual Funds and Affiliates Service Provider

Affiliates of J.P. Morgan provide investment management and other services, such as shareholder servicing, custody, fund accounting, administration, distribution, and securities lending, to the J.P. Morgan Mutual Funds for which those affiliates receive fees. Therefore, J.P. Morgan as a firm will receive greater compensation when its clients buy shares of the J.P. Morgan Mutual Funds than if they buy shares of non-affiliated mutual funds.

## G. Money Market Funds

### Description

- These funds seek to pay higher returns than interest-bearing bank accounts. Money market funds invest in high-quality, short-term debt securities and pay dividends that generally reflect short-term interest rates. However, they are not bank accounts, not FDIC-insured and not guaranteed to maintain their value.
- During extreme market volatility:
  - **Mandatory liquidity fees**—Institutional prime and institutional tax-exempt money market funds are required to impose liquidity fees when a fund experiences daily net redemptions that exceed 5% of net assets.
  - **Discretionary liquidity fees**—Money market funds may impose a fee to redeeming investors when the fund’s board determines that such fee is in the best interests of the fund.
- Fund companies must designate money market funds (at the strategy level) as retail, institutional or government.
- Retail money market funds have policies and procedures reasonably designed to limit all beneficial owners to “natural persons” (for example, individuals, but not corporations) and maintain a stable \$1.00 NAV.
  - Institutional money market funds may also impose a “floating NAV” (no longer maintaining a stable price) that would allow the value of its shares to fluctuate in extreme conditions.
  - In a scenario in which a fund has negative gross yield, as a result of negative interest rates, a stable NAV fund, either institutional or retail, may (i) convert to a floating share price or (ii) reduce the number of its shares outstanding to maintain a stable NAV per share.
  - Government money market funds invest at least 99.5% of their total assets in cash, government securities, or equivalents and maintain a stable \$1.00 NAV.

## Restrictions

Your J.P. Morgan team will only recommend approved J.P. Morgan Money Market Funds to you on the U.S. full service brokerage platform with limited exceptions.

## Disclosures Language

An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency, nor is it guaranteed by any private entity, such as its investment adviser or custodian. Although money market funds strive to preserve the value of the investment, it is possible to lose money by investing in them.

## Fees and Expenses Paid to or Indirectly through the Money Market Fund

- **Fund fees and expenses**—The ongoing costs of running a fund are called its fees and expenses or its Annual Fund Operating Expenses. The fund pays these fees and expenses from its assets before distributing any earnings to investors, which reduces the returns of the fund. You can find the fees and expenses of a fund by looking at its “expense ratio,” which is disclosed in a fund’s fact sheet and prospectus/summary prospectus. The expense ratio is the fund’s total annual costs as a percentage of its assets, or NAV. Types of fees and expenses may include:
  - **Management fees**—The management fee is paid to the fund’s investment adviser for researching and selecting securities in the fund’s portfolio, and managing its assets.
  - **12b-1 fees**—Fees paid by some money market funds pursuant to Rule 12b-1 of the Investment Company Act of 1940, which allows funds to use fund assets to pay the costs of marketing and distribution of the fund’s shares. Some 12b-1 plans also authorize and include “shareholder service fees,” which are fees paid for personal services provided to shareholders and/or the maintenance of shareholder accounts. A fund may pay fees for shareholder servicing without adopting a 12b-1 plan. If paid as part of a fund’s 12b-1 plan, such fees will be included in the fund’s fee table. If paid outside of a 12b-1 plan, then these fees will be included in the “Other expenses” category described below. The money market funds approved for the Private Bank full service brokerage platform do not charge 12b-1, though these fees may be received by J.P. Morgan in connection with other money market funds that are not approved, but held upon client request or on other J.P. Morgan platforms.
  - **Other expenses**—Other costs, such as shareholder servicing, recordkeeping, legal and accounting services, custody, transfer agency, and administration, are also included in the fund’s expenses.

- **Additional fees on transactions**—Although you pay no sales charges, you may need to pay other fees with respect to certain transactions, including:
  - **Mandatory liquidity fees**—Institutional prime and institutional tax-exempt money market funds are required to impose liquidity fees when a fund experiences daily net redemptions that exceed 5% of net assets. The fee has no upper limit, but will be determined by an estimate of the costs of selling a pro rata amount of each portfolio security or, if the fund cannot estimate this cost, a default liquidity fee of 1% of the value of shares redeemed.
  - **Discretionary liquidity fees**—Money market funds may impose a fee to redeeming investors when the fund’s board determines that such fee is in the best interests of the fund. The fee cannot exceed 2% of the value of the shares redeemed.
  - **Exchange fees**—Exchange privileges allow shareholders to exchange their investment in a fund for another within the same fund family. However, in some cases, you may be charged a small exchange fee for doing so.

For complete information about money market fund fees associated with specific funds, you should refer to the fund’s prospectus and Statement of Additional Information.

### Compensation J.P. Morgan Receives from Money Market Fund Companies<sup>9</sup>

- **12b-1 distribution fees**—The money market funds approved for the Private Bank full service brokerage platform do not charge 12b-1 distribution fees, though these fees may be received by J.P. Morgan in connection with other money market funds that are not approved, but held upon client request or on other J.P. Morgan platforms.
- **Servicing and administrative fees**—Money market funds or their fund affiliates may pay JPMS fees for providing certain shareholder services, administrative services and/or recordkeeping. Shareholder services may include responding to investor inquiries and providing investors information about their investments. Administrative services and/or recordkeeping may 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, and distributing prospectuses and other fund reports. Depending upon the share class, as compensation for these shareholder services, administrative services and/or recordkeeping, JPMS may receive fees for these services that may be bundled into one fee, typically between

0% and 0.30% for J.P. Morgan Money Market Funds, which may include up to a 0.25% shareholder services fee. These fees generally are paid from investor assets in money market funds, but in some cases are subsidized in part by affiliates or the distributor of the money market funds (such affiliate payments may be referred to as “revenue sharing”). The money market funds approved for the Private Bank full service brokerage platform do not charge 12b-1 shareholder services fees, though these fees may be received by J.P. Morgan in connection with other money market funds that are not approved, but held upon client request or on other J.P. Morgan platforms.

- **Revenue sharing**—Separate from the sales charges, 12b-1 distribution fees, and shareholder servicing and administrative fees described above and in the money market fund’s prospectus, certain money market fund sponsors or distributors make additional payments to JPMS or its affiliates for providing additional marketing, sales and/or support services.
- These payments are typically called revenue sharing and are paid from the entity’s revenues or profits, not from the fund’s assets, but the entity’s revenues or profits may reflect fees paid to them by the fund. JPMS may receive a payment as a percentage per year of the amount held in these money market funds. Percentage payments generally range from 0% to 0.10%, as is the case with J.P. Morgan Money Market Funds.

The level of payments to J.P. Morgan varies in any given year. While any such payments will not change the NAV or price of a fund’s shares, the payments create a conflict of interest, as there will be an incentive to promote and recommend those funds whose sponsors make significant payments.

### J.P. Morgan Team Compensation for Money Market Funds Sales

Your J.P. Morgan team does not receive commissions or direct payment for specific money market fund transactions.

### Proprietary Money Market Funds and Affiliates Service Providers

Affiliates of JPMS provide investment management and other services, such as shareholder servicing, custody, fund accounting, administration, distribution, and securities lending, to the J.P. Morgan Money Market Funds for which those affiliates receive fees. Therefore, J.P. Morgan as a firm will receive greater compensation if its clients buy shares of the J.P. Morgan Money Market Funds than if they buy shares of non-affiliated money market funds.

<sup>9</sup> The fee ranges in this section are generally for the funds approved for purchase on the Private Bank full service brokerage platform. Similar fees may be taken by J.P. Morgan in connection with other funds that are not approved, but held upon client request or on other J.P. Morgan platforms, and applicable rates may differ.



## H. Exchange-Traded Products

### Description

- In general, Exchange-Traded Products (ETPs) are investment vehicles that are listed on an exchange and can be bought and sold throughout the trading day like a stock. ETPs seek to provide investors with exposure to financial instruments, financial benchmarks or investment strategies across a wide range of asset classes. Exchange-Traded Funds (ETFs) are the most common type of ETP, but ETPs also include Exchange-Traded Notes (ETNs) and Exchange-Traded Commodities (ETC).<sup>10</sup>
- Certain ETPs are more similar to mutual funds than others. ETFs, like mutual funds, are SEC-registered investment companies that offer investors a way to pool their money in a fund that makes investments in stocks, bonds, other assets, or some combination of these investments and, in return, receive an interest in that investment pool. Other types of ETPs are generally structured as trusts or partnerships that are not registered under the Investment Company Act of 1940 and that may physically hold a precious metal, a portfolio of futures or other derivative contracts on certain commodities or currencies, or are secured debt obligations of financial institutions.
- ETNs, however, are more similar to corporate bonds in that they are debt securities of the issuer, typically a bank or another financial institution; but, unlike traditional bonds, generally do not pay interest to investors. Instead, the return of an ETN is based on the performance of the reference index or benchmark to which it is linked. Also, unlike ETFs, ETNs don't hold an underlying portfolio of assets.
- Unlike mutual funds, which have their NAVs calculated at the end of each trading day, the prices for ETPs typically change within the trading day, fluctuating with supply and demand. Therefore, for example, the price of an ETF may be different than its NAV. ETP trading occurs on national securities exchanges and other secondary markets, rather than the investment company selling shares directly to, or redeeming their shares directly from, investors (as is the case with mutual funds).
- Leveraged, inverse or volatility ETPs are highly complex financial instruments and, due to the effects of compounding, their performance over longer periods of time may differ significantly from their stated daily objectives. Leveraged and inverse ETPs typically are designed to achieve their stated performance objectives on a daily basis. Some investors might invest in these ETPs with the expectation that the ETPs may meet their stated daily performance objectives over the long term, as well. Investors should be aware that performance of these ETPs over a period longer than one business day can differ significantly from their stated daily performance objectives. Leveraged and inverse ETPs may pursue a range of

investment strategies through the use of swaps, futures contracts, and other derivative instruments, and are inherently more volatile than their underlying benchmark or index.

- Additionally, leveraged ETP positions will be subject to applicable maintenance margin requirements that may be greater than or differ from margin requirements on their non-leveraged counterparts.
- There are costs associated with owning ETPs. Before investing in ETPs, you should consider the products' investment objectives, risks, charges and expenses. Contact your J.P. Morgan team for a prospectus or, if available, a summary prospectus containing this information. ETPs are subject to market fluctuation and the risks of their underlying investments; ETPs are also subject to management fees or investor fees and other expenses.
- Please see the section titled "Complex Registered Mutual Funds and Exchange-Traded Products" for more information regarding these products.

### Fees

SHARES	FEES PER SHARE
1 to 50,000	US\$0.06
50,001 or higher	US\$0.05
<b>Minimum ticket charge</b>	<b>US\$25.00</b>

### Revenue Sharing

Certain actively managed ETF Sponsors make payments to JPMS or its affiliates based on the assets that JPMS brokerage clients hold in the Sponsor's actively managed ETF. These payments are typically called revenue sharing and are paid from the Sponsor's revenues or profits, not from the fund's assets. But the Sponsor's revenues or profits reflect fees paid to them by the fund. The Sponsors that revenue share with JPMS can be found at [www.jpmorgan.com/active-etf-revenue-sharing](http://www.jpmorgan.com/active-etf-revenue-sharing). We anticipate that beginning in December 2025, your J.P. Morgan team will only be able to recommend actively managed ETFs whose Sponsors revenue share with JPMS, with the exception of certain actively managed ETFs—in particular, those that were eligible for recommendation prior to December 2025, and had not entered into an agreement to revenue share with JPMS. As such, beginning in December, you should expect that if an actively managed ETF is recommended by your J.P. Morgan team, that ETF Sponsor shares revenue with JPMS. Where a Sponsor shares revenue with JPMS, JPMS receives payments as a percentage per year of the amount of assets that JPMS brokerage clients held in that Sponsor's ETFs—currently up to 15% of each actively managed ETF's management fee, capped at .15% of JPMS brokerage client assets held in the ETF.

