

# Form ADV Part 2A

## Firm Brochure

### **JPMorgan Asset Management (UK) Limited**

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March 28, 2024

This brochure provides information about the qualifications and business practices of JPMorgan Asset Management (UK) Limited ("JPMAM (UK)" or the "Adviser"). If you have any questions about the contents of this brochure, please contact us at (44) 20-7742-6000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about JPMAM (UK), including a copy of the Adviser's Form ADV Part 1A, is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

JPMAM (UK) is registered as an investment adviser with the SEC. Such registration does not imply a certain level of skill or training.

## ITEM 2

### Material Changes

This brochure ("Brochure") dated March 28, 2024 contains the following material changes since the last annual update of the Brochure on March 31, 2023.

- Item 4.E, Assets Under Management, was updated to provide the Adviser's assets under management as of December 31, 2023
- The Common Types of Expenses Related to Alternative Investment Strategies section within Item 5.C, was updated to clarify that any taxation, fees, or other governmental charges levied against any fund or pooled investment vehicle entity and all expenses incurred in connection with any audit, investigation, settlement, or review of any fund or pooled investment vehicle will only be paid if available under applicable law.
- Item 7, Types of Clients, was updated to clarify that the Adviser may permit investments by certain employees that qualify as "knowledgeable employees".
- Item 8.A, Methods of Analysis and Investment Strategies, was updated as follows:
  - The European Real Estate section was updated to add acquisition of net leased assets, including "Sale Leaseback" transactions as a strategy offered to clients.
  - The Private Capital section (previously, Growth Equity) was updated to clarify that investment strategies may also pursue investments in public equities and follow-on equity financings in the public markets.
  - The Global Special Situations section was updated to add Bespoke Transactions and Market Driven Transactions as strategies offered to clients.
- Item 8.B, Material, Significant, or Unusual Risks Relating to Investment Strategies, was updated as follows:
  - "Sale Leaseback Investments Risk" was added to disclose the risks associated with the acquisition of net leased assets, including "Sale Leaseback" transactions.
  - To add the "Primary Risks Applicable to Global Special Situations Investments".
  - "Availability of Investment and Disposition Opportunities" was added to disclose the risks associated with investing in alternative investment strategies due to the limited and competitive market for corporate finance, venture capital, and growth investments.
- Item 17, Voting Client Securities, was updated to align with the Adviser's Proxy Voting Guidelines.

In addition, although not material, certain disclosures throughout this Brochure have been enhanced. Clients should carefully read this Brochure in its entirety.

For ease of reference, capitalized terms that are defined when first used in the Brochure are also set forth in the Key Terms section.

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## ITEM 4

### Advisory Business

#### **A. Description of Advisory Firm**

This Brochure relates to the investment advisory services offered by JPMorgan Asset Management (UK) Limited ("JPMAM (UK)" or the "Adviser"). JPMAM (UK) is registered with the United States Securities and Exchange Commission ("SEC") as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended (the "Advisers Act"). JPMAM (UK) is also authorized and regulated by the Financial Conduct Authority of the United Kingdom. JPMAM (UK), together with 55I, LLC, Bear Stearns Asset Management Inc., Campbell Global, LLC, Highbridge Capital Management, LLC, J.P. Morgan Alternative Asset Management, Inc., J.P. Morgan Investment Management Inc. ("JPMIM"), JPMorgan Funds Limited, Security Capital Research & Management Incorporated, each an SEC registered investment adviser, various affiliated foreign investment advisers and the asset management division of JPMorgan Chase Bank, N.A. comprise the Asset Management ("AM") business of J.P. Morgan Asset & Wealth Management ("JPMAM"). J.P. Morgan Asset Management ("JPMAM") is the marketing name for the AM businesses of JPMorgan Chase & Co. and its affiliates worldwide ("JPMC"). JPMC is a publicly traded global financial services firm.

JPMAM (UK) is wholly-owned by JPMorgan Asset Management International Limited, which is a subsidiary of JPMC. JPMAM (UK) was incorporated under the laws of England and Wales on February 27, 1974.

#### **B. Description of Advisory Services**

The Adviser and its "Affiliates" (as defined in Key Terms) in JPMAM provide a broad range of investment strategies to meet the diverse requirements of their clients' investment needs. Information in this Brochure pertains to products and services offered to U.S. clients or marketed to U.S. investors.

The Adviser's advisory services are offered on both a discretionary and non-discretionary basis through a variety of investment vehicles and arrangements, depending on the strategy as further described below.

##### **Pooled Investment Vehicles**

The Adviser offers investment advisory services to a variety of pooled investment vehicles across its various strategies. These pooled investment vehicles generally include private funds. Investors generally invest directly in a pooled investment vehicle via a subscription agreement. Pooled investment vehicles managed by the Adviser are managed in accordance with each vehicle's investment guidelines and restrictions and are generally not tailored to the individual needs of any particular investor.

Below is a brief description of the investment strategies offered by the Adviser. The investment process may be Environmental, Social, and Governance ("ESG") integrated (as described in Item 8.A.). Major asset classes offered by the Adviser include:

- Alternatives, including European Real Estate, Infrastructure, Global Transportation, Private Capital, and Global Special Situations ("GSS")

#### **C. Availability of Customized Services for Individual Clients**

Where JPMAM (UK) is the investment adviser to a pooled investment vehicle, investment objectives, guidelines and any investment restrictions generally are not tailored to the needs of individual investors in those vehicles, but rather are described in the prospectus or other relevant offering document for such vehicle.

**D. Wrap Fee Programs**

The Adviser does not participate in Wrap Fee Programs.

**E. Assets Under Management**

As of December 31, 2023, JPMAM (UK) had assets under management in the amounts set forth below:

<b>Assets Under Management</b>	<b>U.S. Dollar Amount</b>
Assets Managed on a Discretionary Basis	\$364,635,391,485
Assets Managed on a Non-Discretionary Basis	\$1,089,327,668
<b>Total Regulatory Assets Under Management</b>	<b>\$365,724,719,153</b>
Other Advisory Assets not included in Regulatory Assets Under Management	\$2,465,963,107
<b>Total Assets Under Management</b>	<b>\$368,190,682,261</b>

**ITEM 5****Fees and Compensation****A. Advisory Fees and Compensation****Pooled Investment Vehicles**

With respect to private funds managed by the Adviser, the applicable fees and expenses are set forth in the relevant offering or governing documents, or in certain cases, in separate fee agreements between the Adviser and the private fund's investors.

The Adviser's fees vary significantly depending on the type of fund and investment strategy and can be subject to negotiation. The private funds managed by the Adviser typically utilize an asset-based fee ranging from 0% to 2% annually. For private funds that include performance-based compensation or carried interest, fees typically range from 5% to 20% of the appreciation of the account's or fund's assets or performance relative to a specified benchmark. The nature of the asset-based fee varies. For example, it may be based on capital committed or contributed to the fund or capital committed or invested in to underlying investments, or such fee may be payable out of fund profits and/or may vary within a fund based on the fund's investment stages. The performance-based compensation or carried interest also varies across the private funds and may vary within funds in relation to types of investments or certain clients. In addition, certain private funds offer a preferred return threshold prior to which no carried interest is paid to the Adviser. The preferred return threshold similarly varies across funds and/or clients. In certain cases, the Adviser may waive, rebate, or reduce the asset-based fee, performance-based compensation, or carried interest for certain investors, including affiliates of the Adviser and/or employees of the Adviser or its affiliates.

In certain cases, investors pay fees outside the fund. Such fees are based on a separate fee agreement between the Adviser and/or its Affiliates and the applicable investor. Investors should refer to the offering documents of the relevant private fund or applicable fee agreement for further information with respect to fees.

**B. Payment of Fees****Pooled Investment Vehicles**

A description of the calculation and payment of fees payable to the Adviser and its Affiliates is set forth in the applicable prospectus, offering or governing document or fee agreement for the relevant fund. Clients should refer to such documents for further information with respect to fees.

**C. Additional Fees and Expenses****General**

In addition to the advisory fees described above, clients may be subject to other fees and expenses in connection with the Adviser's advisory services.

**Transaction Charges**

Clients generally pay brokerage commissions, taxes, charges, and other costs related to the purchase and sale of securities for a client's account. See Item 12, Brokerage Practices for additional information regarding the Adviser's brokerage practices. Certain fees may also be charged in connection with acquisition, disposition and origination transactions, some of which may be retained by the Adviser and others inure to the benefit of applicable clients.

**Custody and Other Fees**

Clients typically establish a custody account under a separate agreement with a custodian bank, and the client will incur a separate custody fee for the custodian's services. The custodian may be an Affiliate of the Adviser. If a client's account is invested in mutual funds, exchange-traded funds ("ETF"), or other pooled investment vehicles, including private funds, the client's account generally will bear its *pro-rata* share of the expenses of the fund, including custody fees.

**Common Types of Expenses Related to Alternative Investment Strategies**

Clients and funds investing in alternative investment strategies may either directly or through allocations by the Adviser or its Affiliates to such strategies bear the following expenses:

- i. All organizational and offering expenses;
- ii. All third-party costs, fees, or expenses incurred in connection with the performance of all due diligence investigations in relation to the acquisition, ownership, management, repositioning, development, redevelopment, capital expenditure in relation to, or realization of, any investment (including any dead deal costs);
- iii. The third-party costs, fees, or expenses incurred in connection with the negotiating, structuring, financing, and documenting of the acquisition, ownership and realization of any investment, including pursuing joint venture partners, forming joint ventures, co-investments, and syndicating investments (including dead deal costs), any investment-related costs, fees, or expenses and brokerage, underwriting, or similar commissions incurred in relation to any investment (including dead deal costs);
- iv. Any other third-party costs, fees, or expenses incurred in connection with the acquisition, ownership, management, repositioning, development, redevelopment, or capital expenditure in relation to, or realization of, any investments (including dead deal costs);
- v. The third-party costs, fees, and expenses required to be paid in connection with any credit facility to be obtained or assumed in connection with any fund entity or investment, including the legal fees and expenses of lenders' legal counsel, the fees and expenses of the fund's

- legal counsel, brokers' fees, lenders' assumption or transfer fees, and required reserves (including dead deal costs);
- vi. Transfer taxes, title premiums, environmental insurance premiums, underwriters' commissions and other closing costs and expenses payable or incurred in connection with the acquisition, ownership, and realization of any investment;
  - vii. The costs, fees, and expenses associated with the formation and operation of any joint venture, special purpose vehicle, aggregation vehicle, co-investment, or any syndication in relation to any investment;
  - viii. The costs, fees, and expenses, including any interest expenses, incurred in respect of any credit facility, including any subscription line credit facility or debt private placement;
  - ix. The costs, fees, and expenses and any taxation associated with re-balancing the interests of the fund in another fund entity where it is issuing or repurchasing interests of an investor;
  - x. The costs, fees, and expenses of all brokers, managers, architects, accountants, tax advisers, administrators, lawyers, investment bankers, consultants, underwriters, auditors, appraisers, valuers, valuation advisers, calculation agents, and other professional advisers or experts who are engaged in relation to the operation of the fund or any investment;
  - xi. All costs, fees, and expenses associated with the preparation and filing of any combined or composite financial or tax return on behalf of the investors;
  - xii. The costs, fees, and expenses of any independent fiduciary and meetings thereof;
  - xiii. The costs and expenses of the investment advisory committee and any meetings thereof and other meetings of investors and the reasonable travel, lodging, dining, and other expenses incurred by attending investment advisory committee meetings in person;
  - xiv. The costs, fees, or expenses incurred in connection with making any filings with any governmental or regulatory authority (including any filings made on behalf of one or more investors), or with listing any investment or fund entity on any exchange;
  - xv. The costs, fees, or expenses incurred in threatening, making, defending, investigating, or settling any claim, counterclaim, demand, action, suit, or proceedings of any kind or nature (including legal and accounting fees and expenses, costs of investigation incurred in making, defending or settling any of the same);
  - xvi. Insurance premiums (including without limitation, any premiums for director and officer insurance and professional indemnity insurance in respect of any director, officer, or employee of the Adviser or any of its Affiliates in relation to such a person acting as a director, officer, or employee of any fund entity in relation to, or in connection with, the fund or any investment), claims and expenses, including the advancement thereof, and legal fees, disbursements, and governmental fees and charges associated therewith;
  - xvii. Claims and expenses incurred by any indemnified party (including the Adviser, its affiliates and their respective employees), including in connection with any untrue representation or warranty contained in any document relating to any investment and any offering document for any debt or equity issuance or other borrowing (except in certain enumerated circumstances);
  - xviii. The costs, fees, and expenses relating to marketing the fund to potential investors, including the costs, fees, and expenses associated with registering the fund for marketing in certain jurisdictions, any translations of the fund prospectus and constituent documents and any side letters with investors;
  - xix. The costs, fees, and expenses relating to the establishment, operation, re-organization, termination, dissolution, and/or liquidation of any fund entity, except to the extent that the constituent documents for any such entity provide to the contrary that any such costs, fees and expenses are to be borne by the investors in such entity;



- xx. The amount of any value-added tax paid by the Adviser or its Affiliates in relation to a fund entity, in relation to, or in connection with, the business of the fund including (for the avoidance of doubt) any value-added tax in connection with all costs, fees, or expenses related to the fund's operations;
- xxi. Any statutory or regulatory fees, if any, levied against or in respect of any fund entity, together with the costs incurred in preparing any such submission required by any tax, statutory, or regulatory authority or agency;
- xxii. Any taxation, fees, or other governmental charges levied against any fund entity and all expenses incurred in connection with any audit, investigation, settlement, or review of any pooled investment vehicle, subject to applicable law;
- xxiii. The costs, fees, and expenses relating to the establishment and operation of the general partner or any person in an analogous position in respect of any fund entity;
- xxiv. The costs, fees, and expenses incurred by each unaffiliated and/or independent board, administrator, or general partner (if any) including the reasonable travel, lodging, dining, and other expenses for attending the annual, quarterly, and other meetings thereof in person and the director fees of such directors;
- xxv. The costs, fees, and expenses relating to periodic reporting and any other notifications or confirmations to investors and/or any regulatory authority or agency, and other expenses relating to annual or special investor meetings;
- xxvi. The costs, fees, and expenses associated with any independent valuation adviser, the auditors and professional appraisers, or other advisers in the preparation of the annual audit of the fund, the valuation of its assets, or the preparation, printing, and communication of valuation, performance, and other investor reports (including ESG reports, if applicable) to the fund or its investors (including the cost of third party software utilized in the preparation of such reports) and any financial statements or tax returns for the fund or its investors;
- xxvii. The costs, fees, and expenses of the administrator, the custodian, the depository, the transfer agent, or any other fund service providers who are engaged in respect of the operation of the fund (including Affiliates of the Adviser who provide such services);
- xxviii. The costs, fees, and expenses associated with research into furtherance of, and with direct applicability to, the fund's investment activities (including engaging consultants and other activities that promote deal pipeline development);
- xxix. Reasonable out-of-pocket travel, lodging, and similar expenses incurred by the Adviser, or any other JPMC entity or their respective directors, officers, or employees arising from the acquisition, ownership, operation, or disposal of any investment (in the case of a proposed Investment, whether or not actually acquired, or in the case of an existing investment, whether or not actually disposed of) or other operation of the fund;
- xxx. Costs, fees, and expenses incurred in connection with conversion from one currency into another and any hedging or currency transactions, including such transactions hedging any foreign exchange or other risks associated with any investments or any fund entity;
- xxxi. Any overhead costs, fees, and expenses and salaries and benefits in connection with maintaining an office and/or directors, officers, or employees of any fund entity (excluding, for the avoidance of doubt, any directors, officers or employees of JPMC) in a particular jurisdiction, where such office is being maintained or such persons are located in such jurisdiction specifically for the benefit of the fund;
- xxxii. Any costs, fees, and expenses incurred to alter or modify the structure of the fund (including in order to comply with any anticipated or applicable regulation or law or to enable the fund to operate in a more efficient manner); and

- xxxiii. The costs, fees, and expenses relating to the establishment and operation of entities created for or associated with the purpose of collecting and distributing incentive, performance or similar fees or allocations.

The foregoing examples of expenses related to alternative investment strategies is not exhaustive and should not be taken to be inclusive of all costs, fees, and expenses associated with such strategies or viewed as exclusive to such strategies. Certain examples relate to traditional strategies as well.

For details on private fund expenses of the private funds advised by an Adviser, please refer to the offering documents for such funds.

