FORM ADV PART 2A
APPENDIX 1
WRAP FEE PROGRAM BROCHURE
J.P. MORGAN AUTOMATED INVESTING PROGRAM

J.P. Morgan Securities LLC

February 16, 2024

383 Madison Ave.
New York, NY 10179
(800) 776-6061

chase.com/investments

J.P. Morgan Securities LLC (**JPMS** or the **Firm**) sponsors other wrap fee programs in addition to those discussed in this brochure. You can obtain brochures for the other programs by contacting us at 1-800-776-6061.

This wrap fee brochure (**Brochure**) provides information about the qualifications and business practices of JPMS relating to the J.P. Morgan Automated Investing Program, a digital investment advisory offering (the **Program**). **The Automated Investing Program was closed to new accounts on or about December 10, 2023.** If you have any questions about the contents of this Brochure, please contact us at 1-800-776-6061. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (**SEC**) or by any state securities authority.

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

ITEM 2 – MATERIAL CHANGES

This section describes the material and other changes to the Brochure since the Brochure dated December 8, 2023.

Item 9 has been updated to disclose a JPMS disciplinary event.

ITEM 3 – TABLE OF CONTENTS

ITEM 4 – SERVICES, FEES AND COMPENSATION

Description of Firm and Advisory Services

JPMS is a wholly owned subsidiary of JPMorgan Chase & Co. (**JPMC**), a publicly held financial services holding company. **JPMC** and its affiliates (together, **J.P. Morgan**) are engaged in a large number of financial businesses worldwide, including banking, asset management, securities brokerage and investment advisory services. JPMS is registered as a broker-dealer and investment adviser with the SEC and is a member of the Financial Industry Regulatory Authority (**FINRA**).

JPMS' investment advisory services include sponsoring a variety of wrap fee programs and providing certain consulting services to defined contribution plan sponsors. JPMS offers investment advisory services through several separate channels. Similar wrap fee programs that offer the same and similar investment strategies are offered in the different sales channels and at different fee levels with different features. The investment adviser fee(s) you pay will vary, depending on the program you select.

This Brochure provides information about JPMS and the Program, which is a digital investment advisory program sponsored by JPMS. J.P. Morgan Investment Management Inc. (**JPMIM**), an affiliate of JPMS, has been retained to act as a sub-adviser for the Program. Information about other wrap fee programs sponsored by JPMS, and sub-advisory services offered by JPMIM for this Program, can be obtained at the SEC's website at adviserinfo.sec.gov.

Program Description

The Program is a digital investment advisory program designed to provide clients with access to discretionary advisory services delivered through the Chase and J.P. Morgan Online websites and such mobile applications or digital interfaces as JPMS may from time to time use in connection with the Program (collectively, the **Program Website**). The Program provides clients with a target asset allocation (and, for certain clients, an asset allocation "glide path") and discretionary investment management services based on information about the client's risk profile and investment goals that the client provides through the Program Website. The portfolios that are available in the Program will be comprised exclusively of exchange-traded funds (**ETFs** or **funds**) sponsored or managed by JPMIM or other affiliates (**J.P. Morgan ETFs**) and an allocation in cash. J.P. Morgan has a financial incentive to invest Program assets in J.P. Morgan ETFs because it receives more overall fees when it selects J.P. Morgan ETFs rather than ETFs sponsored or managed by an unaffiliated third-party. Clients should not invest in the Program if they are not comfortable holding an investment portfolio that is comprised of 100% J.P. Morgan ETFs.

As further discussed below, clients in the Program authorize JPMS, to the extent permitted by applicable law, to invest (i.e., "sweep") available cash allocations in Program client accounts that are pending investment, as well as any strategic cash allocations allocated to cash, in a bank deposit account held with JPMorgan Chase Bank, N.A. (**JPMCB**), an affiliate of JPMS.

As Program sub-advisor, JPMIM is responsible for providing benchmark indices, benchmark allocations and guidelines; for determining model portfolio construction; and for selecting and monitoring ETFs used for Portfolios and Glide Path Portfolios, as defined and further discussed below. JPMS is responsible for defining investor suitability and for overseeing the Program and the performance of JPMIM as sub-adviser to the Program. For more information on J.P. Morgan ETFs and related conflicts of interest, refer to *Investment Principles and Potential Conflicts of Interest* and *Important Information About Funds Registered Under the Investment Company Act of 1940, As Amended* under Item 9.C. below. For important information about each ETF, including investment objectives, risks, charges and expenses, clients can read each ETF's prospectus. To obtain a prospectus, visit the Program Website, or the fund company's website.

Clients should understand that the Program is not designed to provide a comprehensive financial plan and is instead targeted to assist clients in meeting a specific investment goal based on the assets that are invested through the Program. In order to participate in the Program, clients are required to establish online account access through chase.com, jpmorganonline.com or their respective mobile applications.

The Program may not be appropriate for all investors, and clients that are interested in other types of investment account services, such as self-directed investing or accounts supported by a financial advisor, may contact JPMS at 1-800-776-6061 to discuss alternative arrangements.

Although it does not currently do so, the Program may in the future expand to include affiliated and third-party mutual funds, exchange-traded notes and other securities.

Before investing through the Program, read the entirety of this Brochure and contact us at 1-800-776-6061 if you have any questions.

Online Nature of the Program

To receive investment advisory services, clients and prospective clients will be required to complete an online account application and enter into an investment advisory agreement and other account agreements (collectively, the **Client Agreement**) electronically through the Program Website. These agreements along with other disclosures and notices will be delivered to clients in electronic format only, by posting the information on the Program Website where clients can access their account, and through email or other electronic means. JPMS will not send paper versions of documents to clients as part of the Program unless required by applicable law or in JPMS' sole discretion. Clients must be willing to accept the terms of a global electronic consent, which will require that the client agrees to electronic delivery of all Program documents and communications, in order to enroll in the Program.

Clients must provide JPMS with a valid email address to enroll in the Program. Clients are required to notify JPMS immediately in the event their email address changes or becomes inaccessible by visiting the Program Website or by contacting JPMS at 1-800-776-6061. Clients will be alerted through the Program Website and by email when a new or amended agreement or document is available; therefore, it is important that clients maintain an accurate email address at all times. In the event that a client fails to provide or maintain accurate contact information through the Program Website, including an email address, JPMS may terminate that client's participation in the Program. JPMS will attempt to contact clients by other means when it determines that a client's email address is invalid. Clients must also own or have access to an electronic device with the necessary hardware and software to access the Program Website as an initial and continued condition of participating in the Program.

Refer to the Online Service E-Sign Disclosure and Consent, which is provided at account opening, for additional terms and conditions regarding electronic delivery of Program communications.

Account Opening, Initial Investment and Rebalancing

Determining a Client or Prospective Client's Risk Profile

Clients who participate in the Program are first required to respond to personal information requests and complete an interactive investment proposal questionnaire on the Program Website (the **Investment Proposal Questionnaire**). Responses to the Investment Proposal Questionnaire are accorded certain numerical weightings, which when summed together, determine the client's risk profile (the **Risk Profile**).

The responses to the Investment Proposal Questionnaire and the resulting Risk Profile will ultimately form the basis of JPMS' investment advice (including whether JPMS will recommend a Portfolio or Glide Path Portfolio, as described below); therefore, it is extremely important that clients and prospective clients respond to the Investment Proposal Questionnaire accurately and update their responses on the Program Website in the event that any response becomes inaccurate. However, because the Program is meant to be a long-term investment option, after management of an account has begun, clients are prevented from accessing the Investment Proposal Questionnaire to update their responses more than once in any thirty-day period.

In the event that a client is unable to determine why a question is being asked, believes that a question is unclear or finds it difficult to respond to a question for any reason, he or she should contact JPMS at 1-800-776-6061. Clients should be careful when entering responses to the Investment Proposal Questionnaire. The investment advice offered through the Program is based solely on the information that clients provide through the Program Website, and inaccurate or incomplete information will affect JPMS' investment recommendation. JPMS does not and will not verify any information that clients and prospective clients provide through the Program Website nor will it consider any information that it may obtain or possess as a result of a participating client's other accounts or relationships with JPMS or its affiliates.

Investment Purpose

The Investment Proposal Questionnaire includes a question about the Program account's investment purpose (e.g., retirement, build wealth, major purchase or another purpose). The investment purpose will be used to determine whether an account is initially assigned to a Portfolio or a Glide Path Portfolio, as described in *Assignment of Accounts to Portfolios or Glide Path Portfolios* below. The default investment purpose for individual retirement accounts (**IRAs**) is "retirement." An account's investment purpose may not be changed after the account has been established.

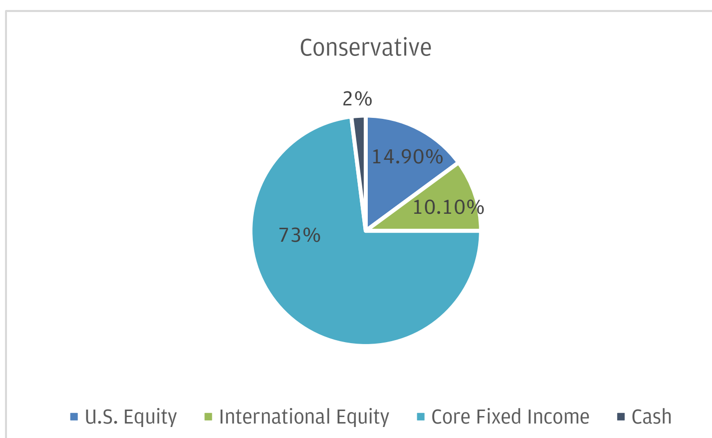
Model Portfolios

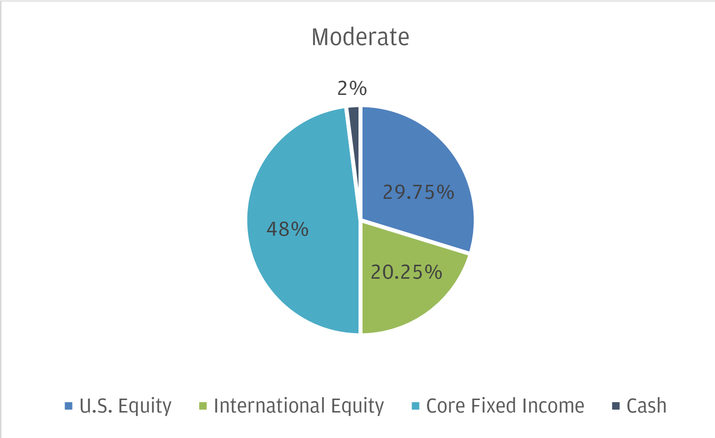
The Program offers two types of model portfolios – "**Portfolios**" and "**Glide Path Portfolios**." The asset allocations of Portfolios are based on the firm's long-term capital market assumptions, as well as correlation between asset classes. While the asset allocations for Portfolios may change, they are not designed to change based on the client's age and target retirement date. The Program currently offers four model Portfolios: Conservative, Moderate, Growth and Aggressive. Portfolios are available to all Program participants.