<sup>10</sup> You will not be able to invest in J.P. Morgan-issued ETNs in full service brokerage retirement accounts.

## Conflicts of Interest

JPMS anticipates the level of payments JPMS receives from actively managed ETF Sponsors may vary in any given year both in the aggregate and from individual actively managed ETF Sponsors. While revenue sharing payments will not change the net asset value or price of a fund's shares, the payments create a conflict of interest, as there will be an incentive to promote and recommend those funds whose Sponsors make significant payments over funds that do not. Similarly, JPMS has a conflict in recommending actively managed ETFs that pay these fees instead of ETFs or other securities or products that do not pay any of these fees.

## J.P. Morgan Team Compensation for Actively Managed ETF Sales

Your J.P. Morgan team does not receive commissions or direct payments for specific actively managed ETF transactions.

## Proprietary Exchange-Traded Funds and Affiliated Service Providers

Affiliates of J.P. Morgan provide investment management and other services, such as shareholder servicing, custody, fund accounting, administration, distribution, and securities lending, to the J.P. Morgan ETFs for which those affiliates receive fees. Therefore, J.P. Morgan as a firm will receive greater compensation when its clients buy shares of the J.P. Morgan ETFs than if they buy shares of non-affiliated ETFs.

## Restrictions

JPMS may restrict activity in certain types of financial instruments, including, but not limited to, crypto-linked instruments. Please contact your J.P. Morgan team for product availability through your full service brokerage account.

## Risks and Other Relevant Information

- The prospectus of an ETP contains important information regarding the investment objectives of the ETP, its merits, risks, charges, expenses and other matters of interest. JPMS will provide a copy of the prospectus to you upon request.
- ETPs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. In addition, there is no guarantee that an ETP will track the exact performance of its index.
- Some ETPs may not, for example, have the liquidity of traditional ETPs, provide periodic pricing or valuation information to investors, and be subject to the same regulatory requirements as traditional ETPs. These non-traditional ETPs also typically pursue alternative investment strategies. While traditional ETPs generally focus their investment strategies on long-term buy-and-hold stock and bond investing, non-traditional ETPs generally employ more complex trading strategies, such as selling securities short in anticipation of a drop in their price, using leverage, and purchasing options and futures. Some non-traditional funds also focus their investment strategies on investing in gold, commodities (such as copper and oil) or real assets such as real estate. These strategies have generally been associated with alternative investment products such as hedge funds, may charge higher fees, have higher expenses, and have a higher risk of the complete loss of the investment compared to traditional ETPs.

## Resource(s) to Obtain Additional Information

Please consult available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you, or help you to find them.

## I. Alternative Investments

### Hedge Funds, Private Equity, Private Credit, Real Estate, Infrastructure and Certain Registered Funds

- Non-traditional, or alternative, investment strategies include investments in hedge funds, private equity, private credit, real estate and infrastructure funds, other alternative investment funds (including, without limitations, funds that invest in such funds, Business Development Companies ("BDCs") and certain registered funds, including, without limitation, registered closed-end funds (e.g., interval/tender offer funds commonly referred to as "evergreen funds"), registered BDCs, non-traded real estate investment trusts (REITs) and funds investing in operating companies). Such funds are sometimes referred to as private investments or private funds because they are typically offered pursuant to exemptions from registration under federal securities laws and therefore are not offered to the general public. Private funds may invest in various types of assets and financial instruments, including, but not limited to: real estate, including publicly traded stock of existing real estate companies and REITs; non-publicly traded companies. This list is not exhaustive; the applicable private fund's PPM should be carefully consulted for further information.
- Although interests in private investment funds sometimes may be resold in privately negotiated transactions, the prices realized on these sales could be less than the original investment and are likely to be less than the current NAV.
- Private funds are generally offered by confidential private placement memorandum or similar document (the PPM). The PPM provides important detailed information regarding fees and expenses, merits, risks, conflicts of interest, investment objectives and strategies, and other matters of interest, and should be read carefully before a decision is made on whether to invest.

- J.P. Morgan affiliates may organize and offer interests in private funds and may have an ownership interest in such funds. In addition, J.P. Morgan affiliates may provide advisory, management, administrative, or other services to private funds, and will normally be compensated separately for such functions. JPMS or another J.P. Morgan affiliate may act as placement agent for such interests and in such case will be compensated by the private funds (or sponsors of the private funds) for providing placement services. Such compensation is in addition to fees and commissions you pay in connection with purchasing an interest, or in connection with your investment management, brokerage or custody account.

### **Fees**

In its capacity as placement agent, J.P. Morgan charges clients an origination fee of up to 2% of the amount invested. In addition, J.P. Morgan generally earns a placement and/or servicing fee, paid by the private fund (or sponsor of the private fund) whose interests are being offered, in an amount of up to 3% of the amounts invested by J.P. Morgan clients. The amounts of any such fees will be disclosed to clients prior to their making an investment. The origination fee is separate from, and in addition to, advisory, management, administrative, placement, performance, servicing and/or other fees J.P. Morgan may earn from the fund sponsor or the fund for services provided to the fund.

### **Restrictions**

Only J.P. Morgan-approved hedge funds, private equity funds, real estate funds and other private funds will be recommended. All approved funds are periodically reviewed.

Only clients meeting certain requirements are eligible to participate. These requirements vary by product but may include, among others, qualifying as an “accredited investor” within the meaning of Rule 501(a) under the United States Securities Act of 1933, as amended, and/or qualifying as a “qualified purchaser” as defined in the Investment Company Act of 1940, as amended. Please consult the available offering documents for a discussion of the applicable requirements.

### **Risks and Other Relevant Information**

- Private funds:
  - Often engage in leveraging and other speculative investment practices that may increase the risk of the complete loss of the client’s investment;
  - Can be highly illiquid because no trading market exists and there are restrictions on resale, transfer, withdrawal or redemption of interests;
  - Can be hard to value, and provide infrequent pricing or valuation information;

- May involve complex tax structures and delays in distributing important tax information;
- Are not subject to the same regulatory requirements as registered funds (e.g., mutual funds); and
- Often charge performance fees in addition to management fees.
- Although private equity and real estate fund interests sometimes may be resold in privately negotiated transactions, the prices realized on these sales could be less than the original investment and are likely to be less than the current NAV. Private fund investments offered by J.P. Morgan require the client to maintain an account with J.P. Morgan or one of its affiliates for so long as the client owns the private fund.
- As described above under “Fees,” J.P. Morgan generally receives payments from private funds (or sponsors of the private funds) for the investments made by J.P. Morgan clients. The fees paid to J.P. Morgan by the sponsor or company whose interests are being offered create a potential conflict of interest in the form of an additional financial incentive to J.P. Morgan for making such opportunities available to its clients. Additionally, the amount of compensation paid to J.P. Morgan will vary by private fund, so more compensation may be received for selling one private fund versus another, creating a potential conflict.

### **Resource(s) to Obtain Additional Information**

Please consult available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you, or help you find them.

### **Private Investments**

#### **Description**

The Private Investments program makes available opportunities to invest in private companies, real estate, venture capital, growth equity and other private investments, including affiliated managed products, to certain highly qualified clients through their full service brokerage accounts. Investment opportunities through the Private Investments program are normally offered pursuant to exemptions from registration under the federal securities laws and are therefore highly illiquid.

#### **Fees**

In its capacity as placement agent for the Private Investments program opportunity, J.P. Morgan may charge clients an origination fee which, if charged, will be up to 2% of the amount invested. J.P. Morgan may also earn a placement fee, paid by the sponsor or the company whose interests are being offered. If paid, such placement fee will be in an amount of up to 6% of the amounts invested by J.P. Morgan clients, or will be up to 50% of the performance compensation received by the investment opportunity sponsor with respect to amounts invested by J.P. Morgan clients.



## Restrictions

Only clients meeting certain requirements are eligible to participate. These requirements vary by product but may include, among others, qualifying as an “accredited investor” within the meaning of Rule 501(a) under the United States Securities Act of 1933, as amended; qualifying as a “qualified purchaser” as defined in the Investment Company Act of 1940, as amended; and qualifying as an “institutional account,” as defined in FINRA Rule 4512(c). Please consult the available offering documents for a discussion of the applicable requirements.

## Risks and Other Relevant Information

- The fees paid to J.P. Morgan by the sponsor or company whose interests are being offered create a potential conflict of interest in the form of an additional financial incentive to J.P. Morgan for making available such opportunities through the Private Investments program.
- The amount of compensation paid to J.P. Morgan will vary by private investment, so more compensation may be received for selling one private investment versus another, creating a potential conflict.
- There is generally no secondary market for such opportunities, and no assurance can be given as to the likelihood that an active trading market will develop or the liquidity of such a market; accordingly, no assurance can be given that an investor will be able to sell, transfer, assign or otherwise dispose of an interest in an opportunity. Opportunities may have little or no operating history, and the information available about unregistered opportunities will be less extensive than is available for an entity whose securities are registered.
- There is no assurance that any opportunity will return the capital invested, or that there will be any return on any capital you invest.

## Resource(s) to Obtain Additional Information

Please consult any available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you, or help you to find them.

## J. Annuities

- For detailed information on insurance products, including fees, expenses, benefits and subaccount investment options, please contact the insurance carrier directly or refer to the product prospectus, investment subaccount prospectus, your contract, and other related materials provided by the insurance carrier.
- An annuity is a contract between you and an insurance company, where you make a lump sum or series of payments in exchange for certain guarantees related to income, death benefits, accumulation and tax deferral, to name a few.

- There are different types of annuities, many of which are designed to meet specific needs and help clients achieve their retirement goals. See “Types of Annuities” section below for a description of each type distributed by JPMWM.
- Annuities are created by insurance companies and are filed with the various state insurance commissioners for approval. Annuity products are distributed on behalf of the insurance carriers.
- It is important to note that insurance products are not bank deposits, and are not insured by the FDIC or any other agency of the United States, nor are they obligations of, nor insured or guaranteed by, JPMorgan Chase Bank, N.A., CIA, JPMS, or their affiliates, except where specifically disclosed. Brokerage services are offered through J.P. Morgan Securities LLC. All guarantees are based on the claims-paying ability of the issuing insurance company.

## Types of Annuities

- **Fixed Rate Annuities**—Fixed Rate Annuities accumulate funds or distribute income at guaranteed rates and in guaranteed amounts. Fixed Rate Annuities earn interest at a set rate for a specified period of time. A Fixed Rate Annuity may be a good choice if you are seeking predictable returns, tax-deferred growth and principal protection from market loss. Fixed Rate Annuities also offer an income option that converts the balance of the Fixed Rate Annuity into a guaranteed income stream through annuitization. Note: Some Fixed Rate Annuities may have a living benefit rider that can provide guaranteed lifetime income.
- **Fixed Indexed Annuities**—Fixed Indexed Annuities are designed to provide a return based on the performance of an underlying index such as the S&P 500. While the benchmark index does track to the market, the client is not directly exposed to the market. Typically, the client’s return is either a percentage of the underlying index’s performance, or the return is capped at a certain percentage of the index’s performance. Fixed Indexed Annuities provide the client with the opportunity to have growth based on market performance while having 100% downside protection from market loss. Note: Some Fixed Indexed Annuities may have a living benefit rider that can provide guaranteed lifetime income.

Chase Insurance Agency, Inc., also makes available fixed rate annuities that do not include Guaranteed Return of Premium (GROP). Crediting rates for an annuity with GROP are typically lower than for an annuity contract that does not provide the GROP feature. When purchasing a fixed rate annuity, it is important to discuss with your representative whether principal protection is important to you relative to your investment objectives and liquidity needs.