### **Expense Allocation**

Expenses frequently will be incurred by multiple client accounts and funds. The Adviser allocates aggregate costs among the applicable client accounts (and, in certain cases, among the Adviser and applicable client accounts and funds) in accordance with allocation policies and procedures which are reasonably designed to allocate expenses in a fair and reasonable manner over time among such advisory clients. However, expense allocation decisions can involve potential conflicts of interest (e.g., an incentive to favor advisory clients that pay higher incentive fees or conflicts relating to different expense arrangements with certain advisory clients). Under its current expense allocation policies, the Adviser generally allocates the expense among the client accounts and funds on a pro rata basis based on assets under management. However, the Adviser will in certain cases bear the allocable share, or a portion thereof, of expenses for particular clients and funds and not for others, as agreed with such clients or funds or as determined in its sole discretion, which will lead to a lower expense ratio for certain clients and funds. The Adviser may also allocate a portion of any expense to itself where a product or service is shared between the Adviser and its Affiliates on the one hand and the Adviser's client accounts and funds on the other. In these and other circumstances, the Adviser may deviate from pro rata allocation if it deems another method more appropriate based on the relative use of, or benefit from, a product or service, or other relevant factors. Nonetheless, the portion of a common expense that the Adviser allocates to a client account or fund for a particular product or service may not reflect the relative benefit derived by the relevant client account or fund in each instance.

In addition, the fee rates and expenses applicable to the alternative strategies' advisory services, and potential conflicts related thereto are generally governed by expense policies and procedures, which have been established by the Adviser for such strategies.

### **D. Prepayment of Fees**

#### **Pooled Investment Vehicles**

Certain pooled investment vehicles managed by the Adviser pay asset-based fees in advance. Typically, the Adviser would return a pro-rata portion of any fees received in advance if the advisory contract is terminated prior to the billing period.

### **E. Additional Compensation and Conflicts of Interest**

Neither the Adviser nor any of its "Supervised Persons" (as defined in Key Terms) accepts compensation for the sale of securities or other investment products.

The Adviser, may be entitled to receive director, advisory board, monitoring, break up, commitment, and other similar fees payable in respect of investments made or proposed to be made by pooled investment vehicles and other advisory clients. Such fee income received by the Adviser will be used to reduce (but not below zero) the advisory fee payable to the Adviser. However, as part of their regular business activities, JPMC from time to time may provide services to the funds managed by the Adviser, or services, advice, or financing to

pooled investment vehicles in which client accounts and funds managed by the Adviser invest, or to companies in which such vehicles, client accounts, and funds managed by the Adviser invest. Subject to legal or regulatory limitations, JPMC will receive customary fees and other compensation for such services, advice, or financing, and such amounts will not be shared with the client accounts and funds managed by the Adviser or used to offset the Adviser's advisory fees.

### **Investment in Affiliated Funds**

If a separately managed account invests in a mutual fund, ETF, collective investment fund, or other pooled investment vehicle managed by the Adviser or its Affiliates (collectively, "JPMorgan Affiliated Funds"), the Adviser generally does not receive advisory fees for both advising the client's separate account and providing advisory services to the JPMorgan Affiliated Fund in which the separate account is invested. In most cases, this is accomplished by: (i) excluding the assets of such separate account invested in mutual funds or ETFs advised by JPMAM ("JPMorgan Funds") for purposes of calculating the account level advisory fee; (ii) investing in JPMorgan Affiliated Fund(s) that do not charge an advisory fee; or (iii) offsetting the advisory fees of the relevant JPMorgan Affiliated Funds from the separate account's account level advisory fee.

Where permitted by applicable law, separate accounts and fund-of-funds advised by JPMAM (UK) or an Affiliate that are invested in JPMorgan Affiliated Funds will also incur their pro rata portion of other fees and expenses charged at the JPMorgan Affiliated Fund level, e.g., custodian fees, transfer agency fees and director fees. Because the Adviser and its Affiliates provide services to and receive fees from the JPMorgan Funds, the investments in underlying JPMorgan Funds benefit the Adviser and/or its Affiliates. In addition, the Adviser advised separate accounts and mutual fund-of-funds may hold a significant percentage of the shares of an underlying JPMorgan Fund resulting in a potential conflict of interest. Furthermore, investing in JPMorgan Funds could cause the mutual fund-of-funds to incur higher fees and will cause the Adviser and/or its Affiliates to receive greater compensation.

Depending on the type of fee arrangement with the client, when managing multi-asset strategies, the Adviser could face a conflict of interest in allocating client assets among the various investment strategies. For example, if a client pays a fixed account level advisory fee, then the Adviser faces a conflict of interest when allocating clients' assets because it may have an incentive to allocate to investment strategies that are more cost efficient for the Adviser. In addition, the Adviser faces a conflict of interest when allocating client assets between JPMorgan Affiliated Funds and investment funds managed by advisers who are not affiliated with JPMAM (UK) ("Unaffiliated Funds"). For example, in circumstances where the Adviser pays the advisory fees charged by the Unaffiliated Funds out of the account or fund level advisory fees it receives, the Adviser has an incentive to invest in a JPMorgan Affiliated Funds in order to avoid or reduce the expenses related to the investments in Unaffiliated Funds.

The Adviser has policies and procedures reasonably designed to appropriately identify, and manage the conflicts of interest described above. Please refer to the relevant offering document for the fund for additional information and disclosure related to fees and potential conflicts of interest. For additional information regarding the investments in JPMorgan Affiliated Funds, please see the Conflicts Relating to the Adviser's Recommendations or Allocation of Client Assets to JPMorgan Affiliated Funds section within Item 11.B.

### **Index Licensing Compensation**

Certain funds managed by the Adviser and its affiliates track financial indices in which the Adviser or its affiliates retain various intellectual property rights. As a result, the Adviser and its affiliates may be entitled to receive index licensing fees from unaffiliated licensees of these indices. The Adviser and its affiliates do not act as either an investment adviser or an index provider in their capacity as a licensor of these indices.

**ITEM 6****Performance-Based Fees and Side-by-Side Management****A. Performance-Based Fees**

Clients of the Adviser pay various types of fees for investment advisory services. Most client accounts are charged fees based on a percentage of assets under management. Certain accounts are charged an incentive or performance-based fee or carried interest together with, or in lieu of, an asset-based fee. Generally, performance-based fees are calculated on the appreciation of a client's assets or performance relative to a specified benchmark.

**B. Side-by-Side Management and Potential Conflicts of Interest**

Certain portfolio managers of the Adviser simultaneously manage accounts that are charged performance-based fees and accounts that are charged asset-based fees. Frequently, the portfolio managers of these accounts utilize substantially similar investment strategies and invest in substantially similar assets for both account types. This portfolio management relationship is often referred to as side-by-side management. Accounts that pay performance-based fees reward the Adviser based on the performance in those accounts. As a result, performance-based fee arrangements likely provide a heightened incentive for portfolio managers to make investments that present a greater potential for return but also a greater risk of loss and that may be more speculative than if only asset-based fees were applied. On the other hand, compared to a performance-based fee account, the Adviser will likely have an interest in engaging in relatively safer investments when managing accounts that pay asset-based fees. The side-by-side management of accounts that pay performance-based fees and accounts that only pay an asset-based fee creates a conflict of interest because there is an inherent incentive for the portfolio manager to favor accounts with the potential to receive greater fees. For example, a portfolio manager will be faced with a conflict of interest when allocating scarce investment opportunities given the possibility of greater fees from accounts that pay performance-based fees as opposed to accounts that do not pay performance-based fees. Areas in which scarce investment opportunities may exist include, local and emerging markets, high yield securities, fixed income securities, regulated industries, real estate assets, primary investments in alternative investment funds, direct or indirect investments in and co-investments alongside alternative investment funds, and new issue securities.

To address these types of conflicts, the Adviser has adopted policies and procedures pursuant to which investment opportunities will be allocated among similarly situated clients in a manner that the Adviser believes is fair and equitable over time. For a detailed discussion of how the Adviser addresses allocation conflicts, please see the Conflicts of Interest Created by Contemporaneous Trading section within Item 11.B.

To further manage these potential conflicts of interest, the Adviser monitors accounts within the same strategy in an effort to ensure performance is consistent across accounts. For additional information regarding the Adviser's review process please see Item 13.A, Review of Accounts.

**ITEM 7****Types of Clients**

The Adviser primarily provides investment advisory services to institutional clients, both U.S. and non-U.S., including:

- Charitable and/or religious organizations
- Corporations
- Defined contribution and defined benefit pension plans
- Endowments and foundations

- Financial Institutions (including registered investment advisers)
- Insurance companies
- Investment companies (including mutual funds, closed-end funds and ETFs)
- Other pooled investment vehicles (including private funds)
- Sovereigns and central banks
- State and local governments
- Supranational organizations
- Trusts

The Adviser also provides investment advisory services to the Wealth Management division of JPMawm.

### ***Account Requirements***

The Adviser has established minimum account requirements for certain client accounts, which vary based on the fund, investment strategy, and asset class. In addition, a larger minimum account balance may be required for certain types of accounts that require extensive administrative effort. Minimums are subject to waiver in the Adviser's discretion and are waived for client accounts from time to time. To open or maintain an account, clients are required to sign an investment advisory agreement with the Adviser that stipulates the terms under which the Adviser is authorized to act on behalf of the client to manage the assets listed in the agreement. In certain instances, the Adviser may also manage the assets of its Affiliate's clients and will receive from the Affiliate a portion of the fee or other compensation paid by the end client for such services. Under these circumstances, the client enters into an investment advisory agreement with the Affiliate and, in turn, the Affiliate delegates authority to the Adviser.

For certain types of pooled investment vehicles offered or managed by the Adviser, U.S. investors must generally satisfy certain investor sophistication requirements, including that the investor qualifies as an "accredited investor" under Rule 501(a) of Regulation D under the Securities Act of 1933, as amended, a "qualified purchaser" within the meaning of section 2(a)(51) of the Investment Company Act of 1940, as amended (the "1940 Act"), and/or a "qualified eligible person" under Rule 4.7 of the Commodity Exchange Act. The Adviser may also permit investments by certain employees that qualify as "knowledgeable employees" within the meaning of Rule 3c-5 of the 1940 Act in lieu of satisfying the client qualification requirements associated with being a "qualified purchaser".

## **ITEM 8**

### **Methods of Analysis, Investment Strategies and Risk of Loss**

#### **A. Methods of Analysis and Investment Strategies**

The Adviser utilizes different methods of analysis that are tailored for each of the investment strategies it offers its clients. Set forth below are the primary methods of analysis and investment strategies that the Adviser utilizes in formulating investment advice or managing assets.

The Adviser manages client accounts consistent with an account's investment guidelines and the Adviser's fiduciary duties. The Adviser uses ESG integration as part of the investment process for certain strategies. The Adviser defines "ESG integration" as the systematic inclusion of financially material ESG factors (alongside other relevant factors) in investment analysis and investment decisions. For certain actively managed strategies deemed by the Adviser to be ESG integrated under its governance process, the Adviser systematically considers financially material ESG information as part of the investment decision-making process with the goals of managing risk and improving long-term returns/value. As the Adviser's approach to ESG integration focuses on financial materiality, not all factors are relevant to a particular investment, asset

class, or strategy. In addition, ESG integration is dependent on the availability of sufficient ESG information relevant to the applicable investment universe. The portion of investments for which the Adviser will consider financially material ESG factors is therefore dependent on the investment universe of the strategy. ESG factors may be considered only for certain investments and may not be considered for each and every investment decision. These assessments may not be conclusive and securities of issuers that may be negatively impacted by such factors may be purchased and retained by a product while a product may divest or not invest in securities of issuers that may be positively impacted by such factors. ESG integration by itself does not change a product's investment objective, exclude specific types of industries or companies or limit a product's investable universe.

### **Alternatives**

The Adviser offers alternative investment strategies that are managed by teams that specialize in alternative investing. The following are some of the Adviser's significant alternative strategies:

#### **European Real Estate**

##### **Methods of Analysis.**

When making real estate investments, the Adviser makes investment and asset management recommendations and/or decisions, as applicable, based upon a variety of factors, including, a fulsome macro and micro research analysis and a quantitative financial analysis. Such factors ensure the performance viability of the proposed investment and its compatibility with a client's investment strategy and objectives. Prior to making an investment, the Adviser requires the approval of an investment committee or team, and where applicable a board unaffiliated with the Adviser, whose review includes consideration of the following factors, among others, and as appropriate to the asset class: cash flow and debt assumptions, relative value analysis, return models, property/ operational history, location analysis, investment proposal, transaction structure (equity/debt), investment strengths and weaknesses, tenant/customer/sponsor/borrower analysis, replacement cost analysis, research assessment, comparable sales and lease analysis, and investment recommendation. The Adviser considers ESG factors as part of the investment decision process evaluating the long-term value and risk of an investment for certain European Real Estate investment strategies. The pooled investment funds managed or advised by the Adviser include funds that are considered Article 8 products for the purposes of the EU Sustainable Finance Disclosure Regulation.

##### **European Real Estate Investment Strategies.**

The following are some of the Adviser's significant European Real Estate strategies:

- Core, core plus, value add, and opportunistic real estate located in Europe
- Real estate investment trusts ("REITs")
- Acquisition of net leased assets, including "Sale Leaseback" transactions
- Real estate debt, including commercial mortgages, mezzanine debt, commercial mortgage-backed securities, agency commercial mortgage-backed securities, short-term bridge financing relating to absolute net, double net and triple net leasing transactions, and similar instruments

#### **Infrastructure**

##### **Methods of Analysis.**

When recommending infrastructure investments, the Adviser makes investment and asset management recommendations and/or decisions, as applicable, based on factors deemed relevant to the performance viability of the proposed investment, overall portfolio construction, and compatibility with clients' investment strategy and objectives. Prior to making an investment, the Adviser requires the approval of an investment committee generally comprised of employees of the Adviser and a board unaffiliated with the Adviser, whose



review includes consideration of the following factors, among others, and as appropriate to the asset class: cash flow and debt assumptions, computations, operational history, portfolio diversification, investment thesis, transaction structure (equity/debt), credit quality, capital structure, investment strengths and weaknesses, research assessment, and investment recommendation. Additionally, Infrastructure investment strategies are ESG integrated and, as such, the Adviser considers financially material ESG factors as part of the investment decision process for certain Infrastructure investment strategies. The pooled investment funds managed or advised by the Adviser include funds that are considered Article 8 products for the purposes of the EU Sustainable Finance Disclosure Regulation.

#### Infrastructure Investment Strategies.

The following are the Adviser's Infrastructure strategies:

- Equity (core and core plus) from entities that reside primarily in the Organization for Economic Cooperation and Development ("OECD") countries.

### **Global Transportation**

#### Methods of Analysis.

When making transportation investments, the Adviser makes investment and asset management recommendations and/or decisions, as applicable, based upon a variety of factors, including, a fulsome macro and sector specific research analysis and a quantitative financial analysis. Such factors ensure the performance viability of the proposed investment and its compatibility with a client's investment strategy and objectives. Prior to making an investment, the Adviser requires the approval of an investment committee, and where applicable a board unaffiliated with the Adviser, whose review includes consideration of the following factors, among others, and as appropriate to the asset class: investment thesis, research assessment, cash flow and debt assumptions, return attributes, operational history, transaction structure (equity/debt), investment strengths and weaknesses, replacement cost analysis, comparable sale/relative value analysis, credit analysis, regulatory and risk factors, and ultimately the investment recommendation. Additionally, the Adviser considers ESG factors as a part of the investment decision process evaluating the long-term value and risk of an investment for certain Global Transportation investment strategies. The pooled investment funds managed or advised by the Adviser include funds that are considered Article 8 products for the purposes of the EU Sustainable Finance Disclosure Regulation.

#### Global Transportation Investment Strategies.

The following are some of the Adviser's significant Global Transportation strategies:

- Maritime, including opportunistic
- Transportation, including core and core plus; maritime, energy logistics, aircraft, railcar, heavy equipment, vehicle fleet, and related sectors of the global transport universe

### **Private Capital**

#### Methods of Analysis

The Adviser will operate a series of private closed-end investment funds that seek to deliver risk-adjusted returns by investing primarily in seed-stage and growth-stage businesses. Seed-stage investments are very early stage investments in companies at inception or shortly thereafter (Series A). Growth stage investments are generally in rounds that range from Series B to later stage fundraising rounds taking place prior to a potential initial public offering ("IPO") via public capital markets. The investment strategies may also pursue investments in public equities and follow-on equity financings in the public markets. Additionally, the Adviser considers ESG factors as part of the investment decision process evaluating the long-term value and risk of an investment for certain Private Capital investment strategies.

Private Capital Investment Strategies.

The following are some of the Adviser's significant Private Capital strategies:

- Growth Equity Partners: focuses on four targeted sub-sectors – fintech, software, real estate technology, and consumer – and seeks to identify investment opportunities within those sub-sectors that Growth Equity Partners believes reflect one or more of the following: compelling unit economics, market leading positions, effective management teams, clear growth trajectories, or situations where Growth Equity Partners believes it can add significant value as a strategic partner to its portfolio companies.
- Life Sciences Private Capital: focuses on seed-stage and growth equity health care companies dedicated to the creation and development of new therapies across several target areas, prioritizing genetic medicine, oncology and autoimmunity, as well as neurodegenerative diseases, rare diseases, AI/ML platforms, metabolic diseases, and neuropsychology. Sectors of focus within health care will include biotechnology, medical technology, life science tools, diagnostics, and other sub-sectors.