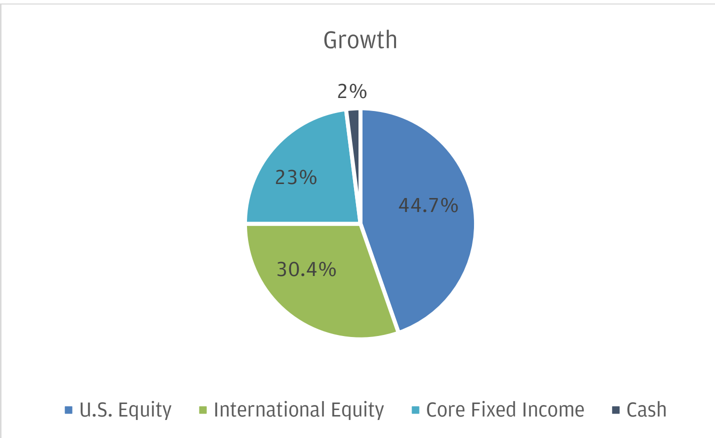
Portfolios

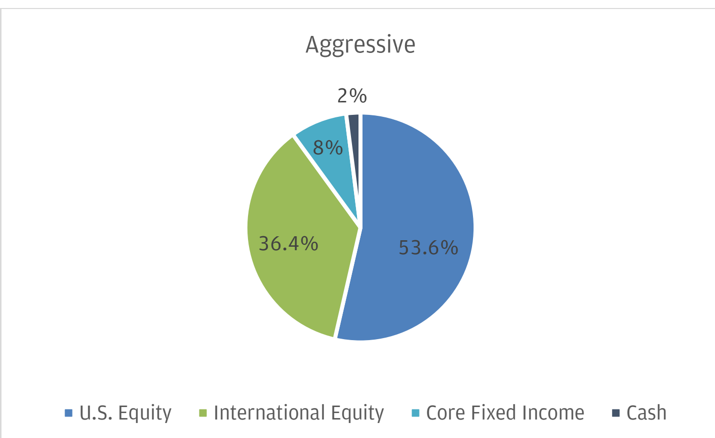
There is a table and a pie chart for each of the model Portfolios below. The table simply shows the asset allocations for each of the Portfolios in tabular format. The table and the pie charts show strategic target allocations as of February 28, 2023. For current allocations, refer to the Program Website. JPMIM retains the right to modify the asset allocations for the Portfolios at any time.

Risk Profile	**U.S. Equity**	**International Equity**	**Core Fixed Income**	**Cash**
Conservative	14.90%	10.10%	73.00%	2.00%
Moderate	29.75%	20.25%	48.00%	2.00%
Growth	44.65%	30.35%	23.00%	2.00%
Aggressive	53.60%	36.40%	8.00%	2.00%







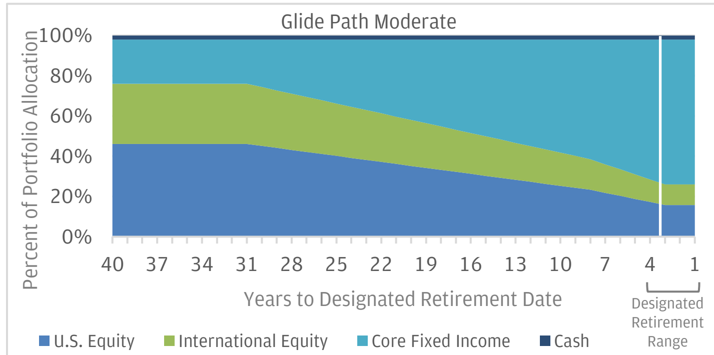


Glide Path Portfolios

The second type of model portfolio available under the Program is a Glide Path Portfolio. The target allocations of a Glide Path Portfolio are designed to change over time. As clients progress towards their designated retirement date, a Glide Path Portfolio begins to seek more current income and less capital appreciation. The "glide paths" depicted in the charts below show how the strategic target allocations of the current Glide Path Portfolios generally become more conservative as the client's designated retirement date approaches (i.e., more emphasis on fixed income and less on equity). There are three model Glide Path Portfolios: Moderate, Growth and Aggressive.

The starting point on a Glide Path Portfolio for a client is determined by the client's age and the retirement age range the client designates through the Program Website. For instance, a client who is 38 years old who designates a retirement age range of 66-70 will enter 32 years before the end of the Glide Path Portfolio (70 - 38 = 32). Each year, on or about the anniversary of the date that management of the account began, the client's account will be rebalanced as necessary to reflect the fact that the client is one year closer to the end of the Glide Path Portfolio. Clients may designate one of the following retirement date ranges: 60-65, 66-70, 71-75, or 76 +. In the case of the 76+ date range, the age of 80 will be used to determine the client's starting point on a Glide Path Portfolio.

There is a chart and a table for each of the model Glide Path Portfolios below. The tables are simply the glide paths in tabular format. The glide path charts show each of the Glide Path Portfolio's strategic target allocations as of February 28, 2023. For current allocations, refer to the Program Website. JPMIM retains the right to modify the asset allocations for the Glide Path Portfolios at any time.



Glide Path Moderate

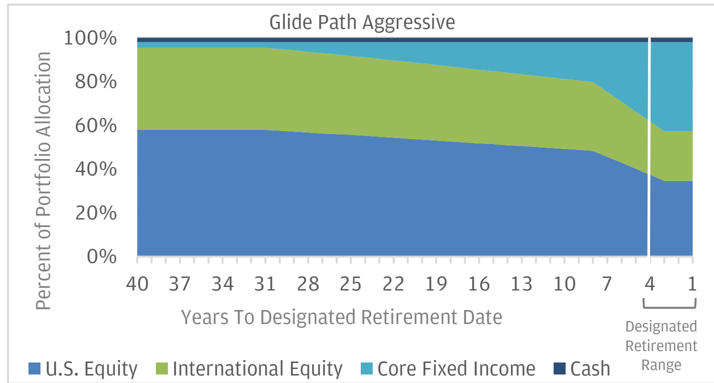
Years to Retirement Date	U.S. Equity	International Equity	Core Fixed Income	Cash
40	44.65 %	30.35 %	23.00%	2.00%
39	44.65 %	30.35 %	23.00%	2.00%
38	44.65 %	30.35 %	23.00%	2.00%
37	44.65 %	30.35 %	23.00%	2.00%
36	44.65 %	30.35 %	23.00%	2.00%
35	44.65 %	30.35 %	23.00%	2.00%
34	44.65 %	30.35 %	23.00%	2.00%
33	44.65 %	30.35 %	23.00%	2.00%
32	44.65 %	30.35 %	23.00%	2.00%
31	44.65 %	30.35 %	23.00%	2.00%
30	43.65%	29.70%	24.65%	2.00%
29	42.75%	29.00%	26.25%	2.00%
28	41.70%	28.40%	27.90%	2.00%
27	40.80%	27.70%	29.50%	2.00%
26	39.80%	27.05%	31.15%	2.00%
25	38.80%	26.40%	32.80%	2.00%
24	37.85%	25.75%	34.40%	2.00%
23	36.85%	25.10%	36.05%	2.00%
22	35.95%	24.40%	37.65%	2.00%
21	34.95%	23.75%	39.30%	2.00%
20	34.00%	23.05%	40.95%	2.00%
19	33.00%	22.45%	42.55%	2.00%
18	32.00%	21.80%	44.20%	2.00%
17	31.05%	21.10%	45.85%	2.00%
16	30.10%	20.45%	47.45%	2.00%
15	29.05%	19.85%	49.10%	2.00%
14	28.15%	19.15%	50.70%	2.00%

13	27.155%	18.50%	52.35%	2.00%
12	26.20%	17.80%	54.00%	2.00%
11	25.20%	17.20%	55.60%	2.00%
10	24.25%	16.50%	57.25%	2.00%
9	23.35%	15.80%	58.85%	2.00%
8	22.30%	15.20%	60.50%	2.00%
7	20.85%	14.15%	63.00%	2.00%
6	19.35%	13.15%	65.50%	2.00%
5	17.90%	12.10%	68.00%	2.00%
4	16.35%	11.15%	70.50%	2.00%
3	14.90%	10.10%	73.00%	2.00%
2	14.90%	10.10%	73.00%	2.00%
1	14.90%	10.10%	73.00%	2.00%

Glide Path Growth

Years to Retirement Date	U.S. Equity	International Equity	Core Fixed Income	Cash
40	53.60%	36.40%	8.00%	2.00%
39	53.60%	36.40%	8.00%	2.00%
38	53.60%	36.40%	8.00%	2.00%
37	53.60%	36.40%	8.00%	2.00%
36	53.60%	36.40%	8.00%	2.00%
35	53.60%	36.40%	8.00%	2.00%
34	53.60%	36.40%	8.00%	2.00%
33	53.60%	36.40%	8.00%	2.00%
32	53.60%	36.40%	8.00%	2.00%
31	53.60%	36.40%	8.00%	2.00%
30	52.90%	35.90%	9.20%	2.00%
29	52.20%	35.40%	10.40%	2.00%
28	51.40%	35.00%	11.60%	2.00%
27	50.70%	34.50%	12.80%	2.00%
26	50.00%	34.00%	14.00%	2.00%
25	49.35%	33.50%	15.15%	2.00%
24	48.65%	33.00%	16.35%	2.00%
23	47.85%	32.60%	17.55%	2.00%
22	47.20%	32.05%	18.75%	2.00%
21	46.50%	31.55%	19.95%	2.00%
20	45.80%	31.05%	21.15%	2.00%
19	45.05%	30.60%	22.35%	2.00%
18	44.30%	30.15%	23.55%	2.00%
17	43.60%	29.65%	24.75%	2.00%
16	42.90%	29.15%	25.95%	2.00%
15	42.15%	28.70%	27.15%	2.00%
14	41.40%	28.25%	28.35%	2.00%
13	40.80%	27.70%	29.50%	2.00%
12	40.10%	27.20%	30.70%	2.00%
11	39.35%	26.75%	31.90%	2.00%
10	38.60%	26.30%	33.10%	2.00%
9	37.90%	25.80%	34.30%	2.00%

8	37.20%	25.30%	35.50%	2.00%
7	34.25%	23.25%	40.50%	2.00%
6	31.20%	21.30%	45.50%	2.00%
5	28.25%	19.25%	50.50%	2.00%
4	25.30%	17.20%	55.50%	2.00%
3	22.30%	15.20%	60.50%	2.00%
2	22.30%	15.20%	60.50%	2.00%
1	22.30%	15.20%	60.50%	2.00%



Glide Path Aggressive

Years to Retirement Date	U.S. Equity	International Equity	Core Fixed Income	Cash
40	55.65%	38.45%	3.00%	2.00%
39	55.65%	38.45%	3.00%	2.00%
38	55.65%	38.45%	3.00%	2.00%
37	55.65%	38.45%	3.00%	2.00%
36	55.65%	38.45%	3.00%	2.00%
35	55.65%	38.45%	3.00%	2.00%
34	55.65%	38.45%	3.00%	2.00%
33	55.65%	38.45%	3.00%	2.00%
32	55.65%	38.45%	3.00%	2.00%
31	55.65%	38.45%	3.00%	2.00%
30	56.17%	38.15%	3.70%	2.00%
29	55.80%	37.80%	4.40%	2.00%
28	55.30%	37.60%	5.10%	2.00%
27	54.90%	37.25%	5.85%	2.00%
26	54.45%	37.00%	6.55%	2.00%
25	54.05%	36.70%	7.25%	2.00%
24	53.65%	36.40%	7.95%	2.00%
23	53.20%	36.15%	8.65%	2.00%
22	52.80%	35.85%	9.35%	2.00%
21	52.35%	35.60%	10.05%	2.00%
20	51.95%	35.30%	10.75%	2.00%
19	51.50%	35.00%	11.50%	2.00%
18	51.10%	34.70%	12.20%	2.00%
17	50.65%	34.45%	12.90%	2.00%
16	50.25%	34.15%	13.60%	2.00%
15	49.85%	33.85%	14.30%	2.00%

14	49.45%	33.55%	15.00%	2.00%
13	49.00%	33.30%	15.70%	2.00%
12	48.65%	32.95%	16.40%	2.00%
11	48.10%	32.75%	17.15%	2.00%
10	47.75%	32.40%	17.85%	2.00%
9	47.30%	32.15%	18.55%	2.00%
8	46.90%	31.85%	19.25%	2.00%
7	44.20%	30.05%	23.75%	2.00%
6	41.50%	28.25%	28.25%	2.00%
5	38.85%	26.40%	32.75%	2.00%
4	36.20%	24.55%	37.25%	2.00%
3	33.45%	22.80%	41.75%	2.00%
2	33.45%	22.80%	41.75%	2.00%
1	33.45%	22.80%	41.75%	2.00%

Construction of Portfolios and Glide Path Portfolios

Model Portfolios are created and monitored by JPMIM. JPMIM manages similarly named model portfolios for other advisory programs; however, the style and the securities within the Program's Model Portfolios are different and are expected to perform differently. Investors in the Program will have access only to the ETFs selected by JPMIM for the Program and the ETFs that JPMIM selects in this Program may not be available for other JPMS advisory programs.