- **Single Premium Immediate Annuities (SPIAs)**—SPIAs are designed to provide an immediate income stream through annuitization of the purchase payment. SPIAs typically require the income benefit to commence within 13 months of purchase. A client will lose access to their premium in exchange for a guaranteed lifetime income payment.
- **Variable Annuities**—Variable Annuities accumulate funds or distribute income based on the performance of the underlying investment options chosen by the contract owner. Some of the features Variable Annuities may provide include: 1) Guaranteed Lifetime Income; 2) Standard or Enhanced guaranteed minimum death benefits; and 3) tax deferral and/or principal protection benefits. A Variable Annuity offers a range of investment options. The value of your investment as a Variable Annuity owner will vary depending on the performance of the investment options you choose. The investment options for a Variable Annuity are typically investment subaccounts or funds that invest in stocks, bonds, money market instruments or some combination of the three.
- **Buffered Annuities**—Buffered Annuities, also known as Registered Index-Linked Annuities, are designed to provide a return based on the performance of an underlying index such as the S&P 500, and similar to Fixed Indexed Annuities, while the index does track to the market, the client is not directly exposed to the market. The key difference between a Buffered Annuity and a Fixed Indexed Annuity is that a Buffered Annuity will typically provide higher caps or percentage of the index performance, while providing limited downside protection options, for example, 10% or 20% downside protection versus a Fixed Indexed Annuity, which provides 100% downside protection from market loss. Note: Some Buffered Annuities may have a living benefit rider that can provide guaranteed lifetime income.
- **Advisory Fee-Based Variable Annuities**—An Advisory Fee-Based Variable Annuity is distributed by advisors for an ongoing annual asset-based advisory fee. Advisors selling Advisory Fee-Based Variable Annuities do not receive commissions for the sale of the variable annuity, but instead the advisor and the associated investment adviser charge a fee for the investment advice related to asset allocation of the underlying subaccounts/funds in the variable annuity.
- **Private Placement Variable Annuities**—A Private Placement Variable Annuity accumulates funds based on the performance of the underlying investment options chosen by the contract owner. Private Placement Variable Annuities can only be purchased by accredited investors and qualified purchasers. The underlying investment options in the Private Placement Variable Annuity are typically alternative investment options

such as hedge funds, private credit, real estate, etc. Other investment options that invest in stocks, bonds or money market instruments may also be available within the product for liquidity purposes. In the Private Placement Variable Annuity, the underlying alternative funds will have specific fees, subscription rules, redemption rules and other details, which will be provided in the fund specific offering memorandum. The value of your investment as a Private Placement Variable Annuity owner will vary depending on the performance of the investment options you choose.

## Fees

Annuity product fees, including contingent deferred sales charges, are collected by the insurance carrier. Depending on the type of annuity and the issuing insurance company, clients will incur certain product fees associated with their annuities. These fees range from fees to cover the cost of insurance to investment management fees. Please refer to your contract and/or prospectus for specific fees charged by the insurance company. The following outlines the fees typically incurred on annuities by product type:

### Fixed Rate Annuities

- Fixed Rate Annuities typically do not have explicit fees, for example, Mortality and Expense (M&E) fees or Fund expenses. Some Fixed Rate Annuities may have a living benefit rider that can provide guaranteed lifetime income for an additional cost.
- **Living Benefit Rider Fees**—These fees are charged to cover the cost of providing guaranteed lifetime income. These fees can be as high as 0.95%. The fee can be charged daily, quarterly or annually, and is assessed against the contract value or the benefit base.
- **Surrender Charges**—If applicable, surrender charges are incurred if the annuity is fully or partially liquidated or withdrawn in excess of the “free withdrawal amount” afforded by the contract during the surrender charge period. These charges offset the cost the insurance carrier incurs for various acquisition costs and early liquidation of investments they make to back the guarantees. Surrender charges are stated in terms of a schedule that defines the percent of the surrender charge for that particular year, and usually decline until the contract term matures. The length of a Fixed Rate Annuity’s surrender charge matches the guarantee period of the interest rate credited to the contract. For example, our three-year Fixed Rate Annuities have a 3-year rate guarantee with a three-year surrender charge period, and our five-year Fixed Rate Annuities have a 5-year rate guarantee with a five-year surrender charge period.
- **Market Value Adjustment (MVA)**—If applicable, MVAs are charges that may be levied if all or a portion of the contract value is withdrawn during the surrender charge period. MVA charges

can be negative or positive depending on the difference between the market rates in effect at the time the contract was issued and the market rates in effect at the time of the withdrawal. These charges offset potential losses the insurance company may incur for early liquidation of investment they make to back the guarantees and benefits of the annuity.

### Fixed Indexed Annuities

- Fixed Indexed Annuities typically do not have an explicit cost unless there is a living benefit or enhanced death benefit.
- Certain Fixed Indexed Annuities may offer crediting methods with a spread. A spread, which is similar to a fee, will be taken from the positive index performance for a particular segment investment. Generally, the main difference between a spread and a fee is that a fee can result in negative index performance, whereas a spread may reduce the amount of interest earned down to zero, and will not bring your overall performance negative.
- **Living Benefit Rider Fees**—These fees are charged to cover the cost of providing guaranteed lifetime income. These fees can be as high as 1.25%. The fee can be daily, quarterly or annually, and is assessed against the contract value or the benefit base.
- **Death Benefit Rider Fees**—These fees are charged to cover the cost of providing a death benefit guarantee. These fees can be as high as 0.95%. The fee can be charged daily, quarterly or annually, and is assessed against the contract value or the benefit base.
- **Surrender Charges**—If applicable, surrender charges are only incurred if the annuity is liquidated, or excess withdrawals are taken prior to the contract terms maturing. These charges offset the cost the carrier incurs for various acquisition costs and early liquidation of investments it makes to back the guarantees. Surrender charges are stated in terms of a schedule that defines the percent of the surrender charge for that particular year until the contract term matures. These charges can be as high as 9% on a declining scale over the surrender charge period. Our Fixed Indexed Annuities without a living benefit rider have a five-year surrender charge, while our Fixed Indexed Annuities with a living benefit rider have a seven-year surrender charge.
- **Market Value Adjustment (MVA)**—If applicable, MVAs are charges that may be levied if all or a portion of the contract value is withdrawn during the surrender charge period. MVA charges can be negative or positive depending on the difference between the market rates in effect at the time the contract was issued and the market rates in effect at the time of the withdrawal. These charges offset potential losses the insurance company may incur for early liquidation of investment it makes to back the guarantees and benefits of the annuity.

### Variable Annuities

- **M&E Fees**—These fees pay for the insurance guarantees in the annuity, such as guaranteed lifetime income or a death benefit. These fees can be as high as 1.55%, and are charged against the contract value daily.
- **Contract Fee**—This fee covers the maintenance of the contract, such as producing statements, mailings and other client services. It is usually a flat fee that can be as high as \$50, and it is charged annually. The contract fee is normally waived above certain contract amounts, anywhere from \$50,000 to \$100,000.
- **Average Fund Expense**—This fee covers the investment management and operating expense of the underlying investment subaccounts. These fees can be as high as 2.41%, and are usually charged daily against the contract value.
- **Surrender Charges**—If applicable, contingent deferred sales charges (CDSCs) are only incurred if the annuity is liquidated, or withdrawn in excess of the contract's "free withdrawal amounts" afforded by the contract during the surrender charge period. These charges offset the cost the insurance carrier incurs for various acquisition costs and early liquidation of investments it makes to back the guarantees. CDSCs are stated in terms of a schedule that defines the percent of the surrender charge for that particular year until the contract term matures. These charges can be as high as 8% on a declining scale over the surrender charge period.
- **Living Benefit Rider Fees**—These fees are charged to cover the cost of providing guaranteed lifetime income. In general, this fee is 1.60% or less. The fee can be charged daily, quarterly or annually, and is assessed against the contract value, or the benefit base or combination. Please see the prospectus for specific expenses.
- **Enhanced Death Benefit Fees**—These fees are charged to cover the cost of providing guaranteed and/or stepped-up death benefits. Similar to living benefits rider fees, enhanced death benefit fees can be as high as 0.65%. They can be charged daily, quarterly or annually, and are assessed against the contract value or the benefit base.

### Buffered Annuities

- Buffered Annuities typically do not have an explicit cost unless: (1) the product designs include a Product Fee, or (2) a portion of the investment is allocated to the Variable Investment Options, or (3) the product offers a mandatory or optional living benefit or enhanced death benefit rider for an additional cost, or (4) the product offers optional features available for an additional charge.
- Certain Buffered Annuities may offer crediting method(s) with a spread. The spread is subtracted from the index return at the end of the term to determine performance. A spread is typically similar to a fee; however, a spread will not result in

negative performance. Also, certain Buffered Annuities may, for an additional charge, offer segment investment options with greater upside potential.

- **Living Benefits Rider Fees**—These fees are charged to cover the cost of providing guaranteed lifetime income. These fees can be as high as 1.50%. The fee can be charged daily, quarterly or annually, and is assessed against the contract value or the benefit base.
- **Death Benefit Rider Fees**—These fees are charged to cover the cost of providing a death benefit guarantee. These fees can be as high as 1.00%. The fee can be charged daily, quarterly or annually, and is assessed against the contract value or the benefit base.
- **Average Fund Expense**—If applicable, this fee covers the investment management and operating expense of the underlying mutual funds. These fees can be as high as 1.29% and are usually charged daily against the value of the underlying subaccount. Please refer to your contract or prospectus for individual fund expenses.
- **Surrender Charges**—If applicable, surrender charges are only incurred if the annuity is liquidated, or withdrawals in excess of the penalty-free withdrawal amounts are taken during the surrender charge period. These charges offset the cost the carrier incurs for various acquisition costs and early liquidation of investments it makes to back the guarantees. Surrender charges are stated in terms of a schedule that defines the percent of the surrender charge for that particular year until the contract term matures. Buffered Annuities have either a five- or six-year surrender charge schedule. These charges can be as high as 9% on a declining scale over the surrender charge period.
- **Market Value Adjustment (MVA)**—If applicable, MVA are charges that may be levied if all or a portion of the contract value is withdrawn during the surrender charge period. MVA charges can be negative or positive depending on the difference between the market rates in effect at the time the contract was issued and the market rates in effect at the time of the withdrawal. These charges offset potential losses the insurance company may incur for early liquidation of investment it makes to back the guarantees and benefits of the annuity.
- **M&E and Administrative Fees**—If applicable, these fees pay for the insurance guarantees in the annuity, such as guaranteed lifetime income or a death benefit. These fees can be as high as 1.30%, and are charged against the value of the underlying subaccounts daily.
- **Product Fee**—These fees pay for the various contract benefits and insurance guarantees in the annuity, such as guaranteed lifetime income or a death benefit. The product fee of 1.25% is calculated as a percentage of the contract value as of the previous quarterly contract anniversary.

### Advisory Fee-Based Variable Annuities

- Fees and costs associated with our full service advisory programs are available on request or at [www.jpmorgan.com/securities/securities/adv](http://www.jpmorgan.com/securities/securities/adv).

### Private Placement Variable Annuities

Please consult any available fund offering documents for a discussion of fees associated with the fund. Please contact your J.P. Morgan team to assist with obtaining information or documents.