**Global Special Situations**Methods of Analysis.

The Adviser seeks to invest throughout the credit cycles and across the capital structure of its target investments, generally private credit across a broad range of products, including but not limited to, First Lien Secured Loans, Second Lien Secured Loans, Mezzanine Loans, Uni-Tranche Loans, High Yield Debt, Equity Instruments, Claims, Derivatives and Credit-Linked Securities, Collateralized Loan Obligations, Collateralized Debt Obligations, and Physical Assets via new issuance of bonds or loans, restructurings and secondary trading transactions across multiple geographies and industries.

The Adviser applies a rigorous due diligence process to the credit opportunities it identifies. Priorities are expected to include: (i) establishing downside protection and principal preservation through financial and structural methods; (ii) seeking to generate attractive long-term returns utilizing the expertise of the Adviser's investment team. The Adviser's flexible mandate to invest across a company's capital structure is intended to open up opportunities across a wide range of transactions, capital structures and securities, and allows the Adviser to select those investments that it believes will provide an appropriate risk-adjusted return. As part of its investment process, the Adviser systematically incorporates financially material ESG issues (alongside other relevant factors) in investment decisions in connection with considering sustainability risks and assessing the financial attractiveness of the investment opportunity.

GSS Investment Strategies.

The Adviser's Global Special Situations investment strategy includes targeting corporate and other financial situations which may be dislocated, complex or experiencing stress, distress or event driven factors. The following are some of the Adviser's significant GSS strategies:

- Distressed investments: non-performing investments that typically have a specific event, such as a debt for equity swap, restructuring, rescue financing, or liquidation.
- Event-Driven / Stressed investments: performing investments discounted by either illiquidity or market disruption with returns driven by catalysts. The Adviser will principally target investments within these sub-strategies in non-investment grade public and private credit.
- Bespoke Transactions: customized solution to balance sheet, capital constraints, illiquidity for borrowers or debt holders or asset holders, often with jurisdictional or capital structure complexity.
- Market Driven Transactions: typically larger, syndicated instruments that may be tradable or quotable and are often secondary purchase transactions.



**B. Material, Significant, or Unusual Risks Relating to Investment Strategies**

The investment strategies utilized by the Adviser depend on the requirements of the client and the investment guidelines associated with the client's account. Each strategy is subject to material risks. An account or fund may not achieve its objective if the Adviser's expectations regarding particular securities or markets are not met. Any investment includes the risk of loss, and there can be no guarantee that a particular level of return will be achieved.

Set forth below are some of the material risk factors that are often associated with the investment strategies and types of investments relevant to many of the Adviser's clients. This is a summary only. The information included in this Brochure does not include every potential risk associated with each investment strategy or applicable to a particular client account. It is impossible to identify all the risks associated with investing and the particular risks applicable to a client account will depend on the nature of the account, its investment strategy or strategies, and the types of securities held. While the Adviser seeks to manage accounts so that risks are appropriate to the strategy, it is often impossible or not desirable to fully mitigate risks. Clients should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses. Clients should not rely solely on the descriptions provided below and should carefully read all applicable informational materials and offering or governing documents prior to retaining the Adviser to manage an account or investing in any JPMorgan Affiliated Funds. Clients are urged to ask questions regarding risk factors applicable to a particular strategy or investment product, read all product-specific risk disclosures and determine whether a particular investment strategy or type of security is suitable for their account in light of their specific circumstances, investment objectives and financial situation.

In the case of JPMorgan Affiliated Funds, the risk factors associated with the relevant fund's investment strategy are disclosed in the prospectus, offering memorandum, governing documents, or other materials of the fund. Prospective investors should carefully read the relevant offering documents and consult with their own counsel and advisers as to all matters concerning an investment in a fund.

**General Portfolio Risks**

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

For example, the outbreak of COVID-19 negatively affected economies, markets and individual companies throughout the world, including those in which separately managed accounts and JPMorgan Affiliated Funds invest. The effects of any future pandemic or other global event to business and market conditions may have a significant negative impact on the performance of the separately managed accounts and JPMorgan Affiliated Fund investments, increase separately managed account and fund volatility, exacerbate preexisting political, social, and economic risks to separately managed accounts and JPMorgan Affiliated Funds, and negatively impact broad segments of businesses and populations. In addition, governments, their regulatory agencies, or self-regulatory organizations have taken or may take actions in response to a pandemic or other global event that affect the instruments in which a separately managed account or JPMorgan Affiliated Fund invests, or the issuers of such instruments, in ways that could have a significant negative impact on such account or fund's investment performance. The ultimate impact of any pandemic or other global event and the extent to which the associated conditions and governmental responses impact a separately managed account or JPMorgan Affiliated Fund will also depend on future developments, which are highly uncertain, difficult to accurately predict and subject to frequent changes.

**Cyber Security Risk.** As the use of technology has become more prevalent in the course of business, the Adviser 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 the Adviser and its clients, and compromises or failures to systems, networks, devices, and applications relating to the operations of the Adviser and its service providers. Cyber security risks may result in: financial losses to the Adviser and its clients; the inability of the Adviser 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. The Adviser'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 the Adviser 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 the Adviser 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 the Adviser 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.

**Intellectual Property and Technology Risks Involved in International Operations.** There can be risks to technology and intellectual property that can result from conducting business in certain jurisdictions. This is particularly true in jurisdictions that do not have sufficient levels of protection of corporate proprietary information and assets such as intellectual property, trademarks, trade secrets, know-how, and customer information and records. As a result, the Adviser 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.

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

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

**Liquidity Risk.** Investments in some equity and privately placed securities, structured notes or other instruments may be difficult to purchase or sell, possibly preventing the sale of these illiquid securities at an advantageous price or when desired. A lack of liquidity may also cause the value of investments to decline, and the illiquid investments may also be difficult to value.

**Geographic and Sector Focus Risk.** Certain strategies and funds concentrate their investments in a region, small group of countries, an industry, or economic sector, and as a result, the value of the portfolio may be subject to greater volatility than a more geographically or sector diversified portfolio. Investments in issuers within a country, state, geographic region, industry, or economic sector that experiences adverse economic, business, political conditions, or other concerns will impact the value of such a portfolio more than if the

portfolio's investments were not so concentrated. A change in the value of a single investment within the portfolio may affect the overall value of the portfolio and may cause greater losses than it would in a portfolio that holds more diversified investments.

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

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

**High Portfolio Turnover Risk.** Certain strategies engage in active and frequent trading leading to increased portfolio turnover, higher transaction costs, and the possibility of increased capital gains, including short-term capital gains that are generally taxable as ordinary income.

**Model Risk.** Some strategies may 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.

**Regulatory Risk.** Pending and ongoing regulatory reform may have a significant impact on JPMAM (UK)'s investment advisory business.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"), as amended, added Section 13 to the Bank Holding Company Act of 1956 (the "BHCA") and its implementing regulations (together the "Volcker Rule") under which a "banking entity" (including JPMAM (UK) and its Affiliates) is restricted from acquiring or retaining, as principal, any equity, partnership or other ownership interest in, or sponsoring, a "covered fund" (which is defined to include certain pooled investment vehicles) unless the investment or activity is conducted in accordance with an exclusion or exemption. The Volcker Rule's asset management exemption permits a banking entity, such as JPMAM (UK), to invest in or sponsor a covered fund, subject to satisfaction of certain requirements, which include, among other things, that a banking entity only hold a de minimis interest (no more than 3% of the total number or value of the outstanding ownership interests) in the covered fund following an initial seeding period of one year, and that only directors and employees directly engaged in providing investment advisory or other qualifying services to the covered fund

are permitted to invest. In addition, the Volcker Rule generally prohibits a banking entity from engaging in transactions that would cause it or its Affiliates to have credit exposure to a covered fund managed or advised by its Affiliates; that would involve or result in a material conflict of interest between the banking entity and its clients, customers or counterparties; or that would result, directly or indirectly, in a material exposure by the banking entity to high-risk assets or high-risk trading strategies. These restrictions could materially adversely affect accounts that are, or are invested in, covered funds, because the restrictions could limit a covered fund from obtaining seed capital, loans or other commercial benefits from JPMAM (UK) or its Affiliates. As a result, the Volcker Rule impacts the method by which JPMAM (UK) seeds, invests in and operates its funds, including private equity funds and hedge funds.

In June 2020, the Board of Governors of the Federal Reserve System (the "Federal Reserve"), the Office of the Comptroller of the Currency, the Federal Deposit Insurance Company, and the Commodity Futures Trading Commission ("CFTC"), and the Securities and Exchange Commission adopted a final rule revising the Volcker Rule's provisions relating to covered funds, including modifying existing, and adopting new exclusions from the definition of "covered fund." The revised rule became effective on October 1, 2020. The ultimate impact of these revisions to the Volcker Rule, including whether the Adviser may seek to rely on these new exclusions with respect to existing funds or new funds, will depend on, among other things, the investment strategy of the funds and development of market practice and standards. The Adviser may seek to restructure their funds to comply with applicable laws, rules and regulations, including, without limitation, the Volcker Rule. Any restructuring would be designed to enable the funds to carry out their investment objectives and otherwise accommodate the interests of investors in those funds as a whole, while complying with the Volcker Rule.

While the vast majority of U.S. and non-U.S. regulations of derivatives and similar instruments arising from the 2008 financial crisis have been implemented, governments continue to assess and are likely to adjust such regulations and require changes in market practices. These developments may increase the cost of derivatives trading (whether through increased margin requirements, less favorable pricing, or other means), the eligibility of the Adviser and J.P. Morgan Affiliated Funds and client accounts to transact in such products, and the market availability of such products. As a result, the Adviser's management of funds and accounts that use and trade swaps and derivatives may be adversely impacted. Similarly, the Adviser's management of funds and accounts that use and trade swaps and derivatives may be adversely impacted by adopted changes to CFTC and other regulations. Other jurisdictions outside the United States in which the Adviser operates may also adopt and implement regulations that could have a similar impact on the Adviser and the broader markets.

Under the BHCA, if a fund were deemed to be controlled by the Adviser or an Affiliate, investments by such fund would be subject to limitations under the BHCA that are substantially similar to those applicable to JPMC. Such limitations would place certain restrictions on the fund's investments in non-financial companies. These restrictions would include limits on the ability of the fund to be involved in the day-to-day management of the underlying non-financial company and the limitations on the period of time that the fund could retain its investment in such company. In addition, the fund, together with interests held by JPMC, may be limited from owning or controlling, directly or indirectly, interests in third parties that exceed 5% of any class of voting securities or 25% of total equity. These limitations may have a material adverse effect on the activities of the relevant fund.

Foreign regulators have passed, and it is expected that they will continue to pass, legislation and changes that may affect certain clients. The Adviser may take certain actions to limit its authority in respect of client accounts to reduce the impact of regulatory restrictions on the Adviser or its clients.

In addition, there have been legislative, tax and regulatory changes and proposed changes that may apply to the activities of the Adviser 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 ("SROs") 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 may negatively impact performance.

**Initial Public Offering Risk.** IPO securities have no trading history, and information about the companies may be available for very limited periods. The prices of securities sold in IPOs may be highly volatile and their purchase may involve high transaction costs. At any particular time or from time to time, the Adviser may not be able to invest in securities issued in IPOs on behalf of its clients, or invest to the extent desired, because, for example, only a small portion (if any) of the securities being offered in an IPO may be made available to the Adviser. In addition, under certain market conditions, a relatively small number of companies may issue securities in IPOs. Similarly, as the number of purchasers to which IPO securities are allocated increases, the number of securities issued to the Adviser's clients may decrease. The performance of an account during periods when it is unable to invest significantly or at all in IPOs may be lower than during periods when it is able to do so. In addition, as an account increases in size, the impact of IPOs on the account's performance will generally decrease.

**Master Limited Partnership ("MLP") Risk.** MLPs are limited partnerships whose ownership interests are publicly traded and that primarily derive their income from, among other industries, the mining, production, transportation or processing of minerals or natural resources, although they may also finance entertainment, research and development, real estate and other projects. Investments held by an MLP may be relatively illiquid, limiting the MLP's ability to vary its portfolio promptly in response to changes in economic or other conditions. In addition, MLPs may have limited financial resources, their securities may trade infrequently and in limited volume and they may be subject to more abrupt or erratic price movements than securities of larger or more broadly-based companies. The risks of investing in an MLP are generally those inherent in investing in a partnership as opposed to a corporation. For example, state law governing partnerships is often less restrictive than state law governing corporations. Accordingly, there may be fewer protections afforded investors in an MLP than investors in a corporation. Additional risks involved with investing in an MLP are risks associated with the specific industry or industries in which the partnership invests, such as the risks of investing in real estate, or oil and gas industries.

**LIBOR Discontinuance or Unavailability Risk.** The London Interbank Offering Rate ("LIBOR") was intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. On or before June 30, 2023 certain tenors and currencies of LIBOR ceased to be published or representative of the underlying market and economic reality they were intended to measure; current information about these dates and certain related risks is available at [https://www.jpmorgan.com/disclosures/interbank\\_offered\\_rates](https://www.jpmorgan.com/disclosures/interbank_offered_rates). New or alternative reference rates have since been used in place of LIBOR. There is no assurance that any such alternative reference rate will be similar to or produce the same value or economic equivalence as LIBOR or that it will have the same volume or liquidity as did LIBOR prior to its discontinuance or unavailability, which may affect the value, volatility, liquidity or return on certain of a fund's or other client account's loans, notes, derivatives and other instruments or investments comprising some or all of a fund's or other client account's portfolio and result in costs incurred in connection with changing reference rates used for positions, closing out positions, and entering into new trades. No assurances can be given as to the impact of the transition away from LIBOR on a fund or other client account or their investments. These risks may also apply with respect to changes in connection with other interbank offering rates (e.g., Euribor) and a wide range of other index levels, rates and values that are treated as "benchmarks" and are the subject of recent regulatory reform.

### **Primary Risks Applicable to Debt Investments**

**Interest Rate Risk.** Fixed income securities increase or decrease in value based on changes in interest rates. If rates increase, the value of these investments generally decline. On the other hand, if rates fall, the value of the investments generally increases. Securities with greater interest rate sensitivity and longer maturities generally are subject to greater fluctuations in value. Variable and floating rate securities are generally less sensitive to interest rate changes than fixed rate instruments, but the value of variable and floating rate securities may decline if their interest rates do not rise as quickly, or as much, as general interest rates. Many factors can cause interest rates to rise. Some examples include central bank monetary policy (such as an interest rate increase), rising inflation rates, and general economic conditions.



**Credit Risk.** There is a risk that issuers and/or counterparties will not make payments on securities and instruments when due or will default completely. Such default could result in losses. In addition, the credit quality of securities and instruments may be lowered if an issuer's or a counterparty's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security or instrument, affect liquidity and make it difficult to sell the security or instrument. Certain strategies may invest in securities or instrument or instrument that are rated in the lowest investment grade category. Such securities or instruments are considered to have speculative characteristics similar to high yield securities, and issuers or counterparties of such securities or instruments are more vulnerable to changes in economic conditions than issuers or counterparties of higher grade securities or instruments. Prices of fixed income securities may be adversely affected, and credit spreads may increase if any of the issuers of or counterparties to such investments are subject to an actual or perceived deterioration in their credit quality. Credit spread risk is the risk that economic and market conditions or any actual or perceived credit deterioration of an issuer may lead to an increase in the credit spreads (i.e., the difference in yield between two securities of similar maturity but different credit quality) and a decline in price of the issuer's securities.

**Government Securities Risk.** Some strategies invest in securities issued or guaranteed by the U.S. government or its agencies and instrumentalities (such as the Government National Mortgage Association ("Ginnie Mae"), the Federal National Mortgage Association ("Fannie Mae"), or the Federal Home Loan Mortgage Corporation ("Freddie Mac")). U.S. government securities are subject to market risk, interest rate risk and credit risk. Securities, such as those issued or guaranteed by Ginnie Mae or the U.S. Treasury, that are backed by the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity. Notwithstanding that these securities are backed by the full faith and credit of the United States, circumstances could arise that would prevent the payment of principal and interest. Securities issued by U.S. government related organizations, such as Fannie Mae and Freddie Mac, are not backed by the full faith and credit of the U.S. government and no assurance can be given that the U.S. government will provide financial support.

**High Yield Securities Risk.** Certain strategies invest in securities and instruments that are issued by companies that are highly leveraged, less creditworthy, or financially distressed. These investments (known as junk bonds) are considered speculative and are subject to greater risk of loss, greater sensitivity to interest rate and economic changes, valuation difficulties, and potential illiquidity.