Each model Glide Path Portfolio is designed by JPMIM to have a similar risk and return objective over their respective forty (40) year time horizons as the comparable (Moderate, Growth, Aggressive) model Portfolio. JPMIM will review the construction of the Glide Path Portfolios at least annually and will adjust the annual asset allocation targets as appropriate consistent with the overall risk and return characteristics of the comparable model Portfolio.

The Glide Path Portfolios use "to" glide paths rather than "through" glide paths. A "through" glide path has a longer glide path that goes beyond a designated retirement year. "Through" glide path portfolios are designed for investors with longer investment horizons that go 10 to 20 years past their retirement age. Such glide paths tend to be more aggressive in that their strategic target allocations to equities at retirement are higher than "to" portfolios and become more conservative over a longer period of time after retirement. A "to" glide path generally treats the target date as the end point of the glide path. Such portfolios generally reach their most conservative strategic target allocations at or close to the designated retirement date. The Program's Glide Path Portfolios are "to" portfolios. In other words, they reach their most conservative strategic target allocations within the client's target retirement date range.

Clients should note that Glide Path Portfolios will generally have higher portfolio turnover than Portfolios because the asset allocations for Glide Path Portfolios are adjusted over time. ETF transaction costs are included in the Advisory Fee, so higher turnover will not increase transaction costs; however, higher portfolio turnover may result in higher taxes for taxable accounts.

Clients and prospective clients should review JPMIM's Form ADV Part 2A Brochure (which can be obtained through the Program Website or at the SEC's website at adviserinfo.sec.gov) for the Program and the *Methods of Analysis, Investment Strategies and Risk of Loss* section of this Brochure in Item 6. below for the methodologies used by JPMIM in creating and updating model portfolios and their related risks.

Although JPMIM has discretionary investment authority, JPMS retains trading authority to implement the model portfolios and place orders consistent with each client's Selected Portfolio. The Program relies on a third-party vendor to administer certain technological, administrative and operational aspects of the Program (refer to *Ownership in Vendor* under Item 9.C. below).

Assignment of Accounts to Portfolios or Glide Path Portfolios

A Program account's investment purpose (collected on the Investment Proposal Questionnaire) is one of the factors used to determine whether a Portfolio or a Glide Path Portfolio is initially assigned to an account (the **Recommended Portfolio**).

IRAs and general investment accounts with "retirement" as the designated investment purpose will initially be assigned to a Glide Path Portfolio. However, there are two exceptions: (i) accounts opened by clients with ten years or less to the end of their designated retirement age range, and (ii) accounts with a Risk Profile of Conservative. These accounts, as well as all accounts with an investment purpose other than "retirement," will initially be assigned to a Portfolio, rather than a Glide Path Portfolio. (Program accounts with "retirement" as the designated investment purpose as of February 13, 2020 will continue to be invested in a Portfolio, rather than a Glide Path Portfolio, until clients update their investment profile).

Clients may select the Recommended Portfolio, or they may select a portfolio that is more conservative or more aggressive than the Recommended Portfolio, subject to certain limitations (the **Selected Portfolio**). Clients should understand that their selection of a portfolio other than the Recommended Portfolio may not be suitable based on their Risk Profile and their responses to the Investment Proposal Questionnaire. A Selected Portfolio may perform better or worse over any time period than the Recommended Portfolio based on the information initially provided by the client. A client may not change his or her Selected Portfolio more than once in any thirty-day period.

Cash Allocations and the Sweep Feature

Clients in the Program authorize JPMS, to the extent permitted by applicable law, to invest (i.e., "sweep") available cash allocations in the JPMorgan Chase Deposit Account held at JPMCB (the **Deposit Account**).

Cash "swept" or allocated to the Deposit Account is remitted for deposit by JPMS, acting as the client's agent, into a demand deposit account maintained at JPMCB, an affiliate of JPMS. Balances in the Deposit Account are covered by Federal Deposit Insurance Corporation (**FDIC**) insurance, subject to applicable limits, terms and conditions, but are not protected by the Securities Investor Protection Corporation. JPMS does not review or monitor FDIC insurance limits for clients. Clients are responsible for monitoring the total amount of deposits that they have with JPMCB to determine the extent of FDIC deposit insurance coverage available to them on their deposits. The JPMorgan Chase Deposit Account Disclosure provides further information about the Deposit Account, including the limits, terms and conditions of FDIC insurance coverage.

The interest rate on the Deposit Account may be higher or lower than yields on other available cash alternatives (e.g., money market mutual funds). From time to time, JPMS or the sub-adviser may decide that it's in the best interest of clients to maintain a certain percentage of assets in cash or cash alternatives, especially when markets are volatile. However, because the Advisory Fee is charged on the value of all assets in the account (including cash and cash alternatives), in a low interest rate environment, the net investment return on cash and cash alternatives, including the Deposit Account, will be negative. The current interest rate for cash in the Deposit Account can be found online at chase.com/SweepYields. The rate changes regularly, so it is prudent to check this website on at least a quarterly basis.

For information on conflicts of interest associated with the Deposit Account, refer to Item 9.C below.

Client Agreement

As a condition to receiving investment management services through the Program, clients are required to enter into the Client Agreement. The Client Agreement authorizes JPMS to act as the client's investment adviser with investment discretion and trading authority over enrolled accounts, and authorizes JPMS to perform its services under the Client Agreement directly or through affiliated or unaffiliated service providers as JPMS may from time to time designate. JPMS has appointed JPMIM, an affiliate of JPMS, to serve as the sub-adviser for the Program.

Initial Investment

After a client has enrolled in the Program, funded their account and designated their Selected Portfolio, JPMS will cause the account to be invested in accordance with the Selected Portfolio, subject to any reasonable investment restrictions the client has placed on their account.

Rebalancing Logic

The Program has been designed to automatically rebalance the assets in a client's Program account on a periodic basis. The Program's rebalancing logic automatically determines whether and when to buy and sell securities in a client's account. The Program's logic will cause a Program account to be rebalanced when its holdings deviate from the asset allocation targets associated with the Selected Portfolio in an amount exceeding predetermined drift thresholds. To rebalance an account, the Program's logic will generally cause the sale of ETFs that are overweight relative to the target asset allocations of a client's Selected Portfolio and purchase ETFs that are underweight.

Over time, the ETFs in the account will appreciate (or depreciate) in value at different rates, a client may decide to change their Selected Portfolio, subject to the limitations described herein, or a client may make additions to or withdrawals from their account. Without rebalancing, the change in the percentages of each asset class held will change the level of risk from the risk level that is associated with the allocations in the Selected Portfolio.

Rebalancing may have tax implications for a client's Program accounts because it will generate purchases and sales. Clients should discuss the tax impact of rebalancing with their tax professional before investing through the Program.

The Program's rebalancing parameters, including the manner and frequency of rebalancing, may change at any time without notice. Rebalancing of accounts may be delayed or otherwise impacted by market conditions and by operational constraints. In certain circumstances, including market instability, or in response to certain types of operational or technological errors, JPMS has the authority to decide not to rebalance accounts, in its sole discretion.

Funding Program Accounts

Clients may fund Program accounts with cash and/or securities acceptable to JPMS. Clients funding Program accounts with securities direct JPMS to liquidate the securities, in whole or in part (as applicable), on behalf of the client and allocate the proceeds in accordance with the Selected Portfolio. If a Program account is funded with shares of ETFs that are part of the Selected Portfolio, instead of automatically liquidating such shares, JPMS, on a best efforts basis, will retain some or all of the shares, consistent with the allocation to such ETFs for the Selected Portfolio.

JPMS will not advise clients regarding the liquidation of these securities. Liquidation will be done free of commission charges or spread on fixed income trades unless the trade is placed away from JPMS. Refer to "Other Fees and Expenses" below for more detail. Depending on the type of security involved, liquidation may result in redemption charges and taxable gains or losses for clients. Clients should review the potential tax consequences of these liquidations with their tax professional before funding their Program account with securities. JPMS and its affiliates do not provide tax advice. If non-U.S. denominated securities are sold, the client will incur currency conversion charges.

When liquidating these securities for purposes of establishing a client's Program account, JPMS will be acting as a broker, not an investment adviser. Liquidations will be effected promptly after receipt into the account at the then prevailing market prices, subject to market conditions and applicable JPMS policies. If a particular security cannot be liquidated, is not eligible for the Program or is otherwise unacceptable as determined by JPMS in its sole discretion, clients will be required to transfer the security to separate brokerage account. Failure to comply with the request to transfer such assets out of a Program account within a specified period of time may result in that account's termination from the Program.

Withdrawals

Clients may request a withdrawal from their account at any time through the Program Website or by telephone at 1-800-776-6061, subject to applicable law and the Client Agreement. In the event that a client's account's holdings are within the percentage variance of the target asset class percentages of the Selected Portfolio, and cash is required for a withdrawal, account holdings will be sold pro rata. If the amount of the withdrawal exceeds the cash available in the account, the withdrawal will not be made until the dollar amount of the request is available from the sale proceeds of the account holdings. Under normal market conditions, it can take 2-4 business days to process the investment of funds in Program accounts (whether initial investments or subsequent additions) and requests to sell or withdraw funds from Program accounts, but these time frames can be longer due to market conditions and/or other factors. A withdrawal that reduces an account below $250 will cause the account to no longer be managed and may subject the account to termination. Refer to Item 5. below, which includes a description of the Program's minimum account requirements.

Investment Advisory Services

JPMS has delegated discretionary investment authority to its affiliate, JPMIM. JPMIM is responsible for determining the allocation of assets among ETFs for the Selected Portfolio; selecting, adding, removing or replacing ETFs in the Program; determining the model portfolio construction; and selecting and monitoring the ETFs that are included in Portfolios and Glide Path Portfolios, subject to the oversight of, and pursuant to, an investment policy statement established by JPMS. JPMS oversees these selections using the investment policy statement it established and remains responsible for overseeing JPMIM's performance and reviewing its rebalancing logic which is the basis for ongoing investment advice in the Program.