### Compensation

- Annuity commissions are not fees and are not taken from the contract value.
- J.P. Morgan operates its insurance business through CIA and in affiliation with JPMS for variable annuity products. CIA maintains agreements with insurance companies to represent them in selling and servicing their insurance and annuity products, and to receive compensation. Pursuant to those selling agreements with the carriers, CIA receives compensation based on a percentage of the total purchase payments and/or a percentage of the total contract value of the annuity contract. JPMS also receives compensation for variable annuities. The amount of compensation paid may vary by product type, so more compensation may be received for selling one annuity product type versus another annuity product type, creating a potential conflict. Trailing commissions are a type of commission that, if applicable, are paid to CIA and attributed to your advisor on an established periodic, post-sale basis provided your contract remains in-force. For additional information on the compensation paid by the issuing insurance company for annuity products, please refer to the applicable prospectus or other documents provided by your advisor or the insurance carrier.
- Clients that select an Advisory Fee-Based Variable Annuity pay an annual investment advisory asset-based fee to JPMS. This fee is paid out of the annuity contract assets to JPMS for investment advisory services. Clients should review the prospectus to the Advisory Fee-Based Variable Annuity and the Form ADV disclosure brochure of JPMS for information about the advisory variable annuity asset allocation program and the applicable fees for the program. Fees and costs associated with advisory programs are available on request or at [www.jpmorgan.com/securities/securities/adv](http://www.jpmorgan.com/securities/securities/adv).
- For Private Placement Variable Annuities, advisor compensation is paid as a portion of the fund management fees that are deducted from the contract value. Please refer to the fund specific offering memorandum for fund fee information.

## Paid to CIA

Products that J.P. Morgan actively makes available to clients:

**New Sales and Additional Payments:** CIA receives compensation for the initial sale of annuity products and, where applicable, for subsequent payment into a contract as follows:

1. Fixed Rate Annuities without Income Riders: One-time commissions paid to CIA of 1.75% (2.00% in NY) of which the advisor will receive up to 1.75% at time of sale with no trailing commission every subsequent year.
2. Fixed Rate Annuities with Income Riders:<sup>11</sup> Commissions are 1.45% at time of sale/.90% trailing commission every subsequent year.
3. Fixed Indexed Annuities without Income Riders: For clients younger than the age of 81, commissions are 1.45% at time of sale/0.60% trailing commission every subsequent year. For clients ages 81-85, commissions are 1.45% at time of sale/0.50% trailing commission every subsequent year.
4. Fixed Indexed Annuities with Income Riders:<sup>11</sup> Commissions are 1.45% at time of sale/0.90% trailing commission every subsequent year.
5. Buffered Annuities:<sup>11</sup> Commissions are 1.45% at time of sale/1.00% trailing commission every subsequent year.
6. Variable Annuities: Commissions paid to CIA are 2.15% at time of sale/1.00% trailing commission every subsequent year.
7. Single Premium Immediate Annuities: Commissions are 4% at time of sale with no trailing commission every subsequent year.
8. Private Placement Variable Annuities: Commissions are paid as a quarterly trail and range from 0.27% to 0.75%; varies based on the underlying funds chosen.

**Annuitization:** Some deferred annuity contracts can also generate commissions if the contract is converted into a series of guaranteed income payments, referred to as annuitization. Please refer to your contract and/or prospectus for specific amounts.

**In-Service Contracts:** In-service contracts are contracts J.P. Morgan services, but does not currently make available to clients. In-service contracts may generate commissions to CIA. The amount of commission received by CIA is based on the compensation arrangement that was in effect at the time of the origination of the contract.

## Restrictions

- JPMS has guidelines on when certain products/riders are suitable, and may impose age restrictions that are younger than those stated in the contract and/or prospectus.

- Waivers may not be available in all states.
- Product availability is subject to residency requirements and may vary by location.

## Risks and Other Relevant Information

- **Fixed Rate Annuities**—Fixed Rate Annuities are designed to provide a stated return for a stated period of time. An annuity that includes a GROP will prevent any surrender penalties from reducing the original investment upon full surrender of the contract during the surrender charge period. If GROP is not available on the annuity contract, the original investment amount is not protected upon full surrender of the contract. During the surrender charge period, surrender penalties may reduce the annuity value below the original investment amount. Please refer to the annuity contract for further information.

Note: Early withdrawals, excess withdrawals and partial surrenders may be subject to surrender penalties, loss of earnings credited to the contract or tax penalties.

A Fixed Rate Annuity typically does not have cost-of-living adjustments to keep pace with inflation, so your spending power from the earnings you receive may decline over time. If inflationary protection is a priority for you, you may want to consider financial products other than a Fixed Rate Annuity.

- **Fixed Indexed Annuities**—A Fixed Indexed Annuity typically does not have cost-of-living adjustments to keep pace with inflation, so your spending power from the earnings you receive may decline over time. If inflationary protection is a priority for you, you may want to consider financial products other than a Fixed Indexed Annuity.

Some Fixed Indexed Annuities distributed by CIA may utilize a J.P. Morgan proprietary index (the “Index”). As the Index sponsor, J.P. Morgan earns its revenue by trading over-the-counter derivatives with the insurance company. The OTC derivatives are used by the insurance company to hedge the risks it assumed by issuing the Fixed Indexed Annuities.

- **Single Premium Immediate Annuities (SPIAs)**—SPIAs are designed to provide an immediate income stream through annuitization of the purchase payment. SPIAs typically require the income benefit to commence within 13 months of purchase. Since Immediate Annuities provide lifetime income via annuitization once income starts, there is no longer a deferred or surrender value to the annuity. You should carefully consider your ability to meet emergency expenses prior to converting your assets into an income stream.

<sup>11</sup> Certain Fixed Rate, Fixed Indexed and Buffered Annuities may have an optional Income rider wherein the compensation paid will be based on if the rider was selected or was not selected, and would align with the respective compensation above.



- **Variable Annuities**—Variable Annuities are securities that involve investment risks, including the possible loss of value. Variable Annuities are not guaranteed, and the value may go up and down. There is no assurance that the investment objectives of any Variable Annuity subaccount will be met. Past performance is no guarantee of future results. The value of a Variable Annuity will fluctuate depending on the performance of the investment subaccounts chosen as a result of market conditions and other factors. Upon liquidation, the value of a Variable Annuity may be more or less than the original purchase price. Annuity guarantees are based on the claims-paying ability of the issuing insurance company.

Variable Annuities are designed as an investment for long-term goals. They are generally not suitable for short-term goals because you may be subject to charges or other penalties if you withdraw your money early. Note that if you sell or withdraw money from a Variable Annuity too soon after your purchase, the insurance company will typically impose a “surrender charge.” Surrender charges will reduce the value of, and the return on, your investment. Carefully review the annuity contract and, where applicable, the investment subaccount prospectuses.

Your contract value is not guaranteed. It may increase or decrease based on investment performance, additions and withdrawals. Election of a Variable Annuity Living Benefit Rider does not guarantee a rate of return on your contract value—only a percentage of the withdrawal amount.

Certain Variable Annuities distributed by CIA may offer one or more mutual funds advised or subadvised by J.P. Morgan Investment Management Inc. as investment option(s) (“the Fund”) for contract holders. J.P. Morgan Investment Management Inc., which is an affiliate of CIA, is paid advisory or subadvisory fees for managing the assets of each such Fund, creating a potential conflict of interest.

Please note that Advisory Fee-Based Variable Annuities and Private Placement Variable Annuities are types of Variable Annuities and are subject to the same risks and considerations. Private Placement Variable Annuities are subject to the same risks as those described in the Alternative Investments section of this Guide, including that underlying alternative investments can be highly illiquid because no trading market exists and there are restrictions on resale, transfer, withdrawal or redemption of interests. Carefully review the fund-specific offering memorandum for details on fund-related risks.

- **Buffered Annuities**—A Buffered Annuity typically does not have cost-of-living adjustments to keep pace with inflation, so your spending power from the earnings you receive may decline over

time. If inflation protection is a priority for you, you may want to consider financial products other than a Buffered Annuity.

- Buffered Annuities are designed as an investment for long-term goals. They are not suitable for short-term goals because you may not be able to readily access your funds once invested in one of the Buffered Annuity segments, and you may be subject to charges or other penalties if you withdraw your money early. While Buffered Annuities provide certain downside market protections, your contract value is not guaranteed. That value may increase or decrease based on the performance of the underlying indices.

#### Resources to Obtain Additional Information

- An Annuity Buyers Guide will be provided for the annuity purchases pursuant to individual state requirements. The guide details what clients should know and what they should ask their J.P. Morgan team when contemplating an annuity, including fees and cost. Clients are also provided with a prospectus if required.
- In order to initiate the purchase of any annuity, a Summary Statement of Charges form is included as part of the application documents a client must sign. The Summary Statement of Charges form is specific to each product type, and details the cost and fees associated with the product.
- Your contract will be delivered to you after it is issued by the insurance carrier. The contract details contains all the fees, terms and conditions of the annuity, and contains carrier service numbers and websites where additional information can be obtained.

#### K. Life Insurance

- For detailed information on insurance products, including fees, expenses, benefits and subaccount investment options, please contact the insurance carrier directly or refer to the product prospectus, investment subaccount prospectus, your contract, and other related materials provided by the insurance carrier.
- A life insurance policy is a contract between you and the insurance company, in which you pay premiums and the insurance company, in turn, promises to pay a death benefit to your named beneficiary when the insured dies.
- There are different types of life insurance products, many of which are designed to meet specific needs and help clients achieve their protection and retirement goals.
- Life insurance products are created by insurance carriers and are filed with the various state insurance commissions. CIA and JPMS make life insurance products available on behalf of the insurance carriers.
- It is important to note that insurance products are not bank deposits, and are not insured by the FDIC or any other agency of the United

States, nor are they obligations of, nor insured or guaranteed by, JPMorgan Chase Bank, N.A., CIA, J.P. Morgan Securities LLC, or their affiliates, except where specifically disclosed. Brokerage services are offered through J.P. Morgan Securities LLC.

### Variable Life Insurance

- A Variable Life Insurance policy is a type of life insurance product and is a contract between you and an insurance company. It is intended to meet certain insurance needs, investment goals and tax planning objectives. It is a policy that pays a specified amount to your beneficiary(s) upon your death. It also has a cash value that varies according to the amount of premiums you pay, the policy's charges, fees and expenses, and the performance of the underlying investment options chosen by you. A Variable Life Insurance policy offers a range of investment options. The investment options for a Variable Life Insurance policy are typically investment subaccounts or funding options that invest in stocks, bonds, money market instruments or some combination of the three. Some Variable Life Insurance products may also offer indexed strategies, with or without a buffer.

### Buffered Life Insurance (Indexed Variable Universal Life Insurance)

- Buffered Life Insurance, also known as indexed variable universal life insurance, is designed to provide a return based on the performance of an underlying index, such as the S&P 500. While the index does track to the market, unlike Variable Life Insurance, the client is not directly exposed to the market. It also differs in that Buffered Life Insurance will typically involve caps or a percentage of the index performance, while providing limited downside protection options, for example, 10% downside protection (e.g., "buffer").

### Charges and Fees

Life insurance product charges and fees are paid by you to the insurance carrier. Charges and fees vary by product. Please refer to your policy and/or prospectus for the underlying investment options for specific charges and fees charged by the insurance company. The following outlines the charges and fees typically incurred for variable life insurance:

- **Sales Fees Imposed on Premiums**—These fees cover the insurance company for sales expenses and certain policy-related state and federal tax liabilities, and are typically a percentage of the amount of premium paid. They reduce the amount of the premium payment applied to the policy.
- **Cost of Insurance**—This monthly charge covers the cost of insurance on the policy and is designed to compensate the insurance company for the anticipated cost of paying death benefits in excess of the policy value. The amount charged is based on the

Net Amount at Risk (death benefit less policy value) multiplied by the cost of insurance rate. The cost of insurance rate varies for each insured based on factors including the insured person's age, gender, health and death benefit amount. An additional amount called a "flat extra charge" may apply for certain risks associated with health conditions, occupations, avocations or aviation.