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

**Asset-Backed, Mortgage-Related and Mortgage-Backed Securities Risk.** Asset-backed, mortgage-related and mortgage-backed securities differ from conventional debt securities and are subject to certain additional risks because principal is paid back over the life of the security rather than at maturity. The value of mortgage-related and asset-backed securities will be influenced by the factors affecting the property market and the assets underlying such securities. As a result, during periods of difficult or frozen credit markets, significant changes in interest rates, or deteriorating economic conditions, mortgage-related and asset-backed securities may decline in value, face valuation difficulties, be more volatile and/or become illiquid. Since mortgage borrowers have the right to prepay principal in excess of scheduled payments, there is a risk that borrowers will exercise this option when interest rates are low to take advantage of lower refinancing rates. When that happens, the mortgage holder will need to reinvest the returned capital at the lower prevailing yields. This prepayment risk, as well as the risk of a bond being called, can cause capital losses. Conversely, when rates rise significantly, there is a risk that prepayments will slow to levels much lower than anticipated when the mortgage was originally purchased. In this instance, the risk that the life of the mortgage security is extended can also cause capital losses, as the mortgage holder needs to wait longer for capital to be returned and reinvested at higher prevailing yields. In periods of rising interest rates, a portfolio may exhibit additional volatility. Some of these securities may receive little or no collateral protection from the underlying assets and are thus subject to the risk of default described under "Credit Risk." The risk of such defaults is generally

higher in the case of asset-backed, mortgage-backed, and mortgage-related investments that include so-called “sub-prime” mortgages (which are loans made to borrowers with low credit ratings or other factors that increase the risk of default), credit risk transfer securities and credit-linked notes issued by government-related organizations. The structure of some of these securities may be complex and there may be less available information than other types of debt securities. Additionally, asset-backed, mortgage-related and mortgage-backed securities are subject to risks associated with their structure and the nature of the assets underlying the securities and the servicing of those assets. Certain asset-backed, mortgage-related and mortgage-backed securities may face valuation difficulties and may be less liquid than other types of asset-backed, mortgage-related, and mortgage-backed securities, or debt securities.

**Mezzanine Loans Risk.** Mezzanine real estate loans may be secured by one or more direct or indirect ownership interests in an entity owning, operating and/or controlling, one or more real estate properties. Commercial properties owned by such entities are likely to be subject to existing mortgage loans and other indebtedness. Repayment of the loans underlying mezzanine loans are dependent on the successful operation of the underlying real estate properties. Unlike mortgage loans, mezzanine loans are not secured by interests in the underlying real estate properties and are structurally subordinate to senior debt, which are typically secured by the property. Although unlikely, the ownership interests securing a mezzanine loan may represent only a partial interest in the borrower and may not control either the borrower or the underlying property. As a result, the effective realization on the collateral securing a mezzanine loan in the event of default may be limited.

Mezzanine investments often reflect a greater possibility that adverse changes in the financial condition of the obligor or general economic conditions may impair the ability of the obligor to make payment of principal and interest. Mezzanine investments are often issued in connection with leveraged acquisitions or recapitalizations, in which the issuer incurs a substantially higher amount of indebtedness than the level at which it had previously operated. Some issuers may be highly leveraged and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flows to service their debt obligations.

**Leveraged Loans Risk.** Leveraged loans have significant liquidity and market value risks since they are not generally traded on organized exchange markets. Loans are not purchased or sold as easily as publicly traded securities but are privately negotiated and customized between buyer and seller. Historically, the trading volume in loan markets has been small relative to high yield debt securities markets. In addition, leveraged loans have historically experienced greater default rates than has been the case for investment grade securities. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on leveraged loans. A non-investment grade loan or debt obligation (or an interest therein) is generally considered speculative in nature and may become a defaulted obligation for a variety of reasons. A defaulted obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such defaulted obligation. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted obligation. The liquidity for defaulted obligations may be limited, and to the extent that defaulted obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. Furthermore, there can be no assurance on what the amount of ultimate recovery on any defaulted obligation will be. Additionally, loans could also be covenant-lite (“Covenant-lite”). Covenant-lite loans typically do not obligate the obligor to comply with financial covenants that would be applicable during reporting periods. Investments comprised of Covenant-lite loans may expose risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with other loans. In addition, the lack of such financial covenants may make it more difficult to trigger a default in respect of such loans.

**Municipal Obligations Risk.** The risk of a municipal obligation generally depends on the financial and credit status of the issuer. Changes in a municipality’s financial health may make it difficult for the municipality to make interest and principal payments when due. A number of municipalities have had significant financial problems recently, and these and other municipalities could, potentially, continue to experience significant

financial problems resulting from lower tax revenues and/or decreased aid from state and local governments in the event of an economic downturn. Under some circumstances, municipal obligations might not pay interest unless the state legislature or municipality authorizes money for that purpose. Some securities, including municipal lease obligations, carry additional risks. For example, they may be difficult to trade or interest payments may be tied only to a specific stream of revenue.

Municipal bonds may be more susceptible to downgrades or defaults during recessions or similar periods of economic stress. Factors contributing to the economic stress on municipalities may include lower property tax collections as a result of lower home values, lower sales tax revenue as a result of consumers cutting back spending, and lower income tax revenue as a result of a higher unemployment rate. In addition, since some municipal obligations may be secured or guaranteed by banks and other institutions, the risk to an investor could increase if the banking or financial sector suffers an economic downturn and/or if the credit ratings of the institutions issuing the guarantee are downgraded or at risk of being downgraded by a national rating organization. If such events were to occur, the value of the security could decrease or the value could be lost entirely, and it may be difficult or impossible for an investor to sell the security at the time and the price that normally prevails in the market. Interest on municipal obligations, while generally exempt from federal income tax, may not be exempt from federal alternative minimum tax.

### **Primary Risks Applicable to Derivatives Investments, Commodities and Short Sales**

**Derivatives Risk.** Certain strategies may use derivatives. Derivatives, including forward currency contracts, futures, options and commodity-linked derivatives and swaps, may be riskier than other types of investments because they may be more sensitive to changes in economic and market conditions, and could result in losses that significantly exceed the investor's original investment in the derivative. Many derivatives create leverage thereby causing a portfolio to be more volatile than it would have been if it had not been exposed to such derivatives. Derivatives also expose a portfolio to counterparty risk (the risk that the derivative counterparty will not fulfill its contractual obligations), including the credit risk of the derivative counterparty. Certain derivatives are synthetic instruments that attempt to replicate the performance of certain reference assets. With regard to such derivatives, an investor does not have a claim on the reference assets and is subject to enhanced counterparty risk. Derivatives may not perform as expected, so an investor may not realize the intended benefits. The possible lack of a liquid secondary market for derivatives and the resulting ability to sell or otherwise close a derivatives position could expose a portfolio to losses.

When used for hedging, the change in value of a derivative may not correlate as expected with the security being hedged. In addition, given their complexity, derivatives expose an investor to risks of mispricing or improper valuation.

**Hedging Risk.** Hedging strategies could involve a variety of derivative transactions, including transactions in forward, swap and option contracts or other financial instruments with similar characteristics, including, without limitation, forward foreign currency exchange contracts, currency and interest rate swaps, options and short sales (collectively "Hedging Instruments"). The use of Hedging Instruments could require investment techniques and risk analyses different from those associated with other portfolio investments including securities and currency hedging transactions. The risks posed by these transactions include, but are not limited to, interest rate risk, market risk, the risk that these complex instruments and techniques will not be successfully evaluated, monitored or priced, the risk that counterparties will default on their obligations, liquidity risk and leverage risk. Changes in liquidity can result in significant, rapid and unpredictable changes in the prices for derivatives. Thus, while the accounts might benefit from the use of Hedging Instruments, unanticipated changes in interest rates, securities prices or currency exchange rates could result in a poorer overall performance for the accounts than if they had not used such Hedging Instruments. Certain risks associated with Hedging Instruments are further detailed under "Derivative Risk".

Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of those positions decline, but establishes other positions designed to gain from those same developments, thus offsetting the decline in the portfolio positions' value. While these transactions can reduce the risks associated with an investment, the transactions themselves



entail risks that are different from and possibly greater than, the risks associated with other portfolio investments.

**Futures/Cleared Derivatives Transactions Risk.** CFTC guidance may increase the risk exposure of and adversely impact separate accounts under customer agreements with a futures commission merchant (“FCM”). Pursuant to this guidance, FCMs are required to view exposure at the beneficial owner level, not the account level. Therefore, agreements between a FCM and a beneficial owner (whether entered into directly or through an asset manager) may not prevent the FCM from withholding margin from (or calling for margin with respect to) any of such beneficial owner’s accounts held by such FCM and may not limit such beneficial owner’s losses. Accordingly, in the event of a margin shortfall with respect to an Adviser-managed account of a beneficial owner held by a FCM, the FCM can withhold margin from (or call for margin with respect to) other accounts of the beneficial owner held by that FCM, including other accounts managed by the Adviser, accounts managed by other investment advisers, and accounts managed directly by the beneficial owner, which may have adverse impacts on those accounts. Similarly, if a FCM’s margin call made in respect of an account managed directly by a beneficial owner (or by an investment manager other than the Adviser on behalf of a beneficial owner) is not met, the FCM may withhold margin for (or call for margin with respect to) such beneficial owner’s accounts managed by the Adviser that are held by such FCM, which may have adverse impacts to such accounts. This regulatory guidance may increase exposure risks and/or costs of futures and/or cleared derivatives transactions and potentially adversely impact performance or the utility of futures and cleared derivatives trading in accounts managed by the Adviser or by others.

**Commodity Risk.** Certain strategies have exposure to commodities. Exposure to commodities and commodity-related securities may subject a portfolio to greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity. In addition, to the extent that a portfolio gains exposure to an asset through synthetic replication by investing in commodity-linked investments rather than directly in the asset, it may not have a claim on the applicable underlying asset and will be subject to enhanced counterparty risk.

**Position Limits Risk.** The CFTC and/or exchanges both within and outside the United States have established “speculative position limits” on the maximum net long or net short position which any person or group of persons may hold or control in particular futures, and options on futures contracts. Currently, positions held by all accounts deemed owned or controlled directly or indirectly by the Adviser or its Affiliates, including client accounts and funds managed by the Adviser and its Affiliates, are aggregated. If such aggregate position thresholds are reached, the Adviser will be restricted from acquiring additional positions and may be compelled to liquidate positions in client accounts and funds. Such restriction or liquidation could adversely affect the operations and profitability of the client accounts and funds by increasing transaction costs to liquidate positions and limiting potential profits on the liquidated positions.

**Short Selling Risk.** Certain strategies may engage in short selling. A portfolio will incur a loss as a result of a short sale if the price of the security sold short increases in value between the date of the short sale and the date on which the portfolio re purchases the security. In addition, if the security sold short was first obtained by borrowing it from a lender, such as a broker or other institution, the lender may request, or market conditions may dictate, that the security sold short be returned to the lender on short notice, and the portfolio may have to buy the security sold short at an unfavorable price. If this occurs, any anticipated gain to the portfolio will be reduced or eliminated or the short sale may result in a loss. The portfolio’s losses are potentially unlimited in a short sale transaction. Short sales are speculative transactions and involve special risks, including greater reliance on the Adviser’s ability to accurately anticipate the future value of a security. Furthermore, a portfolio may become more volatile because of the form of leverage that results from taking short positions in securities.

#### **Primary Risks Applicable to Real Estate Investments**

**Real Estate Risk.** There are certain risks associated with the development, construction, and/or ownership of real estate and the real estate industry in general, including: the burdens of ownership of real property; local, national and international economic conditions (which may be adversely affected by industry slowdowns,

decreases in government spending, and changing government policies); the supply and demand for properties; the financial condition of tenants, buyers, and sellers of properties; changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable; labor costs; construction materials costs; changes in environmental laws and regulations, planning laws, fiscal and monetary policies, and other governmental rules; environmental claims arising with respect to properties acquired with undisclosed or unknown environmental problems or with respect to which inadequate reserves have been established; changes in real property tax rates; changes in energy prices; negative developments in the economy that depress travel activity; uninsured casualties; *force majeure* acts, terrorist events, under-insured or uninsurable losses; and other factors that are beyond the reasonable control of the Adviser. In addition, real estate assets are subject to long-term cyclical trends that contribute to significant volatility in values.

Many of these factors could cause fluctuations in occupancy rates, development costs, rent schedules, or operating expenses, causing the value of an investment to decline and may negatively affect an investment's returns. The value of investments may fluctuate significantly due to these factors among others and may be significantly diminished in the event of a sudden downward market for real estate and real estate-related assets. The returns available from investments depend on the amount of income earned and capital appreciation generated by the relevant underlying properties, as well as expenses incurred in connection therewith. If properties do not generate income sufficient to meet operating expenses, including amounts owed under any third-party borrowings and capital expenditures, returns will be adversely affected. In addition, the cost of complying with governmental laws and regulations and the cost and availability of third-party borrowings may also affect the market value of and returns from real estate and real estate related investments. Returns would be adversely affected if a significant number of tenants were unable to pay rent or if properties could not be rented on favorable terms. Certain significant fixed expenditures associated with purchasing properties (such as third-party borrowings, taxes and maintenance costs) may stay the same or increase even when circumstances cause a reduction in returns from properties.

**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.

**Sale Leaseback Investments Risk.** Investments that focus primarily on the acquisition and ownership of triple net lease assets entails various risks inherent in investments in a single industry, including risks that investments may not perform as expected. A decrease in the demand for triple net lease assets could likely have a greater adverse effect on revenues than it would for other more diversified real estate assets. Notably, investment interests will be subject to triple net or effectively triple net lease arrangements under which real property taxes are borne by tenants. Tenants are responsible for payment of maintenance, insurance, and other similar expenditures. Failure to pay these taxes and expenses as required could result in a diminution in the value of the investment and have a material adverse impact on its results of operations and distributable cash flow as well as incurring real property tax liability or having any real property interest being impaired or extinguished. Leases of long duration, or with renewal options that specify a maximum rate increase, may not result in fair market lease rates over time, particularly if the potential for increases in market rental rates is not accurately judged. Properties may also have vacancies for a significant period of time. Additionally, investments in single-tenant properties, including those for "special use", may be relatively illiquid compared to other types of real estate and financial assets limiting the ability to respond to changes in economic or other conditions. Industry consolidation can also potentially reduce the diversity of a tenant base and allow tenants increased leverage and could potentially lead to a reduction in the future revenue as well as an impairment of the value of real property interests.

**Primary Risks Applicable to Infrastructure Investments**

Investing in infrastructure and infrastructure-related assets or debt associated with infrastructure and infrastructure-related assets is subject to a variety of risks, including: the burdens of ownership of infrastructure; local, national, and international economic conditions; the supply and demand for services from and access to infrastructure; the financial condition of users and suppliers of infrastructure assets; changes in interest rates, and the availability of funds which may render the purchase, sale or refinancing of infrastructure assets difficult or impracticable; changes in environmental laws and regulations, and planning laws and other governmental rules; regulatory risks; ESG related risks of environmental claims arising in respect of infrastructure acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established; changes in energy prices; changes in fiscal and monetary policies; negative developments in the economy that depress travel; changes in market and societal sentiment towards traditional energy infrastructure or otherwise the growth in demand, globally and by jurisdiction, for renewable and other alternative energy sources; climate-related transition risk; stranded asset risk; political risk; commodity price risk; uninsured casualties; force majeure acts, wars/conflicts, terrorist events, cyber attacks, pandemic and/or public health emergencies; under-insured or uninsurable losses; stability of the local and/or global financial system; and other factors which are beyond the reasonable control of the investor and its advisers. Many of these factors could cause fluctuations in usage, expenses, and revenues, causing the value of infrastructure and infrastructure-related investments to decline and negatively affect the collective returns on such investments.

**Primary Risks Applicable to Transportation Investments**

Terrorist attacks, acts of war, armed hostilities, or civil unrest (even if not directly involving transportation investments); piracy attacks or hijackings targeted at transportation investments; or the fear of or any precautions taken in anticipation of such events (including elevated national threat warnings or selective cancellation or reduction of flights), could materially adversely affect the maritime, aircraft, and/or railcar industries. Lessee's financial resources might not be sufficient to absorb such effects, which could result in lease and charter restructurings and transportation asset repossessions, increased cost to re-lease/charter or sell transportation investments, impairment of the ability to re-lease/charter transportation investments on a timely basis and on favorable terms, or at all, and reduce the value received for transportation investments sold. Any of these events could materially adversely affect the financial performance of such investments and the investment strategies that hold such assets.

**Primary Risks Applicable to Global Special Situations Investments**

**Special Situations.** In any investment opportunity involving companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Adviser may be required to sell the investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies, there is a potential risk of loss of the entire investment in such companies. In connection with such transactions (or otherwise), the Adviser may decide to purchase securities on a when-issued basis, which means that delivery and payment take place sometime after the date of the commitment to purchase and is often conditioned upon the occurrence of a subsequent event, such as approval and consummation of a merger, reorganization or debt restructuring. The purchase price and/or interest rate receivable with respect to a when-issued security are fixed at commitment. Such securities are subject to changes in market value prior to their delivery.