Operational considerations, such as ETF concentration and capacity issues, can result in the timing or implementation of trades for a client's account differing from that of another client or group of clients of JPMS or its affiliates. It is JPMS' policy, to the extent practicable, to allocate, within its reasonable discretion, investment opportunities among clients over a period of time on a fair and equitable basis.

As described in greater detail throughout this Brochure, the Program relies on proprietary algorithms when recommending a Risk Profile based on responses to the Investment Proposal Questionnaire.

The advice provided in the Program is limited exclusively to recommendations to purchase, sell or hold J.P. Morgan ETFs. For more information on affiliated ETFs and related conflicts of interest, refer to *Investment Principles and Potential Conflicts of Interest* and *Important Information About Funds Registered Under the Investment Company Act of 1940, As Amended* under Item 9.C. below.

Reasonable Restrictions

Clients can place reasonable restrictions on the management of their account by designating certain specific ETFs that should not be purchased for their account or that should be sold if held in their account, subject to JPMS' acceptance and the Program parameters described below. Requests for restrictions must be made through the Program Website.

Clients may request a restriction on the purchase of certain individual ETFs from their account, but JPMS is not required to accept account restrictions that it deems unreasonable. The determination of whether a particular restriction is reasonable will depend on the relevant facts and circumstances, including whether the restriction is inconsistent with the nature or operation of the Program. The restriction of more than three ETFs will be deemed to be unreasonable due to the impact on model portfolio construction and the investment strategy of the Selected Portfolio. Any restrictions a client places on the management of their Program account will cause the account to perform differently than similar, unrestricted accounts, possibly increasing costs or producing lower returns. Clients cannot prohibit or restrict the investment adviser of any Program ETF from investing in specific securities or types of securities that are held within such ETFs.

If a restriction is considered reasonable, JPMS has the discretion to invest the portion of the client account that would have been invested, or was previously invested, in the restricted security in the other securities in the account (on a pro rata basis), to select a substitute security or to hold those assets in cash. Substitute ETFs are likely to have fees or expenses that are higher than the ETFs normally used in the Program. In the event that a restriction request for an ETF that is currently held in a client's account is accepted, the ETF will be sold consistent with the Program's rebalancing logic, and a client may experience tax consequences.

Brokerage and Custodian

JPMS, in its capacity as an SEC-registered broker-dealer, provides clearing and trade execution services and serves as the custodian for Program accounts. JPMS is a "qualified custodian" as defined in Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended. The Client Agreement incorporates a separate brokerage agreement that clients must sign electronically to enroll in the Program.

In the ordinary course, JPMS expects that all Program transactions will be executed through JPMS. This is because of the quality of JPMS' (and its affiliates') execution capabilities and because commissions charged by JPMS or its affiliates for executing transactions for Program accounts are included in the fee clients pay for participation in the Program. Clients should understand that the prices for trades executed through JPMS may not be as favorable as those that would be obtained if the trades were placed through a different broker-dealer. Not all investment advisers require their clients to direct brokerage. Subject to its obligation to seek best execution, JPMS has the ability to execute transactions for client accounts through other broker-dealers. In such circumstances, clients will incur transaction-related fees and expenses that are in addition to, and are not covered by, the Advisory Fee (defined below).

The Program is a discretionary investment advisory program, and not a self-directed brokerage service. Unlike self-directed brokerage accounts, clients will not be able to place orders to buy or sell specific securities. Rather, JPMS will place orders to buy and sell securities consistent with the discretionary authority it has under the Client Agreement. JPMS reserves the right, at any time and without notice, to delay or suspend trading activity in Program accounts in its sole discretion. In the event that JPMS suspends or delays trading, requests to withdraw and transfer cash from Program accounts continue to be honored. However, there may be a delay in the Program's ability to liquidate securities to cover requests for withdrawals in excess of the cash in Program accounts or to invest existing or new cash allocations.

JPMS generally aggregates (or blocks) orders for the purchase or sale of securities during each trading day for Program accounts. Trades resulting from client-initiated activity (e.g., account contributions, withdrawals, changes in a client's Selected Portfolio, and client restrictions) will typically be blocked together and trades resulting from rebalancing activity will typically be blocked together. When an order requires more than one execution, participating accounts will receive the average price for transactions in their particular block order. Although JPMS expects to send the block trades to the market at approximately the same time, Program accounts generally will receive a different execution price depending on whether the trades result from client-initiated activity or rebalancing activity. Either block can be executed first on any particular trading day. To the extent a Program account regularly trades behind other types of accounts, it is possible that the Program account will suffer from adverse effects depending on market conditions. Program trading is conducted separately from other JPMS and J.P. Morgan trading, and orders for Program accounts are not aggregated with orders placed on behalf of other J.P. Morgan clients.

Fractional Share Trading

In order to ensure that Program accounts are allocated in accordance with the Program's asset allocation models, lower balance accounts buy and sell both whole and fractional ETF shares. JPMS reserves the right, at any time in its sole discretion, and without prior notice to clients, to limit or stop trading fractional shares or to change its policies and procedures governing fractional share trading, including, without limitation, allocation and rounding procedures. Fractional shares are typically unrecognized and illiquid outside of a client's account. In the event of a liquidation or transfer of assets to another account, JPMS may convert such fractional shares to cash. Dividends and proxy voting rights generally will be allocated pro-rata based on the fractional shares held in client accounts.

Trade Errors

Trade errors and other operational mistakes occasionally occur in connection with JPMS' or JPMIM's management of funds and client accounts. Errors can result from a variety of situations, including situations involving portfolio management (e.g., inadvertent violation of investment restrictions) trading, processing or other functions (e.g., miscommunication of information, such as wrong number of shares, wrong price, wrong account, calling the transaction a buy rather than a sell and vice versa, etc.).

JPMS policies and procedures require that all trade errors affecting client accounts be resolved promptly and fairly. Under certain circumstances, JPMS considers whether it is possible to adequately address an error through cancellation, correction, reallocation of losses and gains or other means. The intent is to restore a client account to the appropriate financial position considering all relevant circumstances surrounding the error. JPMS makes its determinations on a case-by-case basis, in its discretion, based on factors it considers reasonable.

JPMS generally does not require perfect implementation of investment management decisions, trading, processing or other functions performed by JPMS. Therefore, not all corrections will be considered compensable to the client. Imperfections in the implementation of investment decisions, quantitative strategies, financial modeling, trade execution, cash movements, portfolio rebalancing, processing instructions or facilitation of securities settlement, imperfection in processing corporate actions, or imperfection in the generation of cash or holdings reports resulting in trade decisions may not be compensable, depending on the facts and circumstances. For example, imperfections in the implementation of investment strategies, including quantitative strategies (e.g., coding errors), that do not result in material departures from the intent of the portfolio management team will generally not be considered compensable. In addition, in managing accounts, JPMS may establish non-public, formal or informal internal targets, or other parameters that may be used to manage risk, manage sub-advisers or otherwise guide decision-making, and a failure to adhere to such internal parameters will not be considered an error.

Trade Confirmations, Statements and Performance Reporting

The Program Website allows clients to access account information, including the client's holdings and performance, on an ongoing basis. Clients will electronically receive trade confirmations of all transactions. Clients will receive account statements from JPMS, as the custodian of Program accounts, at least quarterly (monthly for months when there is activity in their account) and should review these statements carefully. Clients will also be able to access quarterly performance reports for their Program accounts through the Program Website. The quarterly performance reports contain information about account performance and holdings.

Wash Sale Notice

The Program has not been designed to monitor, reduce or limit tax consequences resulting from trading in a client's Program account or other accounts, including wash sales. Neither JPMS nor JPMIM will be responsible for ensuring that transactions in the same security or a substantially similar security within the Program, outside of the Program, or between Program accounts, do not create a wash sale. For more information on the wash sale rule, investors should review IRS Publication 550.

Proxy Voting, Corporate Actions and Other Legal Matters

Neither JPMS nor JPMIM will vote proxies (or give advice about how to vote proxies) relating to securities held in a client's account. Each client has the right to vote and is solely responsible for voting proxies for any securities and other property in the client's account. JPMS will send electronic notifications to clients when proxies or similar action requests have been posted to the Program Website.

Sub-adviser will be responsible for evaluating and acting on corporate actions with respect to securities in a client's account, such as: any conversion option; execution of waivers, consents and other instruments; and consents to any plan of reorganization, merger, combination, consolidation, liquidation or similar plan.

Client Right and Responsibility to Take Action

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

JPMS and its affiliates will not be responsible or liable for: (1) failing to notify a client of proxies, or (2) failing to send to the client proxy materials or annual reports where JPMS or its affiliates have not received proxies or related shareholder communications on a timely basis or at all.

Wrap Fee

General

Clients pay an annual asset-based fee (**Advisory Fee**) to JPMS for participating in the Program (subject to any applicable discounts, promotions or adjustments). The Advisory Fee is a single (or "wrap" or "bundled") fee that covers the investment advisory, portfolio management, brokerage, execution, custody and reporting services provided in the Program.

The Advisory Fee is 0.35% and will be computed and payable quarterly in arrears based upon the average daily market value of all assets held in the Program account (including cash) for the quarter. Advisory Fees for partial billing periods upon the inception or termination of a Program account will be prorated (and will be payable at the time of termination in the case of account termination). The Advisory Fee will be reflected on the account statement issued by the custodian for the account. JPMS will automatically debit the Advisory Fee from the client's account.

The Advisory Fee will be paid out of the Deposit Account. In the event the Deposit Account or the Program account do not have sufficient funds to pay the entire Advisory Fee , then shares of ETFs in the client's account will be sold according to the process described above in the section on *Rebalancing Logic*.

Waivers, Reductions and Negotiation of Fees

In its discretion, JPMS can negotiate, waive or reduce the Advisory Fee for any client or group of clients, including in connection with promotional efforts. Refer to the terms associated with such promotions for details regarding how they affect the fees and expenses of the Program and the length of any such waiver or fee reduction. The Advisory Fee may be waived or discounted for employees of JPMS and its affiliates. From time to time, the Advisory Fee can be increased. JPMS will provide clients with advance notice prior to increasing the Advisory Fee.

The Advisory Fee can be more or less than the cost of paying for investment advice, trade execution, custody and reporting services separately, depending on the cost of these services if provided separately and the level of trading activity in the client's account.

JPMS charges fees that it believes are reasonable in relation to the scope of services and nature of the investment advice provided. However, clients should understand that JPMS and its affiliates (and other firms) offer other services, products and platforms that are available at lower or higher fees than those charged by the Program. JPMS and its affiliates also offer target date retirement funds, which have some of the characteristics of the Glide Path Portfolios but are not subject to the Advisory Fee. For those clients with a retirement objective, it is possible that an investment in a target date fund would provide access to similar investment strategies as those offered through the Glide Path Portfolios at a lower cost. However, clients who invest in a target date fund will not receive the additional services and features offered through the Program, including multiple glide paths designed for your specific Risk Profile, and the additional benefits associated with a managed account. Consequently, clients and prospective clients are able to receive similar products and services from other firms (including affiliated ones) at a lower cost than what is charged for the Program. Clients and prospective clients should consider these other services, products and platforms available to determine the most appropriate for them. JPMS offers investment advisory services through a variety of sales channels. Programs that offer the same and similar investment strategies are offered in the same and different sales channels, and at different fee levels with different services. When comparing JPMS and its affiliates' services, products and platforms, prospective clients should consider various factors, including, but not limited to: the type of the account (advisory or brokerage), the type of advice received (discretionary or nondiscretionary), the types of fees charged (asset-based fees or commission-based fees), the nature of the relationship (online or human), and the overall cost of investing. Clients' advisory fees, available investment strategies, and the services that they receive will vary depending on the sales channel through which they access J.P. Morgan services.