- **Face Amount Charge**—This charge helps compensate the insurance carrier for expenses associated with sales, underwriting, distribution and issuance of the policy.
- **Mortality and Expense (M&E) Risk Charge**—This charge covers the risks the insurance company assumes with respect to the policy. The mortality risk assumed is that the Insured may live for a shorter period than originally estimated. The expense risk assumed is that the administrative and sales costs are higher than expected, and that policy owner behavior does not match the insurance company's expectations.
- **Policy (Administrative) Fee**—This ongoing fee covers the insurance company's costs of issuing and administering the policy, such as producing statements, mailings, processing claims and other client services.
- **Underlying Fund Expenses**—This fee covers the investment management and operating expenses of the underlying investment options. These expenses are deducted from fund assets.
- **Surrender Charges**—If applicable, this charge is assessed if the policy owner fully surrenders their policy, makes a withdrawal or decreases the face amount during the surrender charge period, which is typically in the early years of the policy. It is also important to note that any face amount increases may have their own unique surrender charge periods. These charges offset the various acquisition costs the insurance carrier incurs, which it would not otherwise recover in the event of early surrender. The surrender charge varies by the age of the insured, the number of years since the date of policy issue or the date of a face amount increase, and the face amount. A personalized schedule of surrender charges is included with each policy.
- **Loan Interest**—The policy owner may borrow against the cash surrender value of the policy, subject to certain limits. Outstanding policy loans and accrued loan interest will reduce the policy's death benefit and cash surrender value. The policy will be charged interest on any loan amount outstanding, typically charged annually as a percentage of the loan balance.
- **Transfer Fees**—These fees cover the cost of transferring money among investment options. The fee is typically assessed when transfers exceed a certain amount in any given policy year.

## Other Optional Insurance Features and Charges

Life insurance products may contain other optional insurance features, including, but not limited to, the following, which may or may not be included with the base policy. These other optional insurance features may have charges and fees, which vary by product, pursuant to the terms of the policy and/or riders. Please refer to your policy, rider(s) and/or prospectus(es) for the underlying investment options for specific charges and fees charged by the insurance company. The following outlines the charges and fees typically incurred for these types of features, subject to availability and/or eligibility requirements:

- **No-Lapse Features and Lapse Protection Riders**—These features keep the policy in effect when it may have otherwise lapsed, even if the policy does not have sufficient cash value to pay the policy's charges. These features may be available based on the number of years the policy is in effect or the amount of premiums that have been paid.
- **Accelerated Death Benefits**—These features pay a portion of the policy's death benefit while the insured is still alive, if they are chronically or terminally ill.
- **Long-Term Care Insurance Benefits**—These features provide coverage for the cost of long-term care, if the insured is certified as chronically ill. They are generally provided in the form of a long-term care rider on the base policy.
- **Disability Benefits**—These features maintain the policy in effect if the insured becomes disabled and cannot pay policy charges. Some may waive the monthly deduction charges if the insured becomes totally disabled. Others may pay a specified monthly amount to cover the premium, if the insured becomes totally disabled.
- **Overloan Protection Benefit**—This feature, if exercised, helps prevent the policy from lapsing due to loans.
- **Change of Insured Benefit**—This feature permits a change in the person who is insured under the policy.
- **Enhanced Surrender Value Benefit**—This feature provides a separate enhanced surrender value if you surrender your policy during the first few policy years.
- **Accidental Death Benefit**—This feature provides payment of a benefit, in addition to the death benefit, upon the insured's accidental death.
- **Term Insurance on Additional Insured**—This feature provides term life insurance on the insured's immediate family.
- **Return of Premium Death Benefit**—This feature provides an additional death benefit payable upon the death of the insured.
- **Additional Term Insurance**—This feature provides term life insurance on the insured, in addition to that under the base policy.
- **Estate Protection**—This feature provides for an additional death benefit amount if both joint insureds die within the first few years of the policy.
- **Policy Split Options**—This feature provides for the policy to be exchanged for two separate policies under certain circumstances.
- **Indexed Interest Strategy Charge**—This charge is deducted when an Index Segment is added to an Indexed Interest Strategy. This charge is intended to compensate the insurance carrier for the costs of hedging and investment related expenses associated with the capped indexed interest strategies it may provide.
- **Premium Reserve Rider**—This feature allows you to pay additional premiums beyond the amount you pay for your policy, and have these additional amounts accumulate in the same manner as the policy premiums, without being reduced by policy charges and expenses. This feature is subject to certain fees and account credits.
- **Healthy Engagement Benefits**—These features typically encourage the insured to lead a healthier lifestyle by either providing an opportunity to add credits to the policy value based upon the insured's ongoing participation in activities that promote a healthy lifestyle, or programs that educate and motivate the insured to develop and maintain a healthy lifestyle.
- **Conversion Benefit**—This feature allows you to convert certain insurance coverages into a new policy.

## Compensation

- Life insurance commissions are not policy fees and are not taken from the policy's cash value.
- J.P. Morgan operates its insurance business through CIA and in affiliation with J.P. Morgan Securities LLC for Variable Life Insurance. CIA maintains agreements with insurance companies to represent them in selling and servicing their insurance and annuity products, and to receive compensation. Pursuant to those selling agreements with the insurance carriers, CIA receives compensation based on a percentage of the total purchase payments. J.P. Morgan Securities LLC also receives compensation for Variable Life Insurance.
- J.P. Morgan partners with Broker General Agents who receive compensation associated with the sale of life insurance.

For additional information on the compensation paid by the issuing insurance company for life insurance products, please refer to the applicable prospectus of the insurance carrier.

## Paid to CIA

**New Sales and Additional Payments**—For life insurance products that J.P. Morgan actively makes available to clients, CIA receives commissions in the range of 7% to 125% of first-year commissionable premiums. CIA may also receive a trail payment in the range of 1% to



3% of subsequent premiums, if any. The amount of commission varies depending on the insurance carrier, coverage and the premium amount.

### **In-Service Policies**

In-service policies are policies that J.P. Morgan services but does not currently make available for clients to purchase. In-service policies may generate commissions to CIA and its agents. The amount of commission received by CIA is based on the compensation arrangement that was in effect at the time of the origination of the policy.

### **Restrictions**

- JPMS has guidelines for when certain products/riders are suitable for a client, and may impose age restrictions that are younger than those stated in the policy and/or prospectus.
- Product availability is subject to residency requirements and may vary by location.

### **Risks and Other Relevant Information (Variable Life Insurance)**

- Variable Life Insurance is a securities product that involves investment risks, including the possible loss of value. Variable Life Insurance products are not guaranteed, and the value may go up and down. There is no assurance that the investment objectives of any Variable Life Insurance subaccount will be met. Past performance is no guarantee of future results. The value of a Variable Life Insurance policy may fluctuate depending on market conditions, the performance of the investment subaccounts chosen, and other factors. If a policy is surrendered, the value of a Variable Life Insurance policy may be more or less than the amount of premiums paid toward the policy. Life insurance guarantees are based on the claims-paying ability of the issuing insurance company.
- Variable Life Insurance products are designed for long-term protection goals with an investment component. They are generally not suitable for short-term goals because you may be subject to charges or other penalties if you withdraw your money early. Note that if you fully surrender or partially surrender from a Variable Life Insurance policy too soon after your purchase, the insurance company will impose a “surrender charge.” Surrender charges will reduce the value of, and the return on, your cash value. Carefully review the life insurance policy and where applicable the investment subaccount prospectuses.
- Your policy’s cash value is not guaranteed. It may increase or decrease based on factors such as investment performance, additions and surrenders.

- Variable Life Insurance may not be suitable for all investors. Neither CIA, JPMS nor any of its affiliates render tax or legal advice. Therefore, clients are strongly encouraged to consult with outside tax and legal professionals regarding the potential that the Variable Life Insurance may generate undesired tax liabilities and penalties.

### **Resource(s) to Obtain Additional Information**

- A buyers guide will be provided for life insurance purchases pursuant to individual state requirements. The guide details what clients should know and what they should ask their J.P. Morgan team when contemplating a life insurance policy, including fees and cost. Clients are also provided a prospectus, if required.
- When the policy is issued, it is mailed directly to the policy owner’s address of record, or email account when electronic delivery is requested. The policy form contains all the fees, terms and conditions of the policy inclusive of insurance carrier service numbers and websites where additional information can be obtained.

## **L. Sustainable Investments**

Sustainable investments may include additional risks. For example, investment in sustainable or environmental, social and governance (“ESG”) investing strategies, including mutual funds and ETFs (“ESG Strategies”), may limit the types and number of investment opportunities, and ESG Strategies could underperform other strategies that do not have a sustainable or ESG focus. ESG Strategies may invest in securities or industry sectors that underperform the market as a whole or underperform other strategies screened for ESG standards. ESG Strategies can be more concentrated in particular industries or sectors that share common characteristics and are often subject to similar business risks and regulatory burdens. Because investing on the basis of sustainable criteria can involve qualitative and subjective analysis, there can be no assurance that the methodology utilized by, or determinations made by the Advisor or J.P. Morgan, will align with the beliefs or values of the Client. Additionally, other advisors and firms can have a different approach to sustainable investing from that of the Advisor or J.P. Morgan with respect to the same theme or topic. Any ESG Strategies that you and/or your Advisor select will be developed based on your personal preferences, investment objectives and other relevant considerations that are unique to you based on your financial goals.

## **4. Compensation and Potential Conflicts**

The Private Bank, through JPMS and/or JPMCB, as applicable, provides full service brokerage services as well as discretionary investment management to clients.

J.P. Morgan earns compensation in various ways, which you should be aware of so you can better evaluate the recommendations you receive from your J.P. Morgan team and the firm. J.P. Morgan earns revenue from our clients, from our affiliates, and, for some products and services, from third parties, including product vendors, underwriters, and investment managers whose products and services are purchased by clients. We also receive compensation as a result of intercompany profit-sharing and servicing agreements.

## **A. Compensation Paid to Your J.P. Morgan Team**

We design our compensation program to encompass best practices, support our business objectives, and enhance shareholder value. J.P. Morgan's compensation system plays a significant role in our ability to attract, retain, and motivate the highest-quality workforce.

### **Cash Compensation**

We always have looked at financial performance as a critical factor, but not the only factor, in pay-for-performance. Financial performance alone is not a comprehensive picture of performance. Broader contributions are important, like qualitative skills such as leadership attributes, character and integrity, and management ability. This also includes recruiting, coaching and training, building better systems and fostering innovation, just to name a few.

The investment professionals on your J.P. Morgan team are paid a salary and are eligible for a discretionary bonus paid on the firm's Incentive Compensation plan. All base salaries are determined primarily on the basis of the description of the individual's job and his or her meritorious performance. Incentive Awards are subject to the JPMorganChase Performance-Based Incentive Compensation Plan and the JPMorganChase Bonus Recoupment Policy. Discretionary bonuses are not related directly to the sale of any specific product or services.

Scorecards assist managers in the evaluation of the individual performance of your J.P. Morgan team members, but there is no prescribed relationship between scorecards and compensation.

J.P. Morgan receives compensation directly from you for providing brokerage services as described in the fee schedule for Full Service Brokerage Accounts—United States in the Appendix. This includes, for example, standard commissions on equity transactions and securities settlement transaction charges for transactions executed through other broker-dealers.

### **Non-Cash Compensation**

Additionally, your J.P. Morgan team members may receive certain non-cash compensation under limited circumstances. The J.P. Morgan Code of Conduct and other gift-related policies generally prohibit acceptance of any gifts, entertainment, or other

non-monetary compensation in connection with the services we provide to any particular client, or in return for any business of the firm. Exceptions may be made for certain nominal non-cash gifts to J.P. Morgan employees of less than \$100 meeting certain criteria (for example, birthday or holiday gift), including potentially from third-party investment managers. J.P. Morgan policies set conditions for each of these types of payments, and do not permit any gifts or entertainment unless it is clear that the gift-giving person is not trying to influence or reward the J.P. Morgan employee inappropriately in connection with any business decision or transaction and the gift is unsolicited.

### **Other Non-Cash Compensation and Subsidies**

Third-party providers (such as fund companies) may participate in J.P. Morgan-sponsored internal training and education conferences, and meetings, seminars, and sales meetings and may make payments to, or for the benefit of, J.P. Morgan or its investment professionals to reimburse for certain expenses incurred for these events. Providers may also sponsor their own educational conferences or due diligence meetings and only pay for expenses while onsite for the event of investment professionals attending these events.