**Primary Risks Applicable to Real Estate, Infrastructure, Transportation, Private Capital, and Special Situations Investments**

**Long-term Commitment Required.** A commitment to a fund or client account is typically a long-term investment. The expected term of each closed-ended fund vehicle can generally be up to fifteen years. There is a substantial period of time during which investors may be obligated to provide capital without receiving any return and regardless of the performance of the funds. Investors should be willing to hold their interests until the liquidation of the closed-ended fund. An open-ended fund generally may draw down the capital commitments of investors at any time during their term. Additionally, certain open-ended funds may be relatively illiquid over an extended period of time and in these cases investors will be required to bear the financial risk of their investment for such time.

**Lack of Control by Investors.** Investors generally will not have the ability to select, veto, or cause the sale or other disposition of any investments by the funds or client accounts or to determine the timing of any takedown, distribution, or liquidation of the funds in which a client invests directly or indirectly.

**Carried Interest and Other Fees Allocated or Payable to JPMC and Third Party Managers.** The Adviser or an Affiliate may receive a carried interest or performance fees in connection with managing funds and client accounts.

In addition, to the extent a fund or client account of the Adviser invests in other investment funds, the general partners or managers of such funds typically will receive a carried interest or performance fee based on a percentage of realized net profits. Certain direct investments made by funds or client accounts of the Adviser may also be subject to a carried interest or performance fee. The carried interest allocated to the Adviser or an Affiliate, and the carried interest or performance fee payable to managers underlying investments, if any, may create an incentive for the Adviser and such managers to make investments that are riskier or more speculative than would be the case in the absence of such compensation arrangements. Moreover, the carried interest or performance fee and any other fees payable to such managers indirectly is paid by investors in the funds or client accounts of the Adviser, as applicable, and reduces the return that ultimately would be payable to investors in such funds or to such accounts.

To the extent a real estate, infrastructure, transportation, private capital, or special situations fund or client account invests in a consortium or joint venture, the general partners, managers or promoters of such investments may receive a carried interest or performance fee based on a percentage of ongoing investment performance and/or realized net profits of such investment. The carried interest or performance fee and any other fees payable to such general partners, managers or promoters is paid by investors in the real estate, infrastructure, transportation, private capital, or special situations fund or client account, as applicable, and reduces the return that ultimately would be payable to investors in such funds or to such accounts.

**Illiquidity; Restrictions on Transfer and Withdrawal.** Investment in real estate, infrastructure, transportation, private capital, and special situations, strategies are highly illiquid. Except in certain very limited circumstances investors will not be permitted to transfer their interests without the prior written consent of the board of managers or general partner of the relevant fund, which may be granted or withheld in its sole discretion. The transferability of interests in the funds also is subject to certain restrictions contained in the funds' constitutive documents and restrictions on resale imposed under applicable securities laws. Additionally, certain funds advised the Adviser do not provide any withdrawal rights to investors.

Although certain real estate, infrastructure, and transportation funds advised by the Adviser permit withdrawals by clients, such withdrawals remain subject to the discretion of the Adviser, or the applicable general partner, manager, or board of directors in consultation with the Adviser. In exercising the discretion to repurchase interests, the Adviser and/or the relevant general partner, manager, or board of directors may determine that it is in the best interests of the fund and of those clients with investments in the fund who have not requested withdrawals to establish a queue to pay withdrawal requests out over time, and may further determine to aggregate in a queue clients who have submitted withdrawal requests with respect to successive withdrawal dates or to institute any other withdrawal procedures as it believes is fair and equitable. In the

event that such a queue is established, a client's shares or interests in the fund may be repurchased at a different net asset value per share or interest.

**Risks of Corporate Finance and Venture Capital Investments.** Investments made in connection with acquisition transactions are subject to a variety of special risks, including the risk that the acquiring company has paid too much for the acquired business, the risk of unforeseen liabilities, the risks associated with new or unproven management or new business strategies, the risk that the acquired business will not be successfully integrated with existing businesses or produce the expected synergies and the risk of the inability to execute on an exit strategy.

- Venture companies may be in an early stage of development, may not have a proven operating history, may have products that are not yet developed or ready to be marketed, or may not have an established market.
- Companies may face significant fluctuations in operating results, may need to engage in acquisitions or divestitures of assets to compete successfully or survive financially, may be operating at a loss, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or otherwise may have a weak financial condition.
- Companies may be highly leveraged and, as a consequence, subject to restrictive financial and operating covenants. The leverage may impair the ability of these companies to finance their future operations and capital needs. As a result, these companies may lack the flexibility to respond to changing business and economic conditions, or to take advantage of business opportunities.
- Companies may face intense competition, including competition from companies with far greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a larger number of qualified managerial and technical personnel.

**Penalty for Default.** An investor that defaults in any payment with respect to its capital commitment to a fund may be subject to substantial penalties, which could include for each event of default a reduction in its interest in such fund corresponding to a reduction in its capital contributions (but not below zero) by a substantial percentage.

**Diversification Risk.** A fund or client account may make only a limited number of investments and, as a consequence, the aggregate return on investments may be substantially adversely affected by the unfavorable performance of one or a small number of the investments.

**Joint Ventures and Other Investments.** As a part of certain investment strategies, alternatives products have made, and in the future will likely make, certain investments in joint ventures with third-party joint venture partners. Such investments may involve risks not present were other parties not involved, including, for example, that a joint venture partner has financial difficulties or becomes bankrupt, fails to fund its required capital contribution, has economic or business interests or goals which are inconsistent with those of an alternatives strategy or its investors or is in a position to take (or block) actions inconsistent with a strategy's objectives, including its decision to divest. Disputes between an alternative investment vehicle and its investors (together, an "Alternative Fund") and joint venture partners may lead to litigation or arbitration for which Alternative Fund may incur expenses and which could require investment personnel to direct their attention and resources to matters other than their ordinary investment activities. Consequently, actions by or disputes with joint venture partners might result in subjecting assets owned by the joint venture to additional risk. In addition, the Adviser and/or an Alternative Fund may be liable in certain circumstances for the actions of joint venture partners.

Moreover, Alternative Funds hold and may hold in the future non-controlling interests in certain joint ventures or, in certain limited circumstances, has made and may make in the future passive investments in certain synergistic or related investment opportunities which the Adviser believes would inure to the benefit of an Alternative Fund and its investors (e.g., an investment which is expected to provide the Fund with access to additional investment opportunities). Non-controlling interests in certain joint ventures or other investments



may limit an Alternative Fund's ability to protect its position in such investments or may result in impasses on decisions, such as a sale, because neither the Alternative Fund nor its joint venture partner would have full control over the joint venture. As well, even if the Alternative Fund has a first refusal right to buy out a joint venture partner, when exercisable, the Alternative Fund may not be able to finance such a buy-out or it may not be in the best interest of the Alternative Fund to so exercise. As well, if the Alternative Fund cannot finance such a buy-out and the Alternative Fund's interest is subject to a buy/sell right, it may be forced to sell its interest even if it would otherwise elect to keep it. If the Alternative Fund does buy one of its joint venture partner's interests, the Alternative Fund will then have increased exposure to the underlying investment. If the Alternative Fund desires to sell its interest in a joint venture, it may not be able to do so when, or at a price, that it prefers. Additionally, the price paid to buy or sell a joint venture interest is determined between the Alternative Fund and its joint venture partner and there is no guarantee the price will reflect the value of the underlying asset or equal the then-current value of the Alternative Fund's interest in the joint venture.

In addition, in certain situations, including where a joint venture investment is in bankruptcy or undergoing a reorganization, minority investors may be subject to the decisions taken by majority investors, and the outcome of an investment may depend on such majority-controlled decisions. Even in situations where an investment represents a controlling interest, an Alternative Fund may not have operational or day-to-day control over such investment.

**Availability of Investment and Disposition Opportunities.** The market for corporate finance, venture capital, and growth investments is limited and competitive. Identifying attractive investment opportunities is difficult and involves a high degree of uncertainty. Moreover, certain fund investments are from time to time oversubscribed, and it may not be possible to make investments that have been identified as attractive opportunities. There can be no assurance that a fund or client account managed by the Adviser will be able to fully invest in or dispose of its committed capital or that its investments will be profitable or that there will be any return of capital.

### **C. Risks Associated with Particular Types of Securities**

See Item 8.B for a summary of the risks associated with certain types of securities and asset classes.

## **ITEM 9**

### **Disciplinary Information**

#### **A. Criminal or Civil Proceedings**

The Adviser has no material civil or criminal actions to report.

#### **B. Administrative Proceedings Before Regulatory Authorities**

The Adviser has no material proceedings before regulatory authorities to report.

#### **C. Self-Regulatory Organization Proceedings**

The Adviser has no material SRO disciplinary proceedings to report.

**ITEM 10****Other Financial Industry Activities and Affiliations****A. Broker-Dealer Registration Status**

The Adviser is not a registered broker-dealer.

**B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor Registration Status**

The Adviser is an exempt commodity pool operator ("CPO") and exempt commodity trading advisor ("CTA") and does not require registration with the U.S. CFTC or the National Futures Association. The National Futures Association and CFTC each administer a comparable regulatory system covering futures contracts, swaps and various other financial instruments in which certain clients and pooled vehicles may invest.

**C. Material Relationships or Arrangements with Affiliated Entities**

The Adviser has certain relationships or arrangements with related persons that are material to its advisory business or its clients. Below is a description of such relationships and some of the conflicts of interest that arise from them. The Adviser has adopted policies and procedures reasonably designed to appropriately prevent, limit, or mitigate conflicts of interest that may arise between the Adviser and its Affiliates. These policies and procedures include information barriers designed to prevent the flow of information between the Adviser and certain other Affiliates, as more fully described below. For a more complete discussion of the conflicts of interest and corresponding controls designed to prevent, limit or mitigate conflicts of interests, please see Item 11.B, Participation or Interest in Client Transactions and Other Conflicts of Interest.

**Broker-Dealers****J.P. Morgan Securities LLC ("JPMS")**

JPMS, an Affiliate, is a U.S. Financial Industry Regulatory Authority ("FINRA") member and is dually registered as a broker-dealer and an investment adviser with the SEC. JPMS is also registered as a FCM with the CFTC. The Adviser has the following material relationships with JPMS:

i. Placement Agent

JPMS serves as placement agent for certain private funds. Typically, JPMS does not receive placement fees from such funds but receives fees directly from the Adviser and from certain investors subscribing for interests in such funds. These fees are typically in addition to the cost of the investors' subscription amounts.

JPMC, by virtue of its indirect interest in the Adviser, indirectly benefits from the services of placement agents when placement agents place interests which lead to an increase in assets upon which the Adviser receives fees from the funds. In addition, the potential for placement agents affiliated with JPMC, and for JPMC itself, to receive (directly or indirectly) compensation in connection with certain investors' subscriptions for private funds creates a conflict of interest in recommending investments in such funds. The remuneration relating to sales of interests in private funds managed by the Adviser from time to time will be greater than that of other products that placement agents might offer on behalf of JPMC or other sponsors. In such circumstances, the placement agents will have an incentive to recommend and offer interests in funds managed by the Adviser to their clients.

ii. Clearing Broker

The Adviser also utilizes JPMS as a FCM only for clearing purposes for certain accounts that specifically direct the Adviser to do so. Futures transactions are not executed by JPMS.

iii. JPMorgan Funds - Money Market Instruments

The Adviser and certain JPMorgan Funds have been granted exemptive orders by the SEC pursuant to which certain JPMorgan Funds are permitted to engage in principal transactions with JPMS involving taxable and tax-exempt money market instruments (including commercial paper, banker acceptances and medium term notes) and repurchase agreements. The orders are subject to certain conditions, which are intended to avoid potential conflicts of interest. The Adviser has controls in place to monitor its ongoing compliance with the conditions.

iv. Index Provider

JPMS develops indices that may be used by certain index tracking products managed by the Adviser. Alternatively, an index or notional product may reflect strategic input from both the Adviser and JPMS. The Adviser may also act as sub-adviser on certain JPMS initiatives.

JPMorgan Securities plc

JPMorgan Securities plc is a UK domiciled broker-dealer with which the Adviser may undertake client securities transactions.

**Investment Companies or Other Pooled Investment Vehicles**

The Adviser is the investment adviser or sub-adviser for various JPMorgan Affiliated Funds, including funds organized under the laws of other countries and jurisdictions. JPMAM (UK) advises funds operated by JPMorgan Funds Limited.

The Adviser often recommends and invests client accounts in JPMorgan Affiliated Funds which creates a conflict of interest because the Adviser and/or its Affiliates benefit from increased allocations to the JPMorgan Affiliated Funds, and certain Affiliates of the Adviser may receive distribution, placement, administration, custody, trust services or other fees for services provided to such funds. Please refer to the Conflicts Relating to the Adviser's Recommendations or Allocations of Client Assets to JPMorgan Affiliated Funds section within Item 11.B, for a more complete discussion regarding conflicts of interest.

As described in Item 5, the Adviser generally does not receive advisory fees from both the client's separate account and the JPMorgan Affiliated Fund in which the separate account is invested. Please refer to Item 5.E, Additional Compensation and Conflicts of Interest.

**Other Investment Advisers, Commodity Pool Operators, and Commodity Trading Advisors**

The Adviser has relationships that are material to its investment advisory business with the following affiliated investment advisers: JPMorgan Asset Management (Europe) S.á r.l., JPMIM, and JPMorgan Funds Limited.

Among the above named affiliates, JPMIM and JPMorgan Funds Limited are SEC-registered investment advisers; and JPMorgan Asset Management (Europe) S.á r.l. is an exempt reporting adviser.

JPMIM is also registered as a CPO and CTA with the CFTC. JPMorgan Funds Limited are exempt CPOs with the CFTC.

With respect to certain client accounts and funds, the Adviser delegates some or all of its responsibilities as adviser to other affiliated advisers, which creates conflicts of interest related to the Adviser's determination to use, suggest, or recommend the services of such entities because the Adviser and/or its Affiliates may benefit



from increased allocations to their businesses. Affiliated advisers also delegate functions to the Adviser. The particular services involved will depend on the types of services offered by the relevant Affiliate. Please refer to the Conflicts Relating to the Adviser's Recommendations or Allocations of Client Assets to JPMorgan Affiliated Funds section and the Sub-Advisory Relationships section within Item 11.B, for a more complete discussion regarding conflicts of interest.

The Adviser typically compensates other affiliated advisers out of the advisory fees it receives from the relevant fund or client account. The Adviser also serves as adviser or sub-adviser for various client accounts and funds managed by its Affiliates. In addition, as described above, the Adviser recommends and invests certain client accounts and funds in JPMorgan Affiliated Funds. The Adviser generally does not charge dual level fees as described in Item 5.E, Additional Compensation and Conflicts of Interest. Where the Adviser delegates advisory responsibilities to affiliated SEC registered investment advisers, a copy of the brochure of each such affiliate is available on the SEC's website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) and will be provided to clients or prospective clients upon request.

### **Banking or Thrift Institution**

JPMC, the Adviser's parent company is a public company that is a bank holding company registered with the Federal Reserve. JPMC is subject to supervision and regulation by the Federal Reserve and is subject to certain restrictions imposed by the BHCA and related regulations. For a more complete discussion of the BHCA's restrictions that may apply to the Adviser's activities please see the disclosure describing Regulatory Risk within Item 8.B.

#### JPMorgan Chase Bank, N.A. ("JPMCB")

JPMCB is a national banking association affiliated with the Adviser. JPMCB is subject to supervision and regulation by the U.S. Department of Treasury's Office of the Comptroller of the Currency. JPMCB is also an exempt CPO and exempt CTA with the CFTC. JPMCB provides investment advisory, trustee, custody, fund accounting, and other services to JPMorgan Funds, JPMorgan Affiliated Funds and to institutional clients. Certain personnel of the Adviser are also officers of JPMCB and provide investment advisory and other services to bank-sponsored collective investment trust funds established and maintained by JPMCB, private funds or separately managed accounts managed by JPMCB. In such cases, the Adviser coordinates portfolio management and trading activities among its clients and clients of JPMCB as further described in Item 12.B, Order Aggregation.

The Securities Services unit of JPMCB has an agreement with the Adviser and an agreement with its Affiliate, JPMIM, to provide the following services to the Adviser:

- Risk as a Service ("RaaS"), i.e., derivative risk analytics, pricing, and other services.
- Middle office services, i.e., core trade support, reconciliations, IBOR data services, investment accounting, and operational reporting to the Adviser.

These arrangements create a conflict of interest as there is a financial incentive in selecting JPMCB over an unaffiliated service provider, to the benefit of JPMCB and indirectly, JPMC. To mitigate this conflict, the Adviser undertakes appropriate due diligence, oversight and governance in its review and selection of all service providers, regardless of whether those service providers are Affiliates or otherwise. In addition, with regard to potential conflicts related to the disclosure of information to JPMCB, the Securities Services unit has agreed to only use, disclose, or distribute relevant information to employees or agents of JPMCB who are actively and directly engaged in the respective RaaS or middle office services. The Securities Services unit does not provide such information to any other employees or agents of JPMCB, its affiliates or any unaffiliated third parties with the exception of client service providers who require the information to provide client services, regulators, auditors, or as otherwise required by applicable law.