Fees Paid to JPMIM

JPMS pays JPMIM for its services as sub-adviser a portion of the Advisory Fee discussed above equal to 0.02% of the market value of the assets held in Program accounts. In addition, for J.P. Morgan ETFs held by clients in the Program, JPMIM and certain of its affiliates will receive a portion of the Underlying ETF Fees (as defined below) for services provided to the J.P. Morgan ETFs, including as manager.

Underlying ETF Fees and Offset

ETFs have underlying fees and expenses which may be structured as a single unitary advisory fee payable to the ETF adviser or as a collection of separate fees payable to the adviser, certain of its affiliates and various other unaffiliated ETF service providers (all such fees and expenses, collectively, the **Underlying ETF Fees**).

The Advisory Fee that clients pay to JPMS does not include Underlying ETF Fees (sometimes expressed in the aggregate as the ETF's expense ratio). Clients bear the cost of all Underlying ETF Fees, which are generally payable to JPMIM, certain of its affiliates and various unaffiliated service providers. Clients also bear their pro rata share of any extraordinary expenses incurred by an ETF and charged to the ETF shareholders as further described in each ETF's prospectus.

However, JPMS will offset (or reduce) the Advisory Fee by that portion of the Underlying ETF Fees retained by JPMS or its affiliates. For Program accounts that terminate during a calendar quarter, a credit will be applied after the end of the quarter in lieu of an offset. The prospectus of each ETF contains the applicable Underlying ETF Fees.

Other Fees and Expenses

The Advisory Fee that clients pay to JPMS does not include transfer taxes, electronic fund and wire fees, or any other fees that would reasonably be assessed to a brokerage account. The Advisory Fee also does not cover brokerage commissions or other charges resulting from transactions not effected through JPMS or its affiliates. In cases where trades are placed with unaffiliated broker-dealers, clients will incur a brokerage commission, mark-up or mark-down charged by the other broker-dealer that is not covered by the Advisory Fee. For orders placed with broker-dealers other than JPMS, the trade confirmation issued by JPMS shows a price for the traded security that is inclusive (i.e., net) of the commission, mark-up or mark-down paid by the client to the other broker-dealer, but it does not break out or otherwise show the amount of the commission, mark-up or mark-down separately. For more information on trades away from JPMS, refer to additional disclosures on the JPMS separate website, available at chase.com/managed-account-disclosures.

Account Termination

Clients may terminate their participation in the Program by notifying JPMS by telephone at 1-800-776-6061, which will become effective no later than five days after JPMS sends a notice that it has terminated its services. Upon termination, JPMS will remove the account from the Program, and the account will be converted to a non-managed brokerage account. The client may instruct JPMS to liquidate its securities and transfer them to a brokerage account at J.P. Morgan or to an account at another financial institution but will be unable to purchase securities in their account.

A client may experience tax consequences as a result of a decision to terminate their participation in the Program and liquidate his or her account which should be discussed with their tax professional. JPMS is not responsible for changes in prices of securities in a client's account between the time of termination and, if requested, liquidation of the client's account. All requests will be processed according to JPMS' normal procedures and it may take several business days to process a client's request.

ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Clients generally include individuals investing through taxable accounts and retirement accounts with a U.S. address. Clients are required to establish their accounts and enroll in the Program through the Program Website. Refer to the discussion on *Online Nature of the Program* in Item 4. above for additional information concerning the digital nature of the Program.

The Program is not intended for investors who seek to maintain control over trading in their account, who have a short-term time horizon (or expect ongoing and significant withdrawals), or who expect or desire to maintain consistently high levels of cash.

The initial Program account minimum is $500 (in cash or proceeds from the sale of securities). The minimum account requirement for ongoing management of Program accounts is $250. Client accounts may be subject to termination if they fall below the minimum account requirement for ongoing management. JPMS reserves the right to terminate a client relationship for clients whose account address becomes a non-U.S. address. JPMS, in its sole discretion, can waive or alter either or both of the initial account minimum or the minimum account requirement for ongoing management.

ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION

General Information

JPMS is the Sponsor of the Program and has delegated to JPMIM responsibility for determining asset allocation and model portfolio construction and for selecting and monitoring ETFs used for Portfolios and Glide Path Portfolios, subject to the oversight of, and pursuant to, an investment policy statement established by JPMS.

JPMIM is manager to the ETFs used for the Program. Consequently, JPMIM has a conflict of interest when it determines the target asset classes, asset allocation goals and underlying investments for Portfolios because it will allocate client assets only to J.P. Morgan ETFs and asset classes where J.P. Morgan ETFs are available, which will result in more total revenue for J.P. Morgan than if third-party ETFs were used. Because the Glide Path Portfolios are constructed based on the same asset classes and underlying investments as Portfolios, the same conflicts of interest apply with respect to the Glide Path Portfolios. Neither JPMS nor JPMIM can ensure that a given model portfolio's investment objective, or any performance projection associated with a client's Recommended Portfolio or Selected Portfolio, will be attained.

JPMS remains responsible for overseeing JPMIM's performance. An internal governance forum seeks to ensure that the Program offers suitable investment products to clients and that assets in the Program are managed in a compliant manner consistent with the goals of the Program and applicable law.

Set forth below is a general description of the primary methods of analysis that JPMIM uses for the Program. This description is qualified in its entirety by the information included in any applicable ETF's prospectus or other relevant offering documentation. JPMS is not responsible for the performance of any ETF or its prospectus, disclosures, laws or regulations, or other matters within the ETF and their respective adviser's control.

Methods of Analysis, Investment Strategies and Risk of Loss

Discretionary Investment Process

In accordance with the Investment Policy Statement established by JPMS, JPMIM is responsible for determining model portfolio construction and for selecting and monitoring ETFs used for Portfolios and Glide Path Portfolios.

Asset Allocation Process

JPMIM is responsible for establishing the asset allocations for Portfolios. JPMIM utilizes quantitative techniques to determine the asset allocation based on the firm's long-term capital market assumptions as well as the correlation between asset classes, subject to qualitative adjustments by JPMIM's portfolio managers.

JPMIM is also responsible for the asset allocation of the Glide Path Portfolios, taking the overall risk and return characteristics of Portfolios into consideration in determining the annual asset allocation targets for the comparable Glide Path Portfolios.

ETF Review and Selection

JPMIM selects the ETFs to implement the asset allocation for the model portfolios. The selection of ETFs is developed and maintained in accordance with a systematic, rule-based process. Factors considered include investment objectives and the benchmark of an ETF relative to the asset class for which the model is seeking to provide exposure. Where more than one ETF is deemed to be an appropriate selection for a given asset class, the rules-based selection protocol generally seeks lower tracking error and lower fees. The portfolio managers can make changes to the rules-based selection based on their review of the overall fit with the investment objective and parameters established for the model portfolios. For ETFs that are included in the model portfolios, the portfolio managers monitor the performance of those ETFs and review their fit within the Portfolios on a periodic basis based on the above-noted criteria.

The Program is not subject to policies and procedures in respect of fund selection that govern other JPMS fiduciary accounts.

Risk of Loss

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

Material, Significant or Unusual Risks Relating to the Program

Set forth below is a summary of the material risk factors that are associated with the Program, its model portfolios and the types of investments used in the Program. This is a summary only. The information included in this Brochure does not include every potential risk associated with each investment strategy, model portfolio or ETF applicable to clients participating in the Program. The risk factors associated with the relevant ETF's investment strategy are disclosed in the prospectus, offering memorandum or other materials of the ETF. Prospective investors should carefully read the relevant offering documents and consult with their own counsel and advisers as to all matters concerning investments in ETFs. Clients should not rely solely on the descriptions provided below. Clients are urged to ask questions regarding risk factors applicable to a particular strategy or investment product by calling 1-800-776-6061 and determine whether the Program is suitable for them in light of their specific circumstances and investment goals.

Limited Nature of the Program

The Program has not been designed to provide a comprehensive financial plan to clients and is instead intended to assist clients in meeting a specific investment goal based on the assets that they invest through the Program. The Program does not provide tax advice and clients may experience tax consequences as a result of a decision to participate in or terminate their participation in the Program. In addition, the Program is limited in the following ways: (i) the Program relies exclusively on the information that clients provide through the Program Website in formulating investment recommendations; (ii) JPMS does not and will not verify any information that clients and prospective clients provide through the Program Website; (iii) JPMS does not consider any information that it may obtain or possess as a result of a client or prospective client's other accounts or relationships with JPMS or its affiliates; (iv) the Program offers a limited universe of model portfolios that may not be suitable or optimal for a client; and (v) the Program invests exclusively in J.P. Morgan ETFs. An investment in the Program is not suitable for everyone.

Client Responsibility

Investment advice offered through the Program is highly dependent on a client's responses to the Investment Proposal Questionnaire, which forms the basis of the client's Risk Profile and JPMS' recommendation of a model portfolio. It is extremely important that clients and prospective clients respond to the Investment Proposal Questionnaire accurately and revisit their responses on the Program Website in the event that any response becomes inaccurate. Clients should be careful when entering responses to the Investment Proposal Questionnaire because inaccurate information will affect JPMS' investment recommendations. JPMS does not and will not verify any information that clients and prospective clients provide through the Program Website nor will it consider any information that it may obtain or possess as a result of a client or prospective client's other accounts or relationships with JPMS or its affiliates. In addition, after completing the Investment Proposal Questionnaire, depending on client's Risk Profile and subject to certain limitations, the Program allows a client to select a model portfolio that is riskier or more conservative than the one recommended by the Program. Clients are responsible for determining whether such decision is suitable and consistent with their Risk Profile and investment objectives. JPMS will not be responsible for such decision, including, but not limited to, any difference in investment performance between the Recommended Portfolio and the Selected Portfolio.

General Portfolio Risks

Many of the risks defined below apply to assets within Program accounts. Refer to JPMIM's Form ADV Part 2A Brochure (which can be obtained through the Program Website or at the SEC's website at adviserinfo.sec.gov) for additional disclosures regarding the risks associated with the ETFs managed by JPMIM, and other risks related to the Program and JPMIM's role as sub-adviser.