J.P. Morgan's policies require that the training or educational portion of these conferences comprises substantially all of the event, and such conferences and meetings are subject to review and approval.

Further, J.P. Morgan may provide sponsorship opportunities and access to our offices and investment professionals to such providers for educational, marketing and other promotional efforts. Any payments made by providers could potentially lead investment professionals to focus on products managed by these providers when recommending products to clients instead of those from other providers that do not commit similar resources to educational, marketing and other promotional efforts. As a general matter, you should be aware that the receipt of economic benefits from others, in and of itself, creates a potential conflict of interest.

## **B. Compensation to J.P. Morgan and Affiliates**

J.P. Morgan is compensated from various sources, as described under Section 3 and more fully below, in addition to the account fees and transactions costs.

### **Discretionary Investment Management and Advisory Services**

JPMCB receives compensation for the services provided under a managed account when you decide to open such an account. If you invest in a managed account, you will pay a management or advisory fee, which covers JPMCB's and J.P. Morgan's services to the managed account. The types of fees you will pay, the exact amount of fees, and any offsets depend on many factors, such as

the amount invested in your managed account over time, the types of assets held in your managed account, the J.P. Morgan program in which you invest, and other J.P. Morgan managed accounts you hold. In addition, the account will bear the costs for the underlying investment products held in the accounts. For more information, please contact your J.P. Morgan team.

### **Custody Accounts**

The Private Bank provides custody services through JPMCB. JPMCB charges asset and transaction-based fees for its custody services as disclosed on the Custody Fee Schedule provided at account opening. Unless otherwise indicated, when you open a custody account with JPMCB that is linked to brokerage services offered through JPMS, the custody fees charged by JPMCB will be in addition to, but separate from, any commissions and fees charged by JPMS for its brokerage services.

### **Purchasing J.P. Morgan Affiliated Funds and ETFs and Related Compensation**

JPMS and its affiliates provide a wide range of financial services to various mutual fund companies. Some of these affiliates provide investment management and other services to J.P. Morgan Funds or ETFs, for which those affiliates will benefit from that purchase as a result of receiving investment management fees and other forms of compensation in connection with the operation of such funds, such as shareholder servicing, custody, fund accounting, administration, distribution, securities lending and other services. Therefore, because JPMS and its affiliates will in the aggregate receive more compensation if you purchase shares in a J.P. Morgan Fund or ETF than if you were to purchase shares in a non-affiliated mutual fund, there is a conflict of interest when JPMS clients purchase J.P. Morgan Funds. The prospectus, descriptive brochure, offering memorandum or similar documents for such products describe these fees and other compensation in detail.

### **Introduction to Private Bank Affiliates**

The Private Bank may benefit from revenue-sharing arrangements within J.P. Morgan businesses that may, from time to time, result in the Private Bank receiving revenue related to an introduction that results in a transaction with another J.P. Morgan business.

### **Compensation for Other Services**

J.P. Morgan or JPMS's 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 that may be held by client accounts. 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.

Certain funds track financial indexes in which the Advisor or an affiliate retains various intellectual property rights. As a result, JPMC may be entitled to receive index licensing fees from unaffiliated licensees of these indexes.

### **Margin**

JPMS may earn additional compensation through such brokerage-related services it provides, such as extending margin loans to clients. When a client has a margin account with JPMS, JPMS, as permitted by federal law, may use certain securities in the client's account for, among other things, settling short sales and lending securities for short sales. JPMS will generally be compensated in connection with these transactions. JPMS may receive additional compensation separate and distinct from interest and fees paid by the client on margin debit balances held by the client in any account. Your J.P. Morgan team does not receive compensation on margin loans. As a result, JPMS has a financial incentive for the client to incur margin debt to buy securities in the client's account because the client will be required to pay interest and fees on the debt, and they have a further financial incentive for the client's margin debit balance.

### **Fully Paid Lending**

J.P. Morgan will receive compensation in connection with the use of securities made available for lending. Such compensation will depend on, among other things, the availability of the securities for lending in the marketplace relative to the demand to borrow such securities.

JPMS has an opportunity to earn more compensation when the securities become limited in supply relative to demand (i.e., become "hard to borrow" securities).

### **Bank Sweep Program**

Under the bank deposit sweep program offered by JPMS, cash balances held in client accounts custodied at JPMS are "swept" or remitted for deposit by JPMS into a deposit account maintained at JPMCB ("Chase Deposit Sweep"). JPMCB benefits from cash balances credited to your JPMS account(s) that are swept into the bank deposit sweep program. For example, JPMCB may use the deposits from the sweep program to make loans and other 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 Chase Deposit Sweep, and the interest rate or other income earned by JPMCB on loans and investments made with the deposits. Therefore, JPMS and JPMCB have a financial incentive in the use of the Chase Deposit Sweep as the primary "sweep" option. J.P. Morgan team members are not compensated on the assets in the sweep programs.

## Cash Deposit

Cash balances, including uninvested cash balances and new cash deposits (“Cash Deposit”) for client accounts custodied at JPMCB will be held with JPMCB as a deposit, unless you instruct, or we inform you, otherwise or as may be required by applicable law or regulations. JPMCB benefits from these Cash Deposits. For example, JPMCB may use the deposits to make loans and other 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 Cash Deposit, and the interest rate or other income earned by JPMCB on loans and investments made with the deposits. Therefore, JPMCB has a financial incentive in holding Cash Deposits.

## Float Earnings

JPMCB or an affiliate may retain, as compensation for the performance of services, your account’s proportionate share of any interest earned on aggregate cash balances held by JPMCB or an affiliate with respect to “assets awaiting investment or other processing.” These “assets awaiting investment or other processing” are invested by JPMCB in a number of short-term and long-term investment products and strategies, including, without limitation, loans to clients and investment securities, though the amount of earnings retained by JPMCB on such assets—known as “float”—due to their short-term nature, is generally considered to be at the prevailing federal funds interest rate (a publicly available average rate of all federal funds transactions entered into by traders in the federal funds market on a given date), less FDIC insurance and other associated costs, if any. “Assets awaiting investment or other processing” for these purposes includes, to the degree applicable, new deposits to the account, including interest and dividends, as well as any uninvested assets held in the account caused by an instruction to purchase and sell securities. JPMCB or an affiliate will generally earn float until such time as such funds may be automatically swept into a sweep vehicle, or otherwise reinvested.

“Assets awaiting investment or other processing” may also arise when JPMCB facilitates a distribution from your account. Thus, pursuant to JPMCB’s standard processes for check disbursement, cash is generally debited from the account on the date on the face of the check (also called the payable date). Such cash is deposited in a non-interest-bearing omnibus deposit account at JPMCB, where it remains until the earlier of the date the check is presented for payment or the date payment on the check is stopped at your instruction (in which case the underlying funds are returned to the account). JPMCB derives earnings (float) from use of funds that may be held in this manner, as described above.

## Principal Trading and Agency Cross Transactions Compensation

When permitted by applicable federal law, JPMS may sell securities to you and buy securities from you through our own account as principal and act as agent for you and another client in the same trade without first obtaining your consent. The trading capacity is disclosed to you on the trade confirmation. In full service brokerage retirement accounts, we generally trade in an agency capacity where applicable. When we or an affiliate act as principal in buying a security from or selling a security to a client, we earn compensation on the transaction by marking up the price of the security sold to the client and marking down the amount received by the client when selling a security to us. This spread is the firm’s compensation for taking market risk and making a market in the security.

We have adopted policies and procedures that govern transactions for our principal accounts and the accounts of our employees. These policies and procedures are designed to prevent, among other things, improper or abusive conduct when there is a potential conflict with interests of clients.

JPMS also has the authority to effect “agency cross” transactions (i.e., transactions for which JPMS or one of its affiliates acts as a broker for both the account and the counterparty to the transaction) when permitted by applicable federal law. JPMS or its affiliates may receive compensation from each party to the transaction, and for that reason, we will have a potentially conflicting division of loyalties and responsibilities regarding the parties to the transaction.

## Order Flow, ECNs, Trading Systems Payments

JPMS does not receive payment for order flow from market makers for client 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’s policy to route client orders in securities to the trading centers where it believes clients will receive the best execution, taking into account, among other factors, price, transaction cost, volatility, reliability, market depth, and speed.

JPMS may effect trades on behalf of your account through exchanges, electronic communications networks, alternative trading systems, and similar execution systems and trading

venues, including venues in which JPMS or its affiliates may have a direct or indirect ownership interest. JPMS or its affiliates will receive indirect proportionate compensation based on its ownership percentage in relation to the transaction fees charged by such trading centers in which it has an ownership interest and will change from time to time. Additional information on the material aspects of JPMS's 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's SEC Rule 606 reports at <https://www.jpmorgan.com/disclosures/sec-order-execution>.

### **C. Conflicts of Interest and Other Disclosures**

A conflict of interest can be defined as an interest that might incline a broker-dealer or its investment professional to consciously or unconsciously make a recommendation that is not disinterested. J.P. Morgan has adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate conflicts of interest that may arise between J.P. Morgan, its investment professionals, and JPMS and its affiliates. These policies and procedures include, among others, information barriers designed to prevent the flow of information between JPMS and certain other affiliates. Certain actual or potential conflicts of interest are described below, while others are described throughout this Guide, particularly those relating to fees and other compensation received by investment professionals, JPMS and its affiliates.

#### **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 global currency, equity, commodity, fixed income, and other markets. J.P. Morgan is typically entitled to compensation in connection with these activities. In providing services and products to clients other than JPMS's clients, J.P. Morgan, from time to time, faces conflicts of interest with respect to activities recommended to, or performed for, JPMS LLC clients on the one hand and other JPMS LLC clients and/or J.P. Morgan's other clients on the other hand.

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 J.P. Morgan client account or its investments. It should be recognized that such relationships can preclude J.P. Morgan clients from engaging in certain transactions and can also restrict investment opportunities that would otherwise be available to J.P. Morgan clients. 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 J.P. Morgan clients. J.P. Morgan reserves the right to act for these companies notwithstanding the potential adverse effect on JPMS's clients. J.P. Morgan derives ancillary benefits from providing investment advice, custody, administration, prime brokerage, transfer agency, fund accounting and shareholder servicing and other services to J.P. Morgan clients. Providing such services to J.P. Morgan 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.

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

J.P. Morgan and any of its directors, partners, officers, agents or employees also buy, sell or trade securities for their own accounts or for the proprietary accounts of J.P. Morgan within their discretion, and 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. Furthermore, J.P. Morgan is not required to purchase or sell for any client account securities that it, J.P. Morgan, and any of its employees, principals or agents may purchase or sell for their own accounts or the proprietary accounts of J.P. Morgan. J.P. Morgan, and its 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 J.P. Morgan.

#### **Investing in Securities in Which J.P. Morgan or a Related Person Has a Material Financial Interest**

J.P. Morgan and its related persons may recommend or invest in securities on behalf of its clients that J.P. Morgan and its related persons may also purchase or sell. As a result, positions taken by J.P. Morgan and its related persons will be the same as or different from, or be made contemporaneously with or at different times than, positions taken for clients of J.P. Morgan. As these situations involve actual or potential conflicts of interest, J.P. Morgan 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, J.P. Morgan has implemented monitoring systems designed to ensure compliance with these policies and procedures.

#### **Other Financial Services Provided by JPMS and Its Affiliates**

In addition to the services provided by J.P. Morgan to its brokerage clients, J.P. Morgan and its affiliates provide other financial services to individuals, corporations, and municipalities. Those companies provide a wide variety of financial services to each other and third parties to facilitate servicing clients. These services may include, but are not limited to, banking and lending services, sponsorship of deferred compensation and retirement plans, investment banking, securities research, institutional trading services, investment advisory services, and executing portfolio securities transaction for funds and other clients. J.P. Morgan and its affiliates receive compensation for these services.