Certain functions, such as human resources, legal, compliance, IT, and risk management, are provided through AM and/or JPMC as shared functions across all of its geographical entities.

J.P. Morgan (Suisse) SA

J.P. Morgan (Suisse) SA serves as paying agent in Switzerland to certain private funds advised by JPMAM (UK) and as distributor for funds sub-advised by JPMAM (UK).

**Sponsor or Syndicator of Limited Partnerships**

From time to time, the Adviser or its related persons act as a general partner, special limited partner of a limited partnership, or managing member or special member of a limited liability company to which the Adviser serves as an adviser, sub-adviser, or provides other services. The Adviser and related persons may solicit the Adviser's clients to invest in such limited partnerships or limited liability companies, for which the Adviser or a related person may receive compensation.

Related persons of the Adviser may serve as a director of a U.S. or non-U.S. investment company or other corporate entity for which the Adviser may solicit clients to invest. For a list of such funds, please refer to Section 7.B of Schedule D in Form ADV Part 1A.

**Pricing and Trading Platforms**

PricingDirect Inc. ("PricingDirect") is an approved pricing vendor and an Affiliate of the Adviser. PricingDirect is used as a primary pricing source for emerging market debt securities or secondary pricing source for certain OTC derivatives and fixed income securities. PricingDirect has an evaluation methodology for certain fixed income securities and OTC derivatives that is widely relied upon within the financial services industry.

Valuations received by the Adviser from PricingDirect are the same as those provided to other affiliated and unaffiliated entities.

The Adviser utilizes established controls to oversee all pricing services, including those provided by affiliated and unaffiliated entities. Controls include ongoing and routine due diligence reviews of prices received from affiliated and unaffiliated sources.

**Service Providers in Which the Adviser or its Affiliates Hold an Interest**

JPMC and its affiliates own interests in electronic communication networks and alternative trading systems (collectively "ECNs"), although these interests are not significant enough to cause the ECNs to be designated as an Affiliate of the Adviser. The Adviser from time to time executes client trades through ECNs in which JPMC and its affiliates hold an interest. In such cases, an Affiliate will be indirectly compensated proportionate to its ownership interest. The Adviser will only execute a trade through an ECN in which an Affiliate holds an interest when the Adviser reasonably believes it to be in the interest of clients and the requirements of applicable law have been satisfied. The Adviser may also execute foreign currency transactions using ECNs in which an Affiliate may have an equity interest. As discussed in further detail in Item 12, Brokerage Practices, the Adviser strives to ensure that transactions with Affiliates and related persons are subject to the Adviser's duty of seeking best execution for its clients.

**Considerations Relating to Information Held by the Adviser and Its Affiliates**

JPMAM maintains various types of internal information barriers and other policies that are designed to prevent certain information from being shared or transmitted to other business units within JPMAM, WM, and within JPMC more broadly. The Adviser relies on these information barriers to protect the integrity of its investment process and to comply with fiduciary duties and regulatory obligations. The Adviser also relies upon these barriers to mitigate potential conflicts, to preserve confidential information and to prevent the inappropriate flow of material, non-public information and confidential information to and from the Adviser, to other public and private JPMC lines of business, and between the Adviser's sub-lines of business. Material, non-public information ("MNPI") is information not generally disseminated to the public that a reasonable

investor would likely consider important in making an investment decision. This information is received voluntarily and involuntarily and under varying circumstances, including, but not limited to, upon execution of a non-disclosure agreement, as a result of serving on the board of directors of a company, serving on ad hoc or official creditors' committees and participation in risk, advisory or other committees for various trading platforms, clearinghouses and other market infrastructure related entities and organizations. The Adviser's information barriers include, where appropriate: information system firewalls; the establishment of separate legal entities; physical separation of employees from different business divisions; and written policies and procedures designed to limit the sharing of MNPI and confidential information.

As a result of information barriers, the Adviser generally will not have access, or will have limited access, to information and personnel in other areas of JPMC. In certain instances, the Adviser will receive data and information from other areas of JPMC. Such data and information is provided subject to the AM and JPMC control framework and information barrier policies. As described above, information barriers also exist between certain businesses within the Adviser. There may be circumstances in which, as a result of information held by certain portfolio management teams, or others, the Adviser limits an activity or transaction for certain client accounts or funds, including client accounts or funds managed by portfolio management teams other than the team holding such information.

For additional information regarding restrictions on trading on MNPI and potential related conflicts of interest, please see Item 11.A, Code of Ethics and Personal Trading and Item 11.B, Participation or Interest in Client Transactions and Other Conflicts of Interest.

#### **D. Material Conflicts of Interest Relating to Other Investment Advisers**

As described in Item 10.C above, with respect to certain client accounts and funds, the Adviser delegates some or all of its responsibilities as adviser to other affiliated advisers or is delegated responsibilities by an affiliated adviser. The Adviser typically compensates other affiliated advisers out of the advisory fees or incentive compensation it receives from the relevant fund or client account or otherwise shares such advisory fees or incentive compensation with such affiliated advisers. In addition, the Adviser recommends and invests certain client accounts and funds in certain JPMorgan Affiliated Funds managed by affiliated advisers. For more information, see the Conflicts Relating to the Adviser's Recommendations or Allocations of Client Assets to JPMorgan Affiliated Funds section and the Sub-Advisory Relationships section within Item 11.B.

As described in Item 5, the Adviser generally does not charge dual level fees. Please refer to Item 5.E, Additional Compensation and Conflicts of Interest.

Certain JPMorgan Affiliated Funds invest in Unaffiliated Funds for the limited purpose of gaining exposure to underlying funds that pursue a passive index strategy or for certain alternative investment strategies. For more information, see Item 5.E, Additional Compensation and Conflicts of Interest and the Conflicts Relating to the Adviser's Recommendations or Allocations of Client Assets to JPMorgan Affiliated Funds section within Item 11.B.

The Adviser uses the advisory services of unaffiliated investment advisers but does not receive compensation from the unaffiliated investment advisers for retaining such services. Where an unaffiliated investment adviser provides sub-advisory services, the unaffiliated adviser is paid a portion of the advisory fees the Adviser receives from the client. Therefore, the Adviser's clients do not incur additional fees as a result of these relationships. For more information, see the Sub-Advisory Relationships section within Item 11.B.

**ITEM 11****Code of Ethics, Participation or Interest in Client Transactions and Personal Trading****A. Code of Ethics and Personal Trading**

The Adviser and its registered investment adviser Affiliates have adopted the Code of Ethics for JPMAM (the “Code of Ethics”) pursuant to Rule 204A-1 under the Advisers Act. The Code of Ethics is designed to ensure that the Adviser's employees comply with applicable federal securities laws and place the interests of clients first in conducting personal securities transactions. The Code of Ethics imposes certain restrictions on securities transactions in the personal accounts of covered persons to help avoid or mitigate conflicts of interest, as described more fully below. A copy of the Code of Ethics is available free of charge to any client upon request by contacting your client service representative or financial adviser.

The Code of Ethics contains policies and procedures relating to:

- Account holding reports, personal trading, including reporting and pre-clearance requirements for all employees of the Adviser;
- Confidentiality obligations to clients set forth in the JPMC privacy notices;
- Employee conflicts of interest, which includes guidance relating to restrictions on trading on MNPI, gifts and business hospitality, political and charitable contributions and outside interests; and
- Escalation guidelines for reporting Code of Ethics violations.

In general, the personal trading rules under the Code of Ethics require that accounts of employees and associated persons be maintained with an approved broker and that certain trades in reportable securities for such accounts be pre-cleared and monitored by Compliance personnel. The Code of Ethics also prohibits certain types of trading activity, such as short-term and speculative trades. Employees of the Adviser must obtain approval prior to engaging in all covered security transactions, including those issued in private placements. In addition, certain employees of the Adviser are not permitted to buy or sell securities issued by JPMC during certain periods throughout the year. Certain “Access Persons” (defined as persons with access to non-public information regarding the Adviser's recommendations to clients, purchases, or sales of securities for client accounts and advised funds) are prohibited from executing personal trades in a security or similar instrument five 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 of the Adviser's employees are subject to the JPMC firm-wide policies and procedures including those found in JPMC's Code of Conduct (the “Code of Conduct”). The Code of Conduct sets forth restrictions regarding confidential and proprietary information, information barriers, private investments, outside interests and personal trading. All JPMC employees, including the Adviser's employees, are required to familiarize themselves with, comply with, and attest annually to their compliance with the provisions of the Code of Conduct's terms as a condition of continued employment.

**B. Participation or Interest in Client Transactions and Other Conflicts of Interest****JPMC Acting in Multiple Commercial Capacities**

JPMC 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 the Adviser's client accounts invest or may invest. JPMC is typically entitled to compensation in connection with these activities and the Adviser's clients will not be entitled to any such compensation. In providing services and products to clients other than the Adviser's clients, JPMC, from time to time, faces conflicts of

interest with respect to activities recommended to or performed for the Adviser's clients on one hand and for JPMC's other clients on the other hand. For example, JPMC 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. JPMC also advises and represents potential buyers and sellers of businesses worldwide. The Adviser's client accounts have invested in, or may wish to invest in, such entities represented by JPMC or with which JPMC has a banking, advisory, or other financial relationship. In addition, certain clients of JPMC, including the Adviser's clients, may invest in entities in which JPMC holds an interest, including a JPMorgan Affiliated Fund. In providing services to its clients and as a participant in global markets, JPMC from time to time recommends or engages in activities that compete with or otherwise adversely affect an Adviser's client account or its investments. It should be recognized that such relationships can preclude the Adviser's clients from engaging in certain transactions and can also restrict investment opportunities that may be otherwise available to the Adviser's clients. For example, JPMC 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 the Adviser's clients. There are circumstances in which advisory accounts are precluded from participating in such transactions as a result of JPMC's engagement by such companies. JPMC reserves the right to act for these companies in such circumstances, notwithstanding the potential adverse effect on the Adviser's clients. In addition, JPMC derives ancillary benefits from providing investment advisory, custody, administration, prime brokerage, transfer agency, fund accounting and shareholder servicing, and other services to the Adviser's clients, and providing such services to the Adviser's clients may enhance JPMC's relationships with various parties, facilitate additional business development, and enable JPMC to obtain additional business and generate additional revenue. For example, allocating a client account's assets or a JPMorgan Affiliated Fund's assets to a third-party private fund or product enhances JPMC's relationship with such third-party private fund or product and their affiliates and could facilitate additional business development or enable JPMC or the Adviser 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 the Adviser and JPMC may have in transactions effected by, with, or on behalf of its clients. In addition to the specific mitigants described further below, the Adviser 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 if prohibited by law, are conducted under an available exception.

*JPMC Service Providers and Their Relationships with Issuers of Debt or Equity Instruments held by Client Accounts*

JPMC or the Adviser's related persons provide financing, consulting, investment banking, management, custodial, transfer agency, shareholder servicing, treasury oversight, administration, distribution, underwriting, including participating in underwriting syndicates, brokerage (including prime brokerage), or other services to, and receive customary compensation from, an issuer of equity or debt securities held by client accounts or JPMorgan Affiliated Funds managed by the Adviser or the portfolio companies in which such accounts or funds invest. These relationships generate revenue to JPMC and could influence the Adviser in deciding whether to select or recommend such investment funds, products, or companies for investments by client accounts or JPMorgan Affiliated Funds, in deciding how to manage such investments, and in deciding when to realize such investments. For example, JPMC earns compensation from private funds or their sponsors or investment products for providing certain services. The Adviser has an incentive to favor such funds or products over other funds or products with which JPMC has no relationship when investing on behalf of, or recommending investments to, client accounts or JPMorgan Affiliated Funds because such investments potentially increase JPMC's overall revenue. In providing these services, JPMC could also act in a manner that is detrimental to a client account or JPMorgan Affiliated Fund, such as when JPMC is providing financing services and it determines to close a line of credit to, to not extend credit to, or to foreclose on the assets of, an investment vehicle or a portfolio company in which a client account or JPMorgan Affiliated Fund invests, or when JPMC advises a client and such advice is adverse to a client account or JPMorgan Affiliated Fund. Any fees or other compensation received by JPMC in connection with such activities will not be shared with the Adviser's clients. Such compensation could include financial advisory fees, monitoring fees, adviser fees, or



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

*Client Participation in Offerings where JPMC acts as Underwriter or Placement Agent*

When permitted by a client's investment guidelines, objectives, restrictions, conditions, limitations, directions, and cash needs, and subject to compliance with applicable law, regulations, and exemptions, the Adviser from time to time purchases securities for client accounts during an underwriting or other offering of such securities in which a broker-dealer Affiliate of the Adviser acts as a manager, co-manager, underwriter or placement agent. The Adviser's Affiliate typically receives a benefit in the form of management, underwriting, or other fees.

When a broker-dealer Affiliate serves as underwriter in connection with an initial or secondary public offering of securities held in client accounts or certain JPMorgan Affiliated Funds managed by the Adviser, JPMC typically requires certain equity holders, including such client account or such JPMorgan Affiliated Fund, to be subject to a lock-up period following the offering during which time such equity holders' ability to sell any securities is restricted. In addition, JPMC internal policies or identified actual or potential conflicts arising from the role of such broker-dealer Affiliate could preclude a client account or a JPMorgan Affiliated Fund from selling into such an offering. These factors could restrict the Adviser's ability to dispose of such securities at an opportune time and thereby adversely affect the relevant account or JPMorgan Affiliated Fund and its performance. Affiliates of the Adviser also act in other capacities in such offerings and such Affiliates will receive fees, compensation, or other benefit for such services.

The commercial relationships and activities of the Adviser's Affiliates may at times indirectly preclude the Adviser from engaging in certain transactions on behalf of its clients and constrain the investment flexibility of client accounts. For example, when an Affiliate of the Adviser is the sole underwriter of an initial or secondary offering, the Adviser cannot purchase or sell securities in the offering for its clients. In such case, the universe of securities and counterparties available to the Adviser's clients will be smaller than that available to clients of advisers that are not affiliated with major broker-dealers.

*Client Participation in Structured Fixed Income Offerings in which an Affiliate is a Service Provider*

Subject to applicable law, the Adviser expects to participate in structured fixed income offerings of securities in which an Affiliate, acting on behalf of an issuer serves as trustee, depositor, originator, service agent, or other service provider, and receives fees for such service. For example, from time to time, JPMC acts as the originator or agent of loans or receivables for the structured fixed income offerings in which the Adviser may invest for clients. In transactions where the Affiliate has agreed to hold or acquire unsold securities in an offering, participation by client accounts will relieve the Affiliate of such obligation.

*JPMC Service Providers and their Funds in Client Accounts*

JPMC faces conflicts of interest when certain JPMorgan Affiliated Funds select service providers affiliated with JPMC because JPMC receives greater overall fees when they are used. Affiliates provide investment advisory, custody, administration, fund accounting, and shareholder servicing services to certain JPMorgan Affiliated Funds for which the Affiliates are compensated by such funds. In addition, certain Unaffiliated Funds in which the Adviser invests on behalf of its clients, in the normal course of their operations, may engage in ordinary market transactions with JPMC, or may have entered into service contracts or arrangements with JPMC. For example, the Adviser may allocate client assets to an Unaffiliated Fund that trades OTC derivatives with JPMC. Similarly, JPMC provides custodial, brokerage, administrative, or other services to Unaffiliated Funds in which the Adviser invests on behalf of its clients. These relationships could potentially influence the Adviser in deciding whether to select such funds for its clients or recommend such funds to its clients.

Conflicts Related to Advisers and Service Providers

Certain advisers or service providers to clients and funds managed by the Adviser (including investment advisers, accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and investment or commercial banking firms) provide goods or services to, or have business, personal, financial, or other relationships with JPMC and/or the Adviser, their Affiliates, advisory clients, and portfolio companies. Such advisers and service providers may be clients of JPMC and the Adviser, sources of investment opportunities, co-investors, commercial counterparties, or entities in which JPMC has an investment. Additionally, certain employees of JPMC or the Adviser could have family members or relatives employed by such advisers and service providers. These relationships could have the appearance of affecting or potentially influencing the Adviser in deciding whether to select or recommend such advisers or service providers to perform services for its clients or investments held by such clients (the cost of which will generally be borne directly or indirectly by such clients).

In addition, JPMC has entered into arrangements with service providers that include fee discounts for services rendered to JPMC. For example, certain law firms retained by JPMC discount their legal fees based upon the type and volume of services provided to JPMC. The cost of legal services paid by the Adviser's clients is separately negotiated and is not included in the negotiation or calculation of the JPMC rate and, as a result, the fees that are charged to the clients typically reflect higher billing rates. In the event that legal services are provided jointly to JPMC and a client with respect to a particular matter, the client and JPMC will each bear their pro-rata share of the cost of such services which may reflect the JPMC discount or a higher rate, depending on the facts and circumstances of the particular engagement.