ETF Risk

ETFs are marketable securities that may track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. The investment performance of client accounts that implement their strategies by investing in underlying ETFs is directly related to the performance and risks of the underlying ETFs. There is no assurance that the underlying ETFs will achieve their investment objectives. Additionally, new ETFs have no track record and have risks relating to performing in the way they are intended to perform. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to:

- *Variance from Benchmark Index*. For those ETFs that track an index, ETF performance (and associated returns) will differ from the performance of the applicable index for a variety of reasons, and therefore the ETF may not achieve its investment objective. For example, ETFs incur operating expenses and portfolio transaction costs not incurred by the benchmark index, especially when rebalancing securities holdings to reflect changes in the composition of the underlying index. These transaction costs may be higher for ETFs investing in foreign securities. In addition, the ETF's return may differ from the return of the underlying index as a result of, among other things, pricing differences (including differences between a security's price at the local market close and the valuation of a security at the time of valuation of the account) and the inability to purchase certain securities included in the underlying index due to regulatory or other restrictions. ETFs may not be fully invested in the securities of their indices at all times or may hold securities not included in their indices. Corporate actions with respect to the equity securities underlying ETFs (such as mergers and spin-offs) may impact the variance between the performances of the ETFs and applicable indices. The risk that an ETF may not track the performance of its underlying index may be heightened during times of increased market volatility or other unusual market conditions.

- *Passive Investing Risk*. Many of the ETFs used in the Program are not actively managed but utilize passive investment management (e.g., designed to track the performance and holdings of a specified index). Passive investing differs from active investing in that ETF managers are not seeking to outperform their benchmark. As a result, ETF managers may hold securities that are components of their underlying index, irrespective of the current or projected performance of the specific security or market sector, and at times when an actively managed account or fund would not do so. Passive managers do not attempt to take defensive positions based upon market conditions, including declining markets or a decline in the value of one or more issuers. This approach could cause a passive vehicle's performance to be lower than if it employed an active strategy. The performance of ETFs used in the Program could be lower than accounts or funds that may actively shift their portfolio assets to take advantage of market opportunities or lessen the impact of a market decline or a decline in the value of one or more issuers.

- *Secondary Market Risk*. ETFs shares are bought and sold in the secondary market at market prices. Although ETFs are required to calculate their net asset values (**NAV**) on a daily basis, at times the market price of an ETF's shares will be more than the NAV (trading at a premium) or less than the NAV (trading at a discount). Given the differing nature of the relevant secondary markets for ETFs, certain ETFs trade at a larger premium or discount to NAV than shares of other ETFs depending on the markets where such ETFs are traded. The risk of deviation from NAV for ETFs generally is heightened in times of market volatility or periods of steep market declines. For example, during periods of market volatility, securities underlying ETFs may be unavailable in the secondary market, market participants may be unable to calculate accurately the NAV per share of such ETFs, and the liquidity of such ETFs may be adversely affected. This kind of market volatility would likely also disrupt the ability of market participants to create and redeem shares in ETFs. Further, market volatility can adversely affect, sometimes materially, the prices at which market participants are willing to buy and sell shares of ETFs. As a result, under these circumstances, the market value of shares of an ETF may vary substantially from the NAV per share of such ETF, and the client can incur significant losses from the sale of ETF shares.
- *Sampling Risk*. To the extent a client account or a fund uses a representative sampling approach, it will hold a smaller number of securities than are in its index. As a result, an adverse development respecting an issuer of securities held by a client account or fund could result in a greater decline in the value of the client account's or fund's assets than would be the case if the client account or fund held all of the securities in its index. Conversely, a positive development relating to an issuer of securities in its index that is not held by a client account or fund could cause the account or fund to underperform the index.

<u>Diversification Risk</u>

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

<u>Algorithm Risk</u>

The Program is reliant on the use of algorithms and related computer systems in recommending model portfolios and in rebalancing client accounts. Changes to an algorithm or a computer system's code or underlying assumptions may have unintended consequences, which may have an effect on the performance of client accounts. In addition, algorithms and computer systems may not perform as intended for a variety of reasons, including, but not limited to, incorrect assumptions, changes in the market, and changes to data inputs.

<u>High Portfolio Turnover Risk</u>

Accounts in the Program can engage in active and frequent trading due to the Program's rebalancing logic and algorithms. Frequent trading can lead to increased portfolio turnover and the possibility of increased capital gains, including short-term capital gains that are generally taxable as ordinary income. However, the Program's rebalancing logic and algorithms have been designed to rebalance accounts when their actual account holdings drift from the portfolio's stated target asset allocation by certain predetermined thresholds. This feature seeks to limit the frequency of rebalancing activity in client accounts in the Program.

<u>Data Sources Risk</u>

Although JPMS obtains data and information from third-party sources that it considers to be reliable, JPMS does not warrant or guarantee the accuracy and/or completeness of any data or information provided by these sources. JPMS has controls for certain data, that, among other things, consider the representations of such third parties with regards to the provision of the data to JPMS in compliance with applicable laws. JPMS does not make any express or implied warranties of any kind with respect to such third-party data. JPMS shall not have any liability for any errors or omissions in connection with any data provided by third-party sources.

<u>Intellectual Property and Technology Risks Involved in International Operations</u>

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

<u>Cyber Security Risk</u>

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

<u>Vendor Risk</u>

The Program relies on a vendor, which J.P. Morgan has an ownership interest in, for certain operational and trading functions. By relying on a vendor, an investment adviser reduces its level of control over services rendered. If a vendor fails to perform its obligations in a timely manner or at satisfactory quality levels, the Program may be unable to provide investment advice consistent with disclosures to clients.

<u>General Market Risk</u>

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

The worldwide outbreak of COVID-19 has negatively affected economies, markets and individual companies throughout the world, including those in which Program accounts and J.P. Morgan ETFs invest. The effects of this pandemic to public health and business and market conditions, including, among other things, reduced consumer demand and economic output, supply chain disruptions and increased government spending may continue to have a significant negative impact on the performance of a portfolio’s and J.P. Morgan ETFs’ investments; increase volatility; negatively impact arbitrage and pricing mechanisms for certain J.P. Morgan ETFs; exacerbate pre-existing political, social and economic risks to Program accounts and J.P. Morgan ETFs; and negatively impact broad segments of businesses and populations. In addition, governments, their regulatory agencies or self-regulatory organizations, have taken or may take actions in response to the pandemic that affect the instruments in which a Program account or J.P. Morgan ETF invests, or the issuers of such instruments, in ways that could have a significant negative impact on such account’s or fund’s investment performance. The duration and extent of COVID-19 and associated economic and market conditions and uncertainty over the long-term cannot be reasonably estimated at this time. The ultimate impact of COVID-19 and the extent to which the associated conditions impact a separately managed account or JPMorgan Affiliated Fund will also depend on future developments, which are highly uncertain, difficult to accurately predict and subject to frequent changes.

Regulatory Risk

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

REITs Risk

The value of real estate securities in general, and REITs in particular, are subject to similar risks as direct investments in real estate and mortgages, and their value will be influenced by many factors including the value of the underlying properties or the underlying loans or interests. The underlying loans may be subject to the risks of default or of prepayments that occur later or earlier than expected and such loans may also include so-called "subprime" mortgages. The value of these securities will rise and fall in response to many factors, including economic conditions, the demand for rental property, interest rates and, with respect to REITs, the management skill and creditworthiness of the issuer. In particular, the value of these securities may decline when interest rates rise and will also be affected by the real estate market and by the management of the underlying properties. There is no public trading market for private or public non-traded REITs; therefore, such REITs may be more volatile and/or more illiquid than publicly traded REITs and other types of equity securities.

Model Risk

Some strategies include the use of various proprietary quantitative or investment models. Investments selected using models may perform differently than expected as a result of changes from the factors’ historical – and predicted future – trends, and technical issues in the implementation of the models, including, for example, issues with data feeds. Moreover, the effectiveness of a model may diminish over time, including as a result of changes in the market and/or changes in the behavior of other market participants. A model’s return mapping is based partially on historical data regarding particular economic factors and securities prices. The operation of a model, similar to other fundamental, active investment processes, may result in negative performance, including returns that deviate materially from historical performance, both actual and pro-forma. For a model driven investment process – and again similar to other, fundamental and active investment processes, there is no guarantee that the use of models will result in effective investment outcomes for clients.

Prospectus Delivery

A discretionary investment adviser can receive prospectuses and other issuer-related materials on behalf of a client for any mutual funds and ETFs in a client’s account with client authorization. The adviser, as a client’s agent, has access to the prospectuses and issuer-related materials and can rely upon them to make mutual fund and ETF investments on the client’s behalf; however, clients will no longer receive such prospectuses or issuer-related materials directly. Prospectuses and issuer-related materials contain important information and detailed descriptions of additional fees and expenses, investment minimums, risk factors and conflicts of interest disclosures as well as client’s rights, responsibilities and liabilities with respect to such investments.

ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

JPMS and JPMIM both receive information regarding clients’ chosen investment strategies and any reasonable restrictions imposed by clients. That information is updated if it becomes materially incorrect, such as in the event that the client selects a new model portfolio or changes their investment restrictions.

ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS

Clients can access information about their accounts through the Program Website at any time. Investment personnel are available for consultation during normal business hours by telephone at 1-800-776-6061 to assist with technical and client service questions, and to provide general financial information and education regarding client accounts and participation in the Program. Investment personnel are not involved in the management of client accounts and do not provide investment advice. Clients should not interpret or construe such information or education as investment advice or the recommendation of any particular security, investment strategy or account type.

ITEM 9 – ADDITIONAL INFORMATION

A. Disciplinary Information

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

1) On December 18, 2015, JPMS and JPMCB (together, **Respondents**) entered into a settlement with the SEC resulting in the SEC issuing an order (**Order**). The Respondents consented to the entry of the Order that finds that JPMS violated Sections 206(2), 206(4) and 207 of the Investment Advisers Act of 1940 and Rule 206(4)-7, and JPMCB violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933. The Order finds that JPMCB negligently failed to adequately disclose (a) from February 2011 to January 2014, a preference for affiliated mutual funds in certain discretionary investment portfolios (the **Discretionary Portfolios**) managed by JPMCB and offered through J.P. Morgan’s U.S. Private Bank (the **U.S. Private Bank**) and the Chase Private Client lines of business; (b) from 2008 to 2014, a preference for affiliated hedge funds in certain of those portfolios offered through the U.S. Private Bank; and (c) from 2008 to August 2015, a preference for retrocession-paying third-party hedge funds in certain of those portfolios offered through the U.S. Private Bank. With respect to JPMS, the Order finds, that from May 2008 to 2013, JPMS negligently failed to adequately disclose, including in documents filed with the SEC, conflicts of interest associated with its use of affiliated mutual funds in the Chase Strategic Portfolio (**CSP**) program, specifically, a

preference for affiliated mutual funds, the relationship between the discounted pricing of certain services provided by an affiliate and the amount of CSP assets invested in affiliated products, and that certain affiliated mutual funds offered a lower-cost share class than the share class purchased for CSP. In addition, the Order finds that JPMS failed to implement written policies and procedures adequate to ensure disclosure of these conflicts of interest. Solely for the purpose of settling these proceedings, the Respondents consented to the Order, admitted to the certain facts set forth in the Order, and acknowledged that certain conduct set forth in the Order violated the federal securities laws. The Order censures JPMS and directs the Respondents to cease-and-desist from committing or causing any violations and any future violations of the above-enumerated statutory provisions. Additionally, the Order requires the Respondents to pay a total of $266,815,000 in disgorgement, interest and civil penalty.

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

For a copy of the Order, go to sec.gov/litigation/admin/2015/33-9992.pdf.