#### **Transfer of Assets to JPMS**

When you transfer assets from another firm to JPMS, including rollover of assets from retirement accounts, we earn compensation on the assets; please note that we will not earn this compensation if the assets are not transferred to JPMS. We may also earn more, and your J.P. Morgan team will begin to earn compensation, if your assets are transferred from a J.P. Morgan Self-Directed Investing Account and placed in a JPMS investment advisory account or a full service brokerage account, or are used to purchase an annuity through us. J.P. Morgan team members are not compensated on J.P. Morgan Self-Directed Investing Accounts. Thus, you should be aware that we do have an economic interest in you transferring your assets to JPMS.

#### **Allocation**

Potential conflicts of interest may arise in the process of allocating securities to full service brokerage accounts for the purchase of securities that are distributed through syndicate transactions, particularly with regard to some Equity IPO securities. JPMS may have an incentive to allocate syndicate securities to certain accounts or clients, particularly in cases where the client demand for the syndicate offering exceeds the supply. For example, JPMS has an incentive to allocate to one account over another account because it may receive more revenue from one account than it does from a similar account. This could incentivize JPMS to allocate opportunities of limited availability to the account that generates more revenue for JPMS.

JPMS has established policies, procedures and practices to manage the conflict described above. JPMS's syndicate allocation practices are designed such that syndicate allocation decisions are made

following established procedures that require consideration of multiple factors and are designed to comply with securities laws and other applicable regulations. Syndicate allocation decisions that may give rise to material actual, potential or perceived conflicts of interest will be identified and escalated for review and resolution.

#### **Non-U.S. Investments**

International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the United States can raise or lower returns. Also, the volatility of some non-U.S. markets may be higher due to the instability associated with their local political and economic environments.

#### **Fully Paid Lending**

JPMS may borrow securities made available for lending for any purpose permitted under Regulation T of the Board of Governors of the Federal Reserve System ("Regulation T"), including, but not limited to, to satisfy delivery requirements resulting from short sales. Use of loaned securities to facilitate short selling could put downward pressure on the price of such securities. Loaned Securities may be, or may become, "hard to borrow" because of short selling or scarcity of available lending supply or corporate events that may impact liquidity in a security.

JPMS may, at its discretion, initiate a loan from the client's account without prior notice to, or further instruction from, the client. While a loan is outstanding, and until loaned securities are credited back to the client's account upon termination of a loan, the client will lose certain rights with respect to the loaned securities, including, but not limited to, the right to vote such securities.

In addition, the client will receive manufactured payments on the loaned securities (e.g., a substitute payment made in cash) in lieu of receiving dividends directly from the issuer. Certain unique dividends may not be capable of being exactly replicated as a manufactured payment. If the client is a U.S. citizen or U.S. resident, cash payments in lieu of dividends will not be afforded the same treatment as qualified dividends for tax purposes, and will likely be taxed at a higher rate. JPMS may be required to withhold tax on payments in lieu of dividends and loan fees, unless an exception applies.

Lender should consult a tax advisor regarding the tax implications of entering into a loan with JPMS, including, but not limited to: treatment of cash-in-lieu payments under U.S. tax laws, as well as any non-U.S. tax regulations, as applicable; under what circumstances a loan could be treated as a taxable disposition of the loaned securities; and treatment of Loan Fees.

## 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, JPMP and J.P. Morgan 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. J.P. Morgan 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 advisers 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 that 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 December 31, 2023, both Vanguard Group, Inc., and BlackRock, Inc. hold more than a 5% interest in J.P. Morgan.

## Complex Registered Mutual Funds and Exchange-Traded Products

For additional information regarding complex registered mutual funds and ETPs, please consult with your J.P. Morgan team, or go to [www.jpmorgan.com/complex-funds](http://www.jpmorgan.com/complex-funds).

## 5. State-Specific Information

### A. Massachusetts

The Massachusetts Securities Division has adopted a standard of conduct rule, which highlights the nature of our relationship with you under the state’s law. Its rule, called “Fiduciary Duty of Broker-dealers and Agents,” imposes a duty of care and loyalty on broker-dealers and advisors when providing certain investment advice or making certain recommendations to Massachusetts investors.

### B. Nevada

Nevada amended its Financial Planner statute to include broker-dealers and investment advisers and their representatives within the definition of a financial planner and thus subject them to provisions of the Nevada financial planner law.

## C. Wyoming

### Disclosure Regarding the Incorporation of a Social Objective

Wyoming has adopted rules that require us to inform you if we incorporate a social objective when making certain discretionary investment decisions or recommendations for customers and clients in Wyoming.

J.P. Morgan also provides disclosures to you explaining that your J.P. Morgan team acts in your best interest when making investment recommendations and does not put its interests ahead of yours. Wyoming’s rules do not change that. Your J.P. Morgan team will understand if a product or investment manager’s strategy is consistent with your stated investment objectives, and any recommendations with social objectives you and/or your J.P. Morgan team select will be developed based on your personal preferences, investment objectives and other relevant considerations that are unique to you based on your financial goals. In furtherance of your personal preferences and investment objectives, we will continue to consider a broad array of products and managers, including those that contain social objectives.

For additional information regarding certain types of investments that incorporate social objectives, refer to Sustainable Investments in Section 3.

**At J.P. Morgan, we believe in doing first-class business in a first-class way. We are thankful for each and every one of our clients and appreciate your time and consideration. For additional information on any J.P. Morgan product and service, please visit our website, [www.jpmorgan.com/privatebank](http://www.jpmorgan.com/privatebank).**

## 6. Appendix

### A. FEE SCHEDULE | J.P. Morgan Private Bank Full Service Brokerage Accounts | United States

#### Full Service Brokerage Accounts

J.P. Morgan Private Bank Full Service Brokerage Accounts are accounts in which all investment decisions are made by you, and transactions are executed by J.P. Morgan Securities LLC, JPMorgan Chase Bank, N.A. or one of their affiliates (together “J.P. Morgan”) upon your specific authorization. Commissions, markups/markdowns, custody fees, transaction fees and other fees and charges will apply, depending on the types of assets traded or held in your account(s). All amounts listed below are subject to change at any time at the option of J.P. Morgan.

#### Transaction Fees

A transaction fee will apply to every purchase or sale in your J.P. Morgan Private Bank Full Service Brokerage Account, unless otherwise specified. Your account will be charged at the time of the transaction.

**The amounts below are the fees of J.P. Morgan Private Bank only, and are in addition to any spread charged by affiliates and other units of J.P. Morgan or any third party that J.P. Morgan faces in a transaction, unless otherwise indicated. In addition, these amounts do not include any fees, commissions and charges imposed by exchanges, clearinghouses or regulators in connection with a transaction.**

**Fees and charges on financial instruments that are sold to you pursuant to a prospectus or other offering document will be disclosed in the offering documentation.**

**All transaction fees listed below are indicative only. Actual fees will depend on all relevant circumstances of a transaction, including market conditions, the notional amount, the nature and liquidity of the instrument traded, and may be higher than the indicated amounts.**

**Commission free trading is available as a self-directed online trading feature in certain non-margin Full Service Brokerage Accounts. Not all securities and products are eligible for online trading. Please contact your J.P. Morgan team for further information.**

#### ■ U.S. EQUITY LISTED CLEARING MEMBER TRADE AGREEMENT (CMTA)

CMTA (EXECUTED AWAY)	FEES
Transaction fee (per transaction)	US\$8.00
Contract fee (per contract)	US\$0.50

#### ■ EQUITY LISTED OPTIONS—UNITED STATES

PREMIUM PRICE	FEES CHARGED PER CONTRACT
US\$0.01-0.49	US\$1.00
US\$0.50-0.99	US\$2.00
US\$1.00+	US\$4.00
<b>Minimum ticket charge</b>	<b>US\$25.00</b>

#### ■ CASH EQUITIES—U.S. SECONDARY MARKETS

SHARES	FEES PER SHARE
1 to 50,000	US\$0.06
50,001 or higher	US\$0.05
<b>Minimum ticket charge</b>	<b>US\$25.00</b>

#### ■ CASH EQUITIES—NON-U.S. SECONDARY MARKETS

NOTIONAL IN LOCAL CURRENCY	FEES
Up to 500,000	0.50%
500,001 to 1,000,000	0.40%
1,000,001 or higher	0.30%
<b>Minimum ticket charge (USD equivalent)</b>	<b>US\$25.00</b>



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## Transaction Fees Continued

### ■ FIXED INCOME

Fixed income securities are typically purchased on a principal basis, and are subject to a markup (if you are the buyer) or markdown (if you are the seller) charged by J.P. Morgan Private Bank. Transactions involving municipal securities in which J.P. Morgan Private Bank cannot determine a fair price may be charged a commission as opposed to a markup or markdown. Your J.P. Morgan Private Bank team can provide you with the markup, markdown or commission charged on fixed income securities.

### ■ STRUCTURED PRODUCTS

For new issues, the offering price, which includes the selling concessions paid to J.P. Morgan, is disclosed in the relevant offering documents. In cases where structured products are called before maturity, fees are not rebated.

### ■ FOREIGN EXCHANGE AND PRECIOUS METALS (ALLOCATED AND UNALLOCATED)

Forward and spot transactions in foreign exchange are executed by JPMorgan Chase Bank, N.A. and are subject to a markup (if you are the buyer) or markdown (if you are the seller) of up to 1.00% of the notional amount per transaction. If you request that a foreign exchange transaction be executed by J.P. Morgan Private Bank Client Service rather than through your J.P. Morgan Private Bank team, you will incur fees different from those listed here. In those cases, our fees will be up to 2.00% of the notional amount per transaction.

Forward and spot transactions in precious metals are subject to a markup (if you are the buyer) or markdown (if you are the seller) of up to 1.00% of the market value of the precious metals per transaction.

Pricing also varies according to the market conditions at the time of trade and takes into consideration the notional amount (in the case of foreign exchange transactions) or number of ounces (in the case of precious metals transactions) traded.

### ■ ALTERNATIVE FUNDS

J.P. Morgan charges clients a fee in connection with their purchase of ownership interests of hedge funds, private equity funds and other alternative funds it offers as a placement agent. These charges are disclosed in the offering documents for the relevant fund. This fee paid by you is separate from, and in addition to, advisory, management, administrative, placement, performance, servicing or other fees J.P. Morgan may earn from the fund sponsor or the fund for services provided to the fund.

### ■ MUTUAL FUNDS

Separate from any sales charge you pay to a mutual fund when purchasing fund shares, J.P. Morgan seeks to earn, where available, a fee for marketing and/or distribution services payable by the fund management company. These fees may be referred to as “12b-1 fees” and are paid out of the assets of a mutual fund. J.P. Morgan also seeks to earn, where available, fees payable by the fund, the fund management company or one of their affiliates for shareholder servicing and other services, which are not otherwise included in the 12b-1 fees. Additional information about 12b-1 fees and other fees is set forth in the applicable fund prospectus. J.P. Morgan, in its capacity as placement agent, does not currently charge you a fee when you purchase mutual fund shares.

### ■ OVER-THE-COUNTER (“OTC”) DERIVATIVES

OTC derivatives are typically traded on a principal basis, and are subject to a markup (if you are the buyer) or markdown (if you are the seller) charged by J.P. Morgan. Certain OTC swaps that trade on swap execution facilities are typically traded on an agency basis, and are subject to a commission charged by J.P. Morgan. Your J.P. Morgan Private Bank team can provide you with the markup, markdown or commission charged for OTC derivative trades.