Investment Opportunities Sourced by JPMC

From time to time, the Adviser's Affiliates, including, but not limited to, Affiliates within JPMC's investment, commercial, and private banking divisions and JPMC's corporate functions, introduce to the Adviser a potential transaction involving the sale or purchase of private securities, loans, real estate, infrastructure or transportation investments that may be suitable for a private fund or client account managed by the Adviser. If such fund or account pursues the resulting transaction, JPMC will have a conflict in its representation of the Adviser's client over the price and terms of the fund's investment or disposal.

The Adviser's Affiliates could also provide investment banking, advisory, or other services to competitors of the Adviser's clients with respect to the prospective or existing investments held by such clients or with respect to certain investments that the Adviser's clients are considering, or are in the process of acquiring. Such activities will present JPMC with a conflict of interest vis-à-vis the Adviser's client's investment and may also result in a conflict with respect to the allocation of resources to such competitors.

Restrictions Relating to JPMC Directorships/Affiliations

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

In connection with investments on behalf of funds or clients, the Adviser may receive representation on an Unaffiliated Fund or portfolio company's board of directors, advisory committee or another similar group, and may participate in general operating activities. Applicable securities laws and internal policies of the Adviser could limit the ability of employees of the Adviser to serve on such boards or committees. If employees of the Adviser serve on a board or committee of an Unaffiliated Fund or portfolio company, such persons may have conflicts of interest in their duties as members of such board or committee and as employees of the Adviser.

In addition, such persons and such funds or clients will likely be subject to certain investment and trading limitations if such persons receive MNPI in connection with serving on such boards or committees.

Principal Transactions, Cross and Agency Cross Transactions

When permitted by applicable law and the Adviser's policy, the Adviser, acting on behalf of its client accounts, from time to time enters into transactions in securities and other instruments with or through JPMC, and causes accounts to engage in principal transactions, cross transactions, and agency cross transactions. A "principal transaction" occurs if the Adviser, acting on behalf of its client accounts, knowingly buys a security from, or sells a security to, the Adviser's or its Affiliate's own account.

A "cross transaction" occurs when the Adviser arranges a transaction between different client accounts where the client accounts buy and sell securities or other instruments from, or to, each other. For example, in some instances a security to be sold by one client account may independently be considered appropriate for purchase by another client account. In such cases, the Adviser may, but is not required, to cause the security to be "crossed" or transferred directly between the relevant accounts at an independently determined market price and without incurring brokerage commissions, although customary custodian fees and transfer fees may be incurred, no part of which will be received by the Adviser.

An "agency cross transaction" occurs if JPMC acts as broker for, and receives a commission from a client account of the Adviser on one side of the transaction and a brokerage account on the other side of the transaction in connection with the purchase or sale of securities by the Adviser's client account. The Adviser faces potentially conflicting division of loyalties and responsibilities to the parties in such transactions, including with respect to a decision to enter into such transactions as well as with respect to valuation, pricing, and other terms. No such transactions will be effected unless the Adviser determines that the transaction is in the best interest of each client account and permitted by applicable law.

The Adviser has adopted policies and procedures in relation to such transactions and conflicts. In the case of funds or certain other client accounts, consent may be granted by a governing body or a committee of investors or independent persons acting for a client account, in which case other investors will not have the opportunity to provide or withhold consent to the proposed transaction. Where a registered investment company participates in a cross trade, the Adviser will comply with procedures adopted pursuant to Rule 17a7 under the 1940 Act and related regulatory authority.

Futures Execution and/or Clearing with Adviser's Related Person

The Adviser's related persons provide futures execution and/or clearing services for a fee. The Adviser uses a related person as futures clearing agent for certain accounts that specifically direct the Adviser to do so. In these cases, the Adviser or related person acts in a fiduciary capacity, and the other related person will receive consideration for services rendered. Please see Item 12.A.3 for additional information regarding conflicts of interest associated with directed brokerage.

**Investing in Securities which the Adviser or a Related Person Has a Material Financial Interest**

Recommendation or Investments in Securities that the Adviser or Its Related Persons may also Purchase or Sell

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

#### Investments in Direct Private Equity Offerings or Co-Investments

The Adviser on behalf of its funds and advisory clients may invest in direct private equity offerings or co-investments, which involve the Adviser's related persons who are participants in the offering or who provide services to or receive services from the issuer or other parties in the offering. Clients of the Adviser will from time to time participate in the same offering as related persons. This participation may be at the same price or a higher or lower price as the related persons and related persons may sell their equity position prior to or after the Adviser's clients at a higher or lower price than the Adviser's clients. In addition, a conflict of interest exists when the Adviser and the Adviser's clients invest in different instruments or classes of securities than related persons as described below in "Investments in Different Parts of an Issuer's Capital Structure". To identify and mitigate actual or potential conflicts of interest arising from such activities, the Adviser has created a process for direct investing, which includes a review with JPMC's Global Conflicts Office.

#### JPMC's Proprietary Investments

The Adviser, JPMC, 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 the Adviser and/or JPMC. The Adviser and/or JPMC, within their discretion, may 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. The proprietary activities, investments, or portfolio strategies of the Adviser and/or JPMC give rise to a conflict of interest with the transactions and strategies employed by the Adviser on behalf of its clients and affect the prices and availability of the investment opportunities in which the Adviser invests on behalf of its clients. Further, the Adviser is not required to purchase or sell for any client account securities that it, JPMC, and any of their employees, principals, or agents may purchase or sell for their own accounts or the proprietary accounts of the Adviser, or JPMC. The Adviser, JPMC, 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 the Adviser or JPMC.

#### Proprietary Investments by the Adviser and/or its Related Persons - Initial Funding

In the ordinary course of business, and subject to compliance with applicable regulations, the Adviser or its related persons from time to time provide the initial funding ("JPMC Seed Capital") necessary to establish new funds for developing new investment strategies and products. These funds may be in the form of registered investment companies, private funds (such as partnerships), limited liability companies and may invest in the same securities as other client accounts. JPMC Seed Capital in any such seeded fund can be redeemed at any time generally without notice as permitted by the governing documentation of such funds and applicable regulations. Due to the requirements of the Volcker Rule, JPMC Seed Capital is generally required to be withdrawn within a period of one to three years following the launch of a fund (See Item 8.B, Regulatory Risk). A large redemption of shares by the Adviser or its related persons could result in the fund selling securities when it otherwise would not have done so, accelerating the realization of capital gains and increasing transaction costs. A large redemption of shares could also significantly reduce the assets of a fund, causing a higher expense ratio and decreased liquidity. From time to time, the Adviser uses derivatives to hedge all or a portion of these seed capital investments. JPMC Seed Capital may also subject a fund to additional regulatory restrictions. For example, seeded funds may be precluded from buying or selling certain securities, including IPOs. Where permitted these funds and accounts may, and frequently do, invest in the same securities as other funds and client accounts managed by the Adviser. The Adviser's policy is to treat seeded funds and

accounts in the same manner as other funds and client accounts for purposes of order aggregation and allocation.

*Proprietary Investments by Employees' in JPMAM Pooled Investment Vehicles*

Certain of the Adviser's employees, and investment vehicles formed to facilitate investments by the Adviser's employees, are permitted to invest directly or indirectly in pooled vehicles managed by the Adviser and they may benefit from the investment performance of those pooled vehicles. Employees' investments in private placements or other securities must be pre-cleared. AM compliance is responsible for reviewing these pre-clearance requests and monitoring the activities of employees holding such positions for conformity with the Adviser's policies.

The Volcker Rule prohibits or limits the ability of the Adviser and its related persons to engage in certain of these activities. For a more complete discussion of the Volcker Rule's restrictions please refer to Item 8.B, Regulatory Risk.

*Investments in JPMorgan Affiliated Funds by Client Accounts*

To the extent permitted by applicable law, the Adviser may allocate the assets of a JPMorgan Affiliated Fund, including a fund-of-funds, to another JPMorgan Affiliated Fund(s), which may be managed by one or more of the same portfolio managers. Similarly, the Adviser may allocate the assets of a separately managed account to a JPMorgan Affiliated Fund(s), which may be managed by one or more of the same portfolio managers of the respective separately managed account. These scenarios create potential conflicts of interest (discussed below in "Conflicts Related to the Advising of Multiple Accounts"), as well as conflicts related to asset allocation, and the timing of JPMorgan Affiliated Fund purchases and redemptions. The Adviser, its employees, and/or its Affiliates, including the JPMorgan Affiliated Fund's portfolio managers, may receive increased compensation in the form of the fees and expenses charged by the underlying JPMorgan Affiliated Fund (if such fees and expenses are not waived). The Adviser has an incentive to allocate assets of a separately managed account or an Affiliated JPMorgan Fund to a JPMorgan Affiliated Fund that is small or pays higher fees to the Adviser or its Affiliates. In addition, the Adviser could have an incentive not to withdraw a separately managed account's or JPMorgan Affiliated Fund's investment from a JPMorgan Affiliated Fund in order to avoid or delay the withdrawal's adverse impact on the underlying fund.

The Adviser has a conflict of interest to the extent that it recommends or invests client accounts in JPMorgan Affiliated Funds because the Adviser and /or its Affiliates may benefit from increased allocations to the JPMorgan Affiliated Funds. In addition, certain Affiliates of the Adviser may receive distribution, placement, administration, custody, trust services or other fees for services provided to such funds.

The Adviser could have an incentive to allocate assets of a client account or JPMorgan Affiliated Fund to new JPMorgan Affiliated Funds to help such funds develop new investment strategies and products. The Adviser could have an incentive to allocate assets of the client accounts and JPMorgan Affiliated Funds to an underlying JPMorgan Affiliated Fund that is small, pays higher fees to the Adviser or its Affiliates, or to which the Adviser or its Affiliates provided seed capital. In addition, the Adviser could have an incentive not to withdraw its client's investment from an underlying JPMorgan Affiliated Fund in order to avoid or delay the withdrawal's adverse impact on the fund.

Certain JPMorgan Affiliated Funds, including funds-of-funds managed by the Adviser, and certain accounts managed by the Adviser or its Affiliates have significant ownership in certain JPMorgan Affiliated Funds. The Adviser and its Affiliates face conflicts of interest when considering the effect redemptions may have on such funds and on other unit holders in deciding whether and when to redeem units. A large redemption of units by a fund-of-funds or by the Adviser acting on behalf of its discretionary clients could result in the underlying JPMorgan Affiliated Fund selling securities when it otherwise would not have done so, thereby increasing transaction costs. A large redemption could also significantly reduce the assets of the underlying fund, causing decreased liquidity and, depending on any applicable expense caps, a higher expense ratio or

liquidation of the fund. The Adviser has policies and controls in place to govern and monitor its activities and processes for identifying and managing such conflicts of interest.

The portfolio managers and research analysts and research analysts of certain funds-of-funds managed by the Adviser have access to the holdings and may have knowledge of the investment strategies and techniques of certain underlying JPMorgan Affiliated Funds, for example, because they are portfolio managers or research analysts for separately managed accounts following similar strategies as a JPMorgan Affiliated Fund or are part of the team that provides research or manages the underlying fund or are part of the team that provides research or manages the underlying fund. These individuals therefore face conflicts of interest in the timing and amount of allocations made to an underlying fund, as well as in the choice of an underlying fund.

### **Sub-Advisory Relationships**

#### *Conflicts Related to the Engagement of Sub-Advisers*

The Adviser engages affiliated and/or unaffiliated sub-advisers for certain pooled investment vehicles. The Adviser typically compensates sub-advisers out of the advisory fees it receives from the vehicle, which creates an incentive for the Adviser to select sub-advisers with lower fee rates or to select affiliated sub-advisers. In addition, the sub-advisers have interests and relationships that create actual or potential conflicts of interest related to their management of the assets of such investment vehicle. Such conflicts of interest may be similar to, different from, or supplement those conflicts described herein relating to JPMC and the Adviser.

### **JPMC's Policies and Regulatory Restrictions Affecting Client Accounts and Funds**

As part of a global financial services firm, the Adviser may be precluded from effecting or recommending transactions in certain client accounts and may restrict its investment decisions and activities on behalf of its clients due to applicable law, regulatory requirements, other conflicts of interest, information held by the Adviser or JPMC, the Adviser's and/or JPMC's roles in connection with other clients and in the capital markets, JPMC's internal policies, and/or potential reputational risk. As a result, client accounts managed by the Adviser may be precluded from acquiring, or disposing of, certain securities or instruments at any time. This includes the securities issued by JPMC. However, with respect to voting proxies on behalf of the Adviser's clients, the Adviser, as a fiduciary, will vote proxies independently and in the best interests of its clients, as described in Item 17, Voting Client Securities.

#### *Restrictions on Joint Transactions between Registered Investment Companies and Affiliates and Other Investment Limitations*

Potential conflicts of interest exist when JPMC maintains certain overall investment limitations on positions in securities or other financial instruments due to, among other things, investment restrictions imposed upon JPMC by law, regulation, contract, or internal policies. These limitations have precluded and, in the future could preclude, certain accounts managed by the Adviser from purchasing particular securities or financial instruments, even if the securities or financial instruments would otherwise meet the investment objectives of such accounts. For example, there are limits on the aggregate amount of investments by affiliated investors in certain types of securities within a particular industry group that may not be exceeded without additional regulatory or corporate consent. There are also limits on aggregate positions in futures and options contracts held in accounts deemed owned or controlled by the Adviser and its Affiliates, including funds and client accounts managed by the Adviser and its Affiliates. If such aggregate ownership thresholds are reached, the ability of a client to purchase or dispose of investments, or exercise rights or undertake business transactions, will be restricted.

Potential conflicts of interest may also arise as a result of the Adviser's current policy to seek to manage its clients' accounts so that the various requirements and liabilities imposed pursuant to Section 16 of the Securities Exchange Act of 1934 ("Section 16" and the "Exchange Act", respectively) are not triggered.

Section 16 applies to, among other things, “beneficial owners” of 10% or more of any security subject to reporting under the Exchange Act. In addition to certain reporting requirements, Section 16 also imposes on such “beneficial owner” a requirement to disgorge “short-swing” profits derived from the purchase and sale or sale and purchase of the security executed within a six-month period. The Adviser may be deemed to be a “beneficial owner” of securities held by its advisory clients. Consequently, and given the potential ownership level of the various accounts and funds managed by the Adviser for its clients, the Adviser may limit the amount of, or alter the timing of, purchases of securities in order not to trigger the foregoing requirements. As a result, certain contemplated transactions that otherwise would have been consummated by the Adviser on behalf of its clients may not take place, may be limited in their size or may be delayed.

*Restrictions related to Material Non-public Information*

The Adviser is not permitted to use MNPI in effecting purchases and sales in public securities transactions. In the ordinary course of operations, certain businesses within the Adviser may seek access to MNPI. For instance, the Adviser’s syndicated loan and distressed debt strategies may utilize MNPI in purchasing loans and other debt instruments and from time to time, certain portfolio managers may be offered the opportunity on behalf of applicable clients to participate on a creditors committee, which participation may provide access to MNPI. In certain instances, personnel of JPMC may obtain information about an issuer that is material to the management of a client account and that will at times limit the ability of personnel of the Adviser to buy or sell securities of the issuer on behalf of a client. The results of the investment activities for a client’s account may differ, at times significantly, from the results achieved by JPMC or by the Adviser for other client accounts. The intentional receipt of MNPI may give rise to a potential conflict of interest since the Adviser may be prohibited from rendering investment advice to clients regarding the public securities of such issuer and thereby potentially limiting the universe of public securities that the Adviser may purchase or potentially limiting the Adviser’s ability to sell such securities. Similarly, where the Adviser declines access to (or otherwise does not receive or share within JPMC) MNPI regarding an issuer, the Adviser may base its investment decisions with respect to assets of such issuer solely on public information, thereby limiting the amount of information available to the Adviser in connection with such investment decisions. In determining whether or not to elect to receive MNPI, the Adviser will endeavor to act fairly to its clients as a whole.

*Limitations on Investment Activities related to Economic or Trade Sanctions*

Furthermore, the Adviser has adopted policies and procedures reasonably designed to ensure compliance generally with economic and trade sanctions-related obligations applicable directly to its activities (although such obligations are not necessarily the same obligations that its clients may be subject to). Such economic and trade sanctions prohibit, among other things, transactions with and the provision of services to, directly or indirectly, certain countries, territories, entities, and individuals. These economic and trade sanctions, and the application by the Adviser of its compliance policies and procedures in respect thereof, may restrict or limit a client account’s investment activities. In addition, JPMC from time to time subscribes to or otherwise elects to become subject to investment policies on a firm-wide basis, including policies relating to environmental, social, and corporate governance. The Adviser may also limit transactions and activities for reputational or other reasons, including (i) when JPMC provides (or may provide) advice or services to an entity involved in such activity or transaction, (ii) when JPMC or a client is or may be engaged in the same or a related activity or transaction to that being considered on behalf of the client account, (iii) when JPMC or a client account has an interest in an entity involved in such activity or transaction, or (iv) when such activity or transaction on behalf of or in respect of the client account could affect JPMC, the Adviser, their clients, or their activities. JPMC may also become subject to additional restrictions on its business activities that could have an impact on the Adviser’s client accounts’ activities. In addition, the Adviser may restrict its investment decisions and activities on behalf of particular client accounts and not other accounts.