2) On or about July 28, 2016, JPMS and JPMCB entered into a Consent Agreement (**Agreement**) with the Indiana Securities Division (**ISD**). The Respondents consented to the entry of the Agreement that alleged that certain conduct of the Respondents was outside the standards of honesty and ethics generally accepted in the securities trade and industry, in violation of 710 Ind. Admin. Code§ 4-10-1(23) (2016). Specifically, the Agreement alleged that, between 2008 and 2013, JPMS failed to disclose to Indiana investors that certain proprietary mutual funds purchased for CSP clients offered institutional shares that were less expensive than the institutional shares JPMS chose for CSP clients. In addition, the Agreement alleged that, from February 2011 to January 2014, no account opening document or marketing materials disclosed to Indiana investment management account clients or Indiana J.P. Morgan Investment Portfolio clients that JPMCB preferred to invest client assets in proprietary mutual funds, and that between 2008 and January 2014, JPMCB did not disclose its preference for investing certain investment management account assets in certain proprietary hedge funds to Indiana clients. Lastly, the Agreement alleged that JPMCB did not disclose its preference for placement-agent-fee-paying third-party hedge fund managers in certain investment management accounts to Indiana clients until August 2015. Solely for the purpose of settling these proceedings, the Respondents consented to the Agreement, with no admissions as to liability. In the Agreement, the Respondents agreed to pay a total of $950,000 to resolve the ISD's investigation.

3) In October 2018, JPMS submitted an AWC to FINRA pursuant to which JPMS was censured and required to certify in writing to FINRA that it had engaged in a risk-based review of Chase Wealth Management (**CWM**) client-facing third-party vendors, that it had corrected any issues detected, and that JPMS had established and implemented systems and policies and procedures (written or otherwise) reasonably designed to achieve compliance with applicable FINRA and NASD rules. JPMS had discovered and self-reported to FINRA that a vendor responsible for the automated realignment of portfolio assets (**rebalancing**) and the calculation of fees was not rebalancing certain accounts due to technology upgrades by the vendor. Similarly, the vendor had converted to a new billing platform that caused billing errors that went undetected. JPMS paid total restitution of $4,620,140 to impacted customers and provided substantial assistance to FINRA by proactively undertaking an extensive lookback concerning its complex and systemic failures and reporting related findings on an ongoing basis. Without admitting or denying the findings, JPMS consented to the sanctions and to the entry of findings that it failed to establish and maintain a system and procedures reasonably designed to monitor and evaluate the performance of the vendor that handled certain functions on behalf of the firm.

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

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

6) In September 2020, JPMS, together with JPMC and JPMCB (collectively, **J.P. Morgan**), agreed to an administrative resolution with the CFTC for violations of the CEA and CFTC regulations related to manipulation, attempted manipulation and spoofing, as well as a charge against JPMS for failure to supervise. As described in the CFTC's order, from at least 2008 through 2016, former J.P. Morgan traders placed hundreds of thousands of spoof orders of precious metals futures and U.S. treasuries (**UST**) futures on exchanges, and, on occasion, engaged in manipulation related to precious metals barrier options. The CFTC order further states that JPMS failed to identify, adequately investigate, and put a stop to misconduct, despite

red flags, including internal surveillance alerts, inquiries from CME and the CFTC, and internal allegations of misconduct. J.P. Morgan consented to the entry of the CFTC order without admitting or denying the findings contained therein, except to the extent that admissions were made in the related resolutions, described below, with the United States Department of Justice, Criminal Division, Fraud Section, and the United States Attorney's Office for the District of Connecticut (together, "**DOJ**") and the SEC. JPMS also agreed to an administrative resolution with the SEC for violations of Section 17(a)(3) of the Securities Act of 1933. Pursuant to the SEC Order, JPMS admitted to hundreds of manipulative trading events involving spoofing by certain former J.P. Morgan traders in the UST cash securities secondary market between April 2015 and January 2016. JPMC separately entered into a deferred prosecution agreement (**DPA**) with DOJ with respect to criminal information, charging JPMC with two counts of wire fraud (the **Information**) related to the same conduct underlying the CFTC and SEC Orders. JPMS and JPMCB also agreed to certain terms and obligations of the DPA. J.P. Morgan admitted, accepted and acknowledged responsibility for the acts of its officers, directors, employees and agents as described in the Information and the Statement of Facts accompanying the DPA, and that the allegations described therein are true and accurate. In resolving these three actions, J.P. Morgan agreed to pay a total of $920,203,609 to DOJ, CFTC and SEC, consisting of civil and criminal monetary penalties, restitution and disgorgement. J.P. Morgan agreed to cease and desist from any further violations and also agreed, among other things, to certain cooperation, remediation and reporting requirements.

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

B. Other Financial Industry Activities and Affiliations

JPMS' primary business is providing brokerage products and services as a bank-affiliated broker-dealer and making available to its customers, in addition to investment advisory services, a variety of bank, securities and insurance products through its affiliates. JPMS is also registered as a Futures Commission Merchant with the CFTC. JPMS' officers, managers and investment adviser representatives (**IARs**) spend time conducting both broker-dealer activities and investment adviser activities.

JPMS is affiliated with several other SEC-registered broker-dealers, investment companies, investment advisers, insurance agencies, mortgage companies and JPMCB. Other registered investment advisers, collectively referred to as "J.P. Morgan Asset Management," are affiliated with JPMS under the common ownership by JPMC. One or more of these investment advisers serve as the investment adviser to the various registered funds which are deemed affiliated ETFs or mutual funds.

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

JPMS has several relationships or arrangements with related persons that are material to its investment advisory business or to its advisory clients in the Program. Below is a description of such relationships and some of the conflicts of interest that arise from them. JPMS has adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate conflicts of interest that may arise between JPMS and its affiliates. These policies and procedures include information barriers designed to prevent the flow of information between JPMS and certain other affiliates, as more fully described below.

<u>Securities Allocations and Limitations</u>

JPMS is part of a large financial services firm. In connection with providing investment advisory services to its clients, JPMS uses the products or services of its affiliates or other related persons, as described both above and below. JPMS and/or its affiliates can receive more compensation from certain accounts that use strategies similar to those used by Program accounts (**Similar Accounts**) than it or its affiliates receive from Program accounts. JPMS or its affiliates have a conflict of interest to the extent that JPMS or an affiliate has a proprietary investment in Similar Accounts, JPMS' and/or its affiliates' portfolio managers have personal investments in Similar Accounts, or the Similar Accounts are investment options in JPMS' or its affiliates' employee benefit plans. Potential conflicts of interest can arise with both the aggregation and allocation of securities transactions and allocation of investment opportunities because of market factors or investment restrictions imposed upon JPMS and its affiliates by law, regulation, contract or internal policies. A potential conflict of interest also can arise if transactions in one account closely follow related transactions in a different account, such as when a purchase increases the value of securities previously purchased by another account or when a sale in one account lowers the sale price received in a sale by a second account.

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

<u>J.P. Morgan's Use and Ownership of Trading Systems</u>

JPMS will likely effect trades on behalf of Program accounts through exchanges, electronic communications networks, alternative trading systems, and similar execution systems and trading venues (collectively, **Trading Systems**), including Trading Systems in which J.P. Morgan has a direct or indirect ownership interest. J.P. Morgan will receive indirect proportionate compensation based upon its ownership percentage in relation to the transaction fees charged by such Trading Systems in which it has an ownership interest. An up-to-date list of all Trading Systems through which JPMS might trade and in which J.P. Morgan has an ownership interest can be found at jpmorgan.com/TradingSystems. Such Trading Systems (and the extent of J.P. Morgan's ownership interest in any Trading System) may change from time to time.

<u>Ownership in Vendor</u>

The Program relies on a financial digital solutions vendor for certain operational and trading functions. J.P. Morgan has an ownership interest in this vendor, which creates a conflict of interest, because JPMS has an incentive to select this vendor and has an incentive to continue using this vendor for the Program. J.P. Morgan addresses this conflict by disclosing it to clients and by subjecting the vendor to due diligence. Additionally, clients are not directly responsible for payments to this vendor.

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, J.P. Morgan Private Investments Inc. (**JPMPI**) and J.P. Morgan (collectively, **JPM**) recommends or purchases the publicly traded security of the asset manager or the separately managed accounts or funds that are managed or advised by the asset manager. JPM addresses this conflict by disclosing the ownership interest of the asset manager and by subjecting the asset manager's separately managed accounts and funds to a research process. Additionally, the financial advisors and portfolio managers that may purchase or recommend securities, separately managed accounts and funds of an asset manager that has an ownership interest in J.P. Morgan do not receive any additional compensation for that purchase or recommendation. A fund ownership interest in J.P. Morgan can cause the fund and its affiliates to determine that they are unable to pursue a transaction or the transaction will be limited or the timing altered. J.P. Morgan monitors ownership interests in J.P. Morgan for regulatory purposes and to identify and mitigate actual and perceived conflicts of interest. As of December 31, 2022, both Vanguard and BlackRock hold more than a 5% interest in J.P. Morgan.

Investment Principles and Potential Conflicts of Interest

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

When selecting ETFs for this Program, JPMIM limits its selection to J.P. Morgan ETFs. As a result, JPMIM will choose J.P. Morgan ETFs even in cases where there are third party ETFs that are less expensive, or that have longer track records or superior historical returns. J.P. Morgan has a conflict of interest when it determines the portfolio's target asset classes, asset allocation goals or ongoing allocations, because it will allocate only to asset classes where J.P. Morgan ETFs are available.

Since the portfolios available in the Program will contain 100% J.P. Morgan ETFs, clients who are not comfortable holding an investment portfolio that is comprised of 100% J.P. Morgan ETFs should not invest in this Program. It is important to note that J.P. Morgan receives investment advisory fees from clients in the Program and also will receive more overall fees when J.P. Morgan ETFs are used. Additionally, the J.P. Morgan ETFs in this Program are not required to be reviewed or approved by the research process applicable to other programs for which JPMS serves as investment adviser. Consequently, investment decisions regarding J.P. Morgan ETFs for the Program will be different from, and may, in certain circumstances, be inconsistent with, the investment decisions made by J.P. Morgan for other advisory programs. Furthermore, the J.P. Morgan ETFs used in this Program may or may not be approved for solicitation in the JPMS full service brokerage platform.

These conflicts may be heightened by the collaboration of this Program's portfolio manager and the portfolio managers of the J.P. Morgan Funds in designing portfolios for this Program.

IMPORTANT INFORMATION ABOUT FUNDS REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED

J.P. Morgan ETFs - Management Fees

JPMIM or its affiliates act as sponsors or managers of the ETFs that JPMIM purchases for the client's portfolio. In such case, JPMIM or its affiliates receive a fee for managing the ETFs. JPMIM and its affiliates receive more total revenue when the client's portfolio is invested in J.P. Morgan ETFs than if it were invested in unaffiliated, third-party funds.

J.P. Morgan ETFs - Other Fees & Expenses

All funds have various internal fees and other expenses that are paid by managers or issuers of the funds or by the fund itself, but that ultimately are borne by the investor. J.P. Morgan receives administrative and servicing and other fees for providing services to J.P. Morgan ETFs that are held in the client's portfolio. These payments are made by affiliates of JPMIM or by the funds themselves and may be based on the value of the funds in the client's portfolio. ETFs and affiliates of JPMIM have other business relationships with J.P. Morgan outside of portfolio management or with the broker-dealer affiliates of JPMIM, which may provide brokerage or other services that pay commissions, fees and other compensation.