## Transaction Fees Continued

### ■ SECURITIES SETTLEMENT TRANSACTIONS

Transactions executed through J.P. Morgan are settled free of charge. When transactions are executed through a non-J.P. Morgan brokerage firm, the following settlement fees will be charged:

		FEES PER TRANSACTION
Depository transaction		US\$100
Physical transaction		US\$250
International transaction	Tier 1: Europe, Africa, Far East, Canada, Mexico Tier 2: Other emerging markets	US\$250 US\$300

### Overdrafts

An overdraft created by a withdrawal, debit or instruction to transfer funds from your account that we choose to honor will be charged at the Overdraft Interest rate we establish, currently prime +4.00%, not to exceed the maximum lawful rate. The prime rate is published in the Money Rates section of *The Wall Street Journal*. The overdraft will generally continue to accrue interest until it is paid in full. An overdraft may be caused by insufficient or uncollected funds. Interest on the overdraft amount will be charged on a 365-day basis except in leap years when interest is charged on a 366-day basis. Interest will be assessed on overdrafts regardless of amount, provided, however, that we will not charge you overdraft interest if the amount of such overdraft interest is less than \$25.00 in any calendar month. The Overdraft Interest charge will be made on the fifth business day of the month following the overdraft activity. This does not constitute an agreement on our part to pay any item or honor any instruction if there are insufficient balances in your account to cover the item(s) or transfer(s).

### Banking Services

For personal Full Service Brokerage Accounts, banking services such as wire transfers and check transactions are free. Banking services are provided by JPMorgan Chase Bank, N.A.

### Currency Holdings

J.P. Morgan Private Bank may charge clients fees on balances maintained above certain thresholds in certain foreign currencies. Fees will be calculated daily, charged monthly, and will appear as a charge on your periodic account statement. Please contact your J.P. Morgan Private Bank team for more information on these fees.

### Additional Information

Please contact your J.P. Morgan Private Bank team if you require further information on any of the fees and charges set out in this Fee Schedule or any other fees and charges that may be applicable. The fees and charges set out in this Fee Schedule are subject to change at any time, and consequently, we may modify this Fee Schedule at any time, in accordance with our *Combined Terms and Conditions*.

All fees quoted are exclusive of any applicable regulatory fees, duties and/or taxes and, where applicable, such fees, duties and/or taxes will be added to the relevant fees charged by J.P. Morgan. Additional fees may be charged in respect of a transaction or service provided to you, depending on the market exchange of the relevant transaction or any correspondent bank charges applicable to the relevant service.

Please also review the applicable regulatory and other disclosures available on J.P. Morgan's public website at

<https://www.jpmorgan.com/country/US/EN/disclosures>.

"J.P. Morgan Private Bank" is a worldwide marketing name for the private banking business conducted by JPMorgan Chase Bank, N.A., J.P. Morgan Securities LLC, their subsidiaries and affiliates. Capitalized terms used but not defined in this document have the meaning given to them in the *Combined Terms and Conditions*.

## B. FEE SCHEDULE | J.P. Morgan Private Bank Brokerage with Custody Accounts | International Clients

### Brokerage with Custody Accounts

J.P. Morgan Private Bank Full Service Brokerage with Custody Accounts are accounts in which all investment decisions are made by you, and transactions are executed by J.P. Morgan Securities LLC, JPMorgan Chase Bank, N.A. or one of their affiliates (together “J.P. Morgan”) upon your specific authorization. Commissions, markups/markdowns, custody fees, transaction fees and other fees and charges will apply, depending on the types of assets traded or held in your account(s). All amounts listed below are subject to change at any time at the option of J.P. Morgan.

### Annual Custody Fee

MARKET VALUE	FEES
Up to \$1,499,999	0.25%
\$1,500,000 to \$4,999,999	0.20%
\$5,000,000 to \$19,999,999	0.15%
\$20,000,000 and above	0.10%
Minimum fee	\$3,000

### Transaction Fees

A transaction fee will apply to every purchase or sale in your J.P. Morgan Private Bank Brokerage with Custody Account, unless otherwise specified. Your account will be charged at the time of the transaction.

The amounts below are the fees of J.P. Morgan Private Bank only, and are in addition to any spread charged by affiliates and other units of J.P. Morgan or any third party that J.P. Morgan faces in a transaction, unless otherwise indicated. In addition, these amounts do not include any fees, commissions and charges imposed by exchanges, clearinghouses or regulators in connection with a transaction.

Fees and charges on financial instruments that are sold to you pursuant to a prospectus or other offering document will be disclosed in the offering documentation.

All transaction fees listed below are indicative only. Actual fees will depend on all relevant circumstances of a transaction, including market conditions, the notional amount, the nature and liquidity of the instrument traded, and may be higher than the indicated amounts.

#### ■ U.S. EQUITY LISTED CLEARING MEMBER TRADE AGREEMENT (CMTA)

CMTA (EXECUTED AWAY)	FEES
Transaction fee (per transaction)	US\$8.00
Contract fee (per contract)	US\$0.50

#### ■ EQUITY LISTED OPTIONS—UNITED STATES

PREMIUM PRICE	FEES CHARGED PER CONTRACT
US\$0.01-0.49	US\$1.00
US\$0.50-0.99	US\$2.00
US\$1.00+	US\$4.00
<b>Minimum ticket charge</b>	<b>US\$25.00</b>

#### ■ CASH EQUITIES—U.S. SECONDARY MARKETS

SHARES	FEES PER SHARE
1 to 50,000	US\$0.06
50,001 or higher	US\$0.05
<b>Minimum ticket charge</b>	<b>US\$25.00</b>

#### ■ CASH EQUITIES—NON-U.S. SECONDARY MARKETS

NOTIONAL IN LOCAL CURRENCY	FEES
Up to 500,000	0.50%
500,001 to 1,000,000	0.40%
1,000,001 or higher	0.30%
<b>Minimum ticket charge (USD equivalent)</b>	<b>US\$25.00</b>

## Transaction Fees Continued

### ■ FIXED INCOME

Fixed income securities are typically purchased on a principal basis, and are subject to a markup (if you are the buyer) or markdown (if you are the seller) charged by J.P. Morgan Private Bank. Transactions involving municipal securities in which J.P. Morgan Private Bank cannot determine a fair price may be charged a commission as opposed to a markup or markdown. Your J.P. Morgan Private Bank team can provide you with the markup, markdown or commission charged on fixed income securities.

### ■ STRUCTURED PRODUCTS

For new issues, the offering price, which includes the selling concessions paid to J.P. Morgan, is disclosed in the relevant offering documents. In cases where structured products are called before maturity, fees are not rebated.

### ■ FOREIGN EXCHANGE AND PRECIOUS METALS (ALLOCATED AND UNALLOCATED)

Forward and spot transactions in foreign exchange are executed by JPMorgan Chase Bank, N.A. and are subject to a markup (if you are the buyer) or markdown (if you are the seller) of up to 1.00% of the notional amount per transaction. If you request that a foreign exchange transaction be executed by J.P. Morgan Private Bank Client Service rather than through your J.P. Morgan Private Bank team, you will incur fees different from those listed here. In those cases, our fees will be up to 2.00% of the notional amount per transaction.

Forward and spot transactions in precious metals are subject to a markup (if you are the buyer) or markdown (if you are the seller) of up to 1.00% of the market value of the precious metals per transaction.

Pricing also varies according to the market conditions at the time of trade and takes into consideration the notional amount (in the case of foreign exchange transactions) or number of ounces (in the case of precious metals transactions) traded.

### ■ ALTERNATIVE FUNDS

J.P. Morgan charges clients a fee in connection with their purchase of ownership interests of hedge funds, private equity funds and other alternative funds it offers as a placement agent. These charges are disclosed in the offering documents for the relevant fund. This fee paid by you is separate from, and in addition to, advisory, management, administrative, placement, performance, servicing or other fees J.P. Morgan may earn from the fund sponsor or the fund for services provided to the fund.

### ■ MUTUAL FUNDS

Separate from any sales charge you pay to a mutual fund when purchasing fund shares, J.P. Morgan seeks to earn, where available, remuneration for marketing and/or distribution services payable by the fund management company. This remuneration is paid out of the assets of a mutual fund. J.P. Morgan also seeks to earn, where available, fees payable by the fund, the fund management company or one of their affiliates for shareholder servicing and other services, which are not otherwise included in the remuneration. Additional information about remuneration and other fees is set forth in the applicable fund prospectus. J.P. Morgan, in its capacity as placement agent, does not currently charge you a fee when you purchase mutual fund shares.

### ■ OVER THE COUNTER (“OTC”) DERIVATIVES

OTC derivatives are typically traded on a principal basis, and are subject to a markup (if you are the buyer) or markdown (if you are the seller) charged by J.P. Morgan. Certain OTC swaps that trade on swap execution facilities are typically traded on an agency basis, and are subject to a commission charged by J.P. Morgan. Your J.P. Morgan Private Bank team can provide you with the markup, markdown or commission charged for OTC derivative trades.

### ■ SECURITIES SETTLEMENT TRANSACTIONS

Transactions executed through J.P. Morgan are settled free of charge. When transactions are executed through a non-J.P. Morgan brokerage firm, the following settlement fees will be charged:

		FEES PER TRANSACTION
Depository transaction		US\$30
Physical transaction		US\$125
International transaction	Tier 1: Europe, Africa, Far East, Canada, Mexico Tier 2: Other emerging markets	US\$150 US\$200

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## Overdrafts

An overdraft created by a withdrawal, debit or instruction to transfer funds from your account that we choose to honor will be charged at the Overdraft Interest rate we establish, currently prime +4.00%, not to exceed the maximum lawful rate. The prime rate is published in the Money Rates section of *The Wall Street Journal*. The overdraft will generally continue to accrue interest until it is paid in full. An overdraft may be caused by insufficient or uncollected funds. Interest on the overdraft amount will be charged on a 365-day basis except in leap years when interest is charged on a 366-day basis. Interest will be assessed on overdrafts regardless of amount, provided, however, that we will not charge you overdraft interest if the amount of such overdraft interest is less than \$25.00 in any calendar month. The Overdraft Interest charge will be made on the fifth business day of the month following the overdraft activity. This does not constitute an agreement on our part to pay any item or honor any instruction if there are insufficient balances in your account to cover the item(s) or transfer(s).

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## Banking Services

For Brokerage with Custody Accounts, banking services such as wire transfers and check transactions are free. Banking services are provided by JPMorgan Chase Bank, N.A.

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## Currency Holdings

J.P. Morgan Private Bank may charge clients fees on balances maintained above certain thresholds in certain foreign currencies. Fees will be calculated daily, charged monthly, and will appear as a charge on your periodic account statement. Please contact your J.P. Morgan Private Bank team for more information on these fees.

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## Additional Information

Please contact your J.P. Morgan Private Bank team if you require further information on any of the fees and charges set out in this Fee Schedule or any other fees and charges that may be applicable. The fees and charges set out in this Fee Schedule are subject to change at any time, and consequently, we may modify this Fee Schedule at any time, in accordance with our *Combined Terms and Conditions*.

All fees quoted are exclusive of any applicable regulatory fees, duties and/or taxes and, where applicable, such fees, duties and/or taxes will be added to the relevant fees charged by J.P. Morgan. Additional fees may be charged in respect of a transaction or service provided to you, depending on the market exchange of the relevant transaction or any correspondent bank charges applicable to the relevant service.

Please also review the applicable regulatory and other disclosures available on J.P. Morgan's public website at <https://www.jpmorgan.com/country/US/EN/disclosures>.

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## IMPORTANT INFORMATION

The information in this document is being provided in connection with requirements under the SEC's Regulation Best Interest and is considered effective as of June 29, 2021.

Investment products (including mutual funds) are not bank deposits and are not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other agency of the United States, nor are they obligations of, nor insured or guaranteed by, JPMCB. Investment products (including mutual funds) are subject to investment risks, including the possible loss of the principal amount invested.

**JPMorgan Chase Bank, N.A.** and its affiliates (collectively "JPMCB") offer investment products, which may include bank-managed accounts and custody, as part of its trust and fiduciary services. Other investment products and services, such as brokerage and advisory accounts, are offered through **J.P. Morgan Securities LLC** ("JPMS"), a member of **FINRA** and **SIPC**. Insurance products are made available through Chase Insurance Agency, Inc. (CIA), a licensed insurance agency, doing business as Chase Insurance Agency Services, Inc. in Florida. JPMCB, JPMS and CIA are affiliated companies under the common control of JPMorgan Chase & Co. Products not available in all states.