Allocations of Client Assets to J.P. Morgan ETFs (Including New ETFs)

J.P. Morgan has an incentive to allocate assets to new J.P. Morgan ETFs to help it develop new investment strategies and products. J.P. Morgan has an incentive to allocate assets of the portfolios to a J.P. Morgan ETF that is small, pays greater fees to J.P. Morgan affiliates, or to which J.P. Morgan has provided seed capital. In addition, J.P. Morgan has an incentive not to sell or withdraw portfolio assets from a J.P. Morgan ETF in order to avoid or delay the sale or withdrawal's adverse impact on the fund. Accounts managed by J.P. Morgan have significant ownership in certain J.P. Morgan ETFs. J.P. Morgan faces conflicts of interest when considering the effect of sales or redemptions on such funds and on other fund shareholders in deciding whether and when to redeem its shares. A large sale or redemption of shares by J.P. Morgan acting on behalf of its clients could result in the underlying J.P. Morgan ETF selling securities when it otherwise would not have done so, potentially increasing transaction costs and adversely affecting fund performance. A large sale or redemption could also significantly reduce the assets of the fund, causing decreased liquidity and, depending on any applicable expense caps, a higher expense ratio or liquidation of the fund. These conflicts may be heightened by the collaboration of this Program's portfolio manager and the portfolio managers of the J.P. Morgan ETFs in designing portfolios for this Program. In particular, JPMIM portfolio managers have access to the holdings and, consequently, will have knowledge of the investment strategies and techniques of the underlying J.P. Morgan ETFs utilized in the Program. They therefore face conflicts of interest in the selection, timing and amount of allocations of such J.P. Morgan ETFs. J.P. Morgan has policies and controls in place to govern and monitor its activities and processes for identifying and managing conflicts of interest.

Refer to JPMIM's Form ADV Part 2A Brochure (which can be obtained through the Program Website or at the SEC's website at adviserinfo.sec.gov) for additional disclosures on conflicts of interest related to the Program and the sub-adviser.

JPMorgan Chase Bank, N.A. (JPMCB)

As discussed above, clients authorize JPMS to invest (i.e., "sweep") available cash allocations in their Program account that are pending investment, as well as any strategic balances allocated to cash, into the Deposit Account maintained at JPMCB. JPMCB is a national banking association affiliated with JPMS and is subject to supervision and regulation by the U.S. Department of Treasury's Office of the Comptroller of the Currency. JPMCB provides investment management, trustee, custody and other services to both institutional and non-institutional clients.

Although there is no charge to clients with respect to the Deposit Account, JPMCB benefits from the Deposit Account because, through the Deposit

Account, JPMCB receives a stable, cost-effective source of funding. JPMCB uses customer deposits in the Deposit Account to fund current and new businesses, including lending activities and investments. The profitability on such lending activities and investments is generally measured by the difference, or "spread," between the interest rate and other costs associated with the Deposit Account paid by JPMCB and the interest rate and other income earned by JPMCB on the loans and investments made with the deposits. The income that JPMCB earns through its lending and investing activities is usually significantly greater than the interest earned by clients through the Deposit Account. It is typically also greater than the fee earned by all J.P. Morgan entities from managing and distributing money market mutual funds available to Program clients. Additionally, JPMCB has agreed to pay JPMS a monthly flat fee for each account that uses the Deposit Account; however, JPMS is currently waiving receipt of this fee.

Therefore, JPMS and JPMCB have a conflict of interest in offering or utilizing the Deposit Account. JPMS believes that the conflict is addressed through:

- The fact that IARs do not receive any additional compensation for assets held in the Deposit Account as opposed to another cash alternative;
- Online disclosure of the available cash options and yields at chase.com/SweepYields; and,
- The JPMorgan Chase Deposit Account Disclosure provided to clients.

D. Code of Ethics

<u>Code of Ethics and Personal Trading</u>

The Firm's Code of Ethics (the **Code**) governs the conduct of IARs and other Firm employees who have access to client information. The Code requires IARs and other Firm employees with access to client information to acknowledge that they understand and are in compliance with its policies. The Code's policies require that IARs: (1) report personal securities trades, (2) acknowledge their ongoing compliance with SEC broker-dealer and investment adviser rules and regulations, and (3) report any violations of the Code of which they are aware to the Firm's Chief Compliance Officer. Clients can use the Program Website or telephone the Firm to request a copy of the Code.

The Code contains policies and procedures relating to:

- Account holding reports and personal trading, including reporting and pre-clearance requirements for all employees of JPMS;
- Confidentiality obligations to clients set forth in the J.P. Morgan privacy notices;
- Employee conflicts of interest, which include guidance relating to restrictions on trading on material non-public information, gifts and entertainment, political and charitable contributions, and outside business activities; and
- Escalation guidelines for reporting violations.

In general, the personal trading rules under the Code require that accounts of employees and associated persons be maintained with an approved broker and that all trades in reportable securities for such accounts be pre-cleared and monitored by compliance personnel. The Code also prohibits certain types of trading activity, such as short-term and speculative trades. Employees of JPMS must obtain approval prior to engaging in all covered security transactions, including those issued in private placements. In addition, employees of JPMS are not permitted to buy or sell securities issued by J.P. Morgan during certain periods throughout the year. Certain "Access Persons" (defined as persons who have access to nonpublic information regarding clients' purchases or sales of securities, are involved in making securities recommendations to clients, or who have access to such recommendations that are nonpublic)) are prohibited from executing personal trades in a security or similar instrument 5 business days before and after a client or fund managed by that Access Person transacts in that security or similar instrument. In addition, Access Persons are required to disclose household members, personal security transactions and holdings information. These disclosure obligations and restrictions are designed to mitigate conflicts of interest that may arise if Access Persons transact in the same securities as advisory clients.

Additionally, all JPMS employees are subject to the J.P. Morgan firm-wide policies and procedures including those found in the J.P. Morgan Code of Conduct (the **Code of Conduct**). The Code of Conduct sets forth restrictions regarding confidential and proprietary information, information barriers, private investments, outside business activities and personal trading. All J.P. Morgan employees, including JPMS employees, are required to familiarize themselves, comply and attest annually to their compliance with provisions of the Code of Conduct's terms as a condition of continued employment.

<u>*Participation or Interest in Client Transactions and Other Conflicts of Interest*</u>

J.P. Morgan Acting in Multiple Commercial Capacities

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

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

Use of Index Products

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

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

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

J.P. Morgan's Proprietary Investments

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

Payment for Order Flow

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

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

Conflicts of Interest Created by Contemporaneous Trading

Positions taken by a certain client account may also dilute or otherwise negatively affect the values, prices or investment strategies associated with positions held by a different client account. For example, this may occur when investment decisions for one client are based on research or other information that is also used to support portfolio decisions by JPMS or an affiliate for a different client following the same, similar or different investment strategies or by an affiliate of JPMS in managing its clients' accounts. When a portfolio decision or strategy is implemented for an account ahead of, or contemporaneously with, similar portfolio decisions or strategies for JPMS or an affiliate's other client (whether or not the portfolio decisions emanate from the same research analysis or other information), market impact, liquidity constraints or other factors could result in one account being disadvantaged or receiving less favorable investment results than the other account, and the costs of implementing such portfolio decisions or strategies could be increased.

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

Other Compensation from ETFs

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

Potential Conflicts Relating to Valuation

JPMIM does not value securities in client accounts or provide assistance in connection with such valuation. JPMS, as custodian for client accounts, is responsible for the valuation of securities in client accounts. There is an inherent conflict of interest where JPMS, an affiliate of JPMIM, values securities or assets in client accounts or provides any assistance in connection with such valuation and JPMS and JPMIM are receiving a fee based on the value of such assets. Overvaluing certain positions held by clients will inflate the value of the client assets as well as the performance record of such client accounts, which would likely increase the fees payable to JPMS and JPMIM. As a result, there will be circumstances where JPMS is incentivized to determine valuations that are higher than the actual fair value of investments. In addition, JPMS may value identical assets differently in different accounts or funds due to, among others, different valuation guidelines applicable to such private funds or different third-party pricing vendors. Furthermore, certain units within J.P. Morgan may assign a different value to identical assets than JPMS because these units may have certain information regarding valuation techniques and models or other information relevant to the valuation of a specific asset or category of assets, which they do not share with JPMS. The various lines of business within J.P. Morgan typically will be guided by specific policies and requirements with respect to valuation of client holdings. Such policies will include valuations that are provided by third parties, when appropriate, as well as comprehensive internal valuation methodologies.

On occasion, JPMS utilizes the services of affiliated pricing vendors for assistance with the pricing of certain securities. In addition, securities for which market quotations are not readily available, or are deemed to be unreliable, are fair valued in accordance with established policies and procedures. Fair value situations could include, but are not limited to:

- A significant event that affects the value of a security;
- Illiquid securities;
- Securities that have defaulted or are de-listed from an exchange and are no longer trading; or
- Any other circumstance in which it is determined that current market quotations do not accurately reflect the value of the security.

For additional information regarding risks associated with the Program and JPMIM's conflicts of interest, refer to JPMIM's Form ADV Part 2A Brochure (which can be obtained through the Program Website or at the SEC’s website at adviserinfo.sec.gov).

E. Review of Accounts

Clients can access the Program Website on an ongoing basis to review their account information, account holdings and investment performance. Clients will electronically receive account statements from the custodian at least quarterly and will be able to access quarterly performance reports through the Program Website. At least quarterly, JPMS will contact clients to urge them to ensure the accuracy of their account information maintained on the Program Website. JPMS also contacts clients at least annually to determine whether there have been any changes in the client’s financial situation, investment objectives or investment restrictions that would require changes to the Program account. Clients are solely responsible for notifying JPMS in the event that any information that JPMS maintains about them is inaccurate or becomes inaccurate.

Neither investment personnel from JPMS nor JPMIM will monitor individual client accounts. The Program has instead been designed to continuously monitor and rebalance clients’ accounts to keep them aligned with the model portfolio’s target asset allocation subject to JPMS’ rebalancing logic and algorithms. As discussed above, Program accounts are generally rebalanced when their actual account holdings drift from the model portfolio’s stated target asset allocation by certain predetermined thresholds or client-initiated activity (e.g., account contributions, withdrawals, changes in a client’s Selected Portfolio and client restrictions). In addition, JPMS maintains certain controls to review client accounts to ensure that the Program and its rebalancing logic is operating as intended. JPMS may determine to cancel or delay rebalancing activity for a given day or days in its sole discretion.

Refer to Item 4. above under the section *Rebalancing Logic* for additional information describing the Program’s ongoing review of client accounts through its rebalancing logic.

F. Testimonials and Endorsements

JPMS may enter into agreements with certain unaffiliated third parties (sometimes also called a “finder,” “referrer” or “promoter”) for their referral of prospective investment advisory clients to JPMS in accordance with the Advisers Act. Under these arrangements, JPMS agrees to pay each finder when a referred prospective client is either referred or becomes an investment advisory client of JPMS. JPMS will either pay the finder a flat amount or a specified portion of the fee it receives and retains relating to each such client’s advisory account.

In addition to third-party referral agreements, pursuant to an agreement between JPMS and JPMCB, an affiliate, JPMCB can compensate its employees for referring clients to JPMS for various products and services, including the Program and other advisory products and services.

G. Financial Information

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