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

Certain portfolio managers of the Adviser may manage multiple client accounts or investment vehicles. These portfolio managers are not required to devote all or any specific portion of their working time to specific client accounts or investment vehicles. Conflicts of interest do arise in allocating management time, services, or

functions among such clients, including clients that may have the same or similar type of investment strategies. The Adviser addresses these conflicts by disclosing them to clients and through its supervision of portfolio managers and their teams. Responsibility for managing the Adviser's client accounts is organized according to investment strategies within asset classes. Generally, client accounts with similar strategies are managed by portfolio managers in the same portfolio management team using the same or similar objectives, approach, and philosophy. Therefore, client account holdings, relative position sizes, and industry and sector exposures generally tend to be similar across client accounts with similar strategies. However, the Adviser faces conflicts of interest when the Adviser's portfolio managers manage accounts with similar investment objectives and strategies. For example, investment opportunities that may potentially be appropriate for certain clients may also be appropriate for other clients, and as a result client accounts may have to compete for positions. There is no specific limit on the number of accounts which may be managed by the Adviser or its related persons. Once held by a client account, certain investments compete with other investments held by other client accounts of the Adviser and its related persons. The conflict associated with managing assets on behalf of different clients that compete with each other are heightened when the Adviser retains certain management, control, or consent rights over such assets, as in the case with managing real estate assets. The Adviser has controls in place to monitor and mitigate these potential conflicts of interest. See Conflicts Related to Allocation and Aggregation below for further details on this subject.

#### Conflicts of Interest Created by Contemporaneous Trading

Positions taken by a certain client account may 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 account are based on research or other information that is also used to support investment decisions by the Adviser for another client account following a different investment strategy(ies) or by an Affiliate of the Adviser in managing its clients' accounts. When an investment decision or strategy is implemented for an account ahead of, or contemporaneously with, similar investment decisions or strategies for the Adviser's or an Affiliate's other client accounts (whether or not the investment 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 investment decisions or strategies could be increased.

In addition, it may be perceived as a conflict of interest when activity in one client account closely correlates with the activity in a similar account, such as when a purchase by one client account increases the value of the same securities previously purchased by another client account, or when a sale in one client account lowers the sale price received in a sale by a second client account. Furthermore, if the Adviser manages accounts that engage in short sales of securities in which other accounts invest, the Adviser 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 the Adviser or its Affiliates hold exclusivity rights to certain investments and therefore, other clients of the Adviser are prohibited from pursuing such investment opportunities.

#### Investments in Different Parts of an Issuer's Capital Structure

A conflict of interest could arise when JPMC or one or more client accounts invest in different instruments or classes of securities of the same issuer than those in which other client accounts invest. In certain circumstances, JPMC or one or more client accounts that have different investment objectives could pursue or enforce rights with respect to a particular issuer in which JPMC or other client accounts have also invested. These activities are adverse to the interests of such other clients, and transactions for a client account will be impaired or effected at prices or terms that are less favorable than would otherwise have been the case had a particular course of action with respect to the issuer of the securities not been pursued with respect to JPMC or such other client account. For example, if JPMC or a client account holds debt instruments of an issuer and another client account holds equity securities of the same issuer, and the issuer experiences financial or operational challenges, JPMC, acting on behalf of itself or the client account that holds the debt instrument, may seek a liquidation of the issuer, whereas the other client account that holds the equity securities may prefer a reorganization of the issuer. In addition, an issuer in which a client account invests may use the



proceeds of the client's investment to refinance or reorganize its capital structure, which could result in repayment of debt held by JPMC or another client account. If the issuer performs poorly following such refinancing or reorganization, the account's performance will suffer whereas JPMC's and/or the other account's performance will not be affected because JPMC and the other account no longer have an investment in the issuer. Conflicts are magnified with respect to issuers that become insolvent. It is possible that in connection with an insolvency, bankruptcy, reorganization, or similar proceeding, a client account will be limited (by applicable law, courts or otherwise) in the positions or actions it will be permitted to take due to other interests held or actions or positions taken by JPMC or other clients of JPMC.

*Conflicts Related to Allocation and Aggregation*

Potential conflicts of interest arise involving both the aggregation of trade orders and allocation of securities transactions or investment opportunities. Allocations of aggregated trades, particularly trade orders that were only partially filled due to limited availability, and allocation of investment opportunities raise a potential conflict of interest because the Adviser has an incentive to allocate trades or investment opportunities to certain accounts or funds. For example, the Adviser has an incentive to cause accounts it manages to participate in an offering where such participation could increase the Adviser's overall allocation of securities in that offering. In addition, the Adviser may receive more compensation from one account than it does from a similar account or may receive compensation based in part on the performance of one account, but not a similar account. This could incentivize the Adviser to allocate opportunities of limited availability to the account that generates more compensation for the Adviser.

The Adviser has established policies, procedures, and practices to manage the conflicts described above. The Adviser's allocation and order aggregation practices are designed to achieve a fair and equitable allocation and execution of investment opportunities among its client accounts over time, and these practices are designed to comply with securities laws and other applicable regulations. See Item 12.B, Order Aggregation for a complete description of the Adviser's allocation and aggregation practices. In addition to the aforementioned policies, procedures, and practices, the Adviser also monitors a variety of areas, including compliance with account guidelines, IPOs, new issue allocation decisions, and any material discrepancies in the performance of similar accounts.

*Conflicts Related to Allocation and Aggregation specific to Alternative Strategies*

Investments that are within the investment objectives of a client of the Adviser's alternatives product groups may be suitable for other clients or prospective clients of the respective product group, and the Adviser will from time to time have a conflict in acting in the best interest of all clients in allocating investment opportunities. These include, among others, conflicts with respect to the Adviser having an incentive to allocate opportunities to: larger clients; clients with whom the Adviser would like to develop a new relationship; accounts for which the investment is also suitable where fees to the Adviser may be higher; affiliated clients; or clients that share a common consultant. To mitigate these conflicts, each of the alternatives product groups has developed an investment allocation policy and accompanying procedures that provide that the Adviser will allocate investment opportunities and make purchase and sale decisions among client accounts in a manner that it considers to be fair and equitable to all clients. In accordance with these policies and procedures, the alternatives product groups will generally allocate investments on a pro-rata basis, will operate allocation queues, or will use other methodologies that are designed to ensure investments are allocated in a fair and equitable manner over time. All such investment allocation decisions reflect numerous factors based upon the Adviser's good faith assessment of the best use of such limited opportunities relative to the objectives, limitations, and requirements of each of its clients and applying a variety of factors (including, but not limited to, investment size, location, portfolio diversification, legal, regulatory, and political considerations, contractual constraints, timing constraints, and ability to access financing). In some cases the application of such factors results in allocations to certain eligible alternatives funds or accounts to the exclusion of others and vice versa. For more details on the allocation practices of private funds advised by the Adviser, please refer to the offering documents for such funds.



Conflicts Related to Co-Investment Opportunities

The Adviser faces conflicts of interest when the amount of an investment opportunity available to a private fund exceeds the amount the private fund can invest and the Adviser decides to offer co-investment opportunities to other clients and Affiliates, including any strategic investors that have a significant financial and business relationship with the Adviser. The Adviser may have an incentive to offer such co-investment opportunities to such parties to maintain its existing relationship with such parties, to influence such parties' decision to participate in other financial or business relationships, or to benefit an Affiliate. The Adviser or an Affiliate of the Adviser at times will have the discretion to grant co-investment rights and to determine the terms of any co-investment by such private fund, and the terms on which such other co-investors invest could be substantially different, and potentially more favorable, than the terms on which such fund invests. Generally, co-investors will invest in a transaction either directly or through a co-investment vehicle alongside the fund. The Adviser may absorb certain expenses borne in connection with consummation of such co-investments, which typically includes costs associated with the establishment and operation of a co-investment vehicle or negotiations of joint venture agreements on behalf of such co-investors. However, the Adviser will not absorb similar expenses or costs incurred by the fund in connection with the portion of these co-investments being made by the fund and such expenses and costs will be treated as expenses of the fund. In certain instances, the Adviser may cause a private fund to invest on behalf of certain co-investors with a view to selling down a portion of such investment to the co-investors at a later time. The private fund may not receive compensation for such activities and if the potential co-investors breach their covenant to purchase such investment, the private fund may have an allocation to an investment that is larger than originally anticipated. The private fund may also bear the entire portion of any breakup fees, costs, or expenses or, if the excess portion of such investment has not been sold, the fund may bear the entire portion of any other fees, costs, and expenses related to such investment, hold a larger than expected investment in such portfolio company, and could realize lower than expected returns from such investment.

The Adviser may offer client accounts or certain JPMorgan Affiliated Funds co-investment opportunities sourced by an asset manager in which JPMC holds a strategic investment or economic interest. JPMC's relationship with the asset manager may influence the Adviser in selecting, managing, or disposing of such co-investments. JPMC will receive fees or other compensation with respect to both the Adviser's client accounts or certain JPMorgan Affiliated Funds, and the clients of the asset manager, which participate in such co-investments. Any advisory fees or other compensation, including carried interest, received by JPMC in connection with the asset manager's investments or other activities will not be shared with the Adviser's client accounts or certain JPMorgan Affiliated Funds.

Potential Conflicts Relating to Follow-On Investments

From time to time, the Adviser will provide opportunities to its client accounts to make investments in companies in which certain other client accounts have already invested. Such follow-on investments can create conflicts of interest, such as the determination of the terms of the new investment and the allocation of such opportunities among the Adviser's accounts. Follow-on investment opportunities may be available to client accounts with no existing investment in the issuer, resulting in the assets of a client account potentially providing value to, or otherwise supporting the investments of, other client accounts. Please refer to Item 6, Performance-Based Fees and Side-By-Side Management, for a non-exclusive list of various factors considered in connection with allocation-related decisions for client accounts. Client accounts may also participate in re-leveraging and recapitalization transactions involving companies in which other client accounts have invested or will invest. Conflicts of interest in recapitalization transactions arise between client accounts with existing investments in a company and client accounts making an initial investment in the company, which have opposing interests regarding pricing and other terms.

Side Letters; Preferential Terms

The Adviser, on its own behalf or on behalf of a fund, from time to time enters into side letters or other similar agreements with clients in connection with their admission to the fund without the approval of any other client in the fund. The side letters or other similar agreements have the effect of establishing rights under, altering,

or supplementing the terms of the governing documents of the fund with respect to one or more such investors in a manner more favorable to such investors than those applicable to other investors. Such rights or terms in any such side letter typically include, one or more of the following: (i) fee and other economic arrangements with respect to such investor, including, but not limited to, reductions, modifications, or waivers of fees and expense caps or partial or total reimbursement or rebate of certain fees, charges, and/or expenses; (ii) excuse or exclusion rights applicable to particular investments or withdrawal or transfer rights from the investment vehicle, including as a result of an investor's specific policies or certain violations of federal, state, or non-U.S. laws, rules or regulations, such as so-called "pay-to-play" rules with respect to public pension plan investors, (which may materially increase the percentage interest of other investors in, and their contribution obligations, for future investments and expenses, and reduce the overall size of the fund); (iii) additional or modified reporting obligations of the Adviser (or similar managing fiduciary) or other enhanced information or notice rights for certain investors; (iv) waiver of certain confidentiality obligations, including where certain disclosures are required by federal or state "sunshine" laws; (v) prior consent of the Adviser (or similar managing fiduciary) to certain transfers by such investor; (vi) special rights with respect to co-investment allocation and participation; (vii) rights or terms necessary in light of particular legal, regulatory or policy characteristics of an investor; (viii) potential mandatory waivers of compensation as a result of certain violations of law with regard to public pension plan investors; (ix) additional obligations and restrictions of the Adviser (or similar managing fiduciary) with respect to the structuring of any particular investment in light of the legal, tax and regulatory considerations of particular investors; (x) agreements to assist with the taking or defending of tax positions; and (xi) certain obligations and restrictions on the applicable general partner (or similar managing fiduciary) with respect to the exercise of its discretion on certain matters, including amendments, exercising default remedies and waiving confidentiality or terms.

Furthermore, JPMC and the Adviser from time to time enter into strategic partnerships directly or indirectly with investors that commit significant capital to a range of products and investment ideas sponsored by JPMC and/or the Adviser. Such arrangements typically include JPMC or the Adviser granting certain preferential terms to such investors, including waived fees or blended fee and carried interest rates that are lower than those applicable to the fund when applied to the entire strategic partnership.

### **Potential Conflicts Relating to Valuation**

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

In addition, the Adviser may value identical assets differently in different funds due to different valuation guidelines applicable to such private funds or different third-party pricing vendors, among other reasons. Furthermore, certain units within JPMC may assign a different value to identical assets than the Adviser 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 the Adviser. The various lines of business within the Adviser typically will be guided by specific policies and requirements with respect to valuation of client holdings. Such policies may include valuations that are provided by third-parties, when appropriate, as well as comprehensive internal valuation methodologies.

On occasion, the Adviser utilizes the services of affiliated pricing vendors for assistance with the pricing of certain securities. For additional information regarding affiliated pricing vendors, see Item 10.C, Material Relationships or Arrangements with Affiliated Entities. 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.

### **Companies with an Ownership Interest in JPMC Stock**

Certain unaffiliated asset management firms (each, an "unaffiliated asset manager") through their funds and separately managed accounts currently hold a 5% or more ownership interest in JPMC publicly traded stock. Ownership interests in this range or of greater amounts present a conflict of interest when the Adviser purchases publicly traded securities of the unaffiliated asset manager or invests in funds that are advised by such unaffiliated asset manager, on behalf of client accounts or JPMorgan Affiliated Funds. The Adviser does not receive any additional compensation for client accounts' or JPMorgan Affiliated Funds' investments in publicly traded securities or funds of an unaffiliated asset manager as a result of its ownership interest in JPMC stock. JPMC monitors ownership interests in JPMC for regulatory purposes and to identify and mitigate actual and perceived conflicts of interest. As of February 23, 2024, the Vanguard Group, Inc., and BlackRock, Inc. hold more than a 5% interest in JPMC.

## **ITEM 12**

### **Brokerage Practices**

#### **A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions**

The Adviser continually assesses the ability of trade execution venues to provide best execution for the Adviser's client accounts on a consistent basis and in accordance with the Adviser's best execution policies and procedures. In order to obtain best execution, the Adviser considers some or all of the following execution factors, depending on trade order, when selecting the most appropriate venue or counterparty:

- The size of the order relative to other orders in the same financial instrument
- The need to minimize the possible market impact
- Access to liquidity/natural order flow
- Whether or not the security is traded on exchange or over the counter
- The client mandate and client restrictions
- Evaluation of the counterparty, including creditworthiness, among other factors
- Clearance and settlement reliability and capabilities
- Commissions rates and other costs
- Characteristics of the execution venue(s) to which the order can be directed
- Any other relevant factor

When assessing the relative importance of these factors, the Adviser will also consider the characteristics of the client's account, the client's order and the financial instruments that are the subject of the order, and the execution venues to which the order can be directed.

Each order executed on behalf of a client account will be unique in its characteristics due to prevailing market conditions, liquidity, investment strategy, and investment guidelines at the time such order is executed. While the relative importance assigned to the execution factors will vary, generally the Adviser prioritizes price and cost factors (both explicit and implicit) in obtaining best execution. However, there are instances where other factors take precedence. Such instances may include the following: trade costs are uniform or negligible across counterparties for fixed income products, or speed of execution may be more important due to the

nature of the order, or the order is large in comparison to the liquidity of the relevant financial instrument in the market.

The Adviser is responsible for determining that the level of commission paid for each trade is reasonable in light of the service received. Commissions on brokerage transactions may be subject to negotiation. Negotiated commissions take into account the difficulty involved in execution, the extent of the broker's commitment of its own capital (if any), the amount of capital involved in the transaction, and any other services offered by the broker.

## **1. Research and Other Soft Dollar Benefits**

The Adviser's primary objective in broker-dealer selection is to comply with its duty to seek best execution of orders for clients. Best execution does not necessarily mean the lowest commission or price, but involves consideration of a number of factors as noted above in Item 12.A, Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.

JPMAM (UK) has in place a global policy on the use of equity trading commissions which describes how JPMAM (UK) manages the use of equity trading commissions arising from the execution of transactions on behalf of its clients.

For accounts considered in scope of the Markets in Financial Instruments Directive II ("MiFID II"), JPMAM (UK) has transitioned the payment of costs associated with the purchase of external research from equity trading commissions to such costs being directly paid by the Adviser. Trading commissions are not a feature of non-equity markets and costs are imposed through price spreads. The inducement requirements within MiFID II cover both equity and non-equity markets and, therefore, JPMAM (UK) will prospectively pay for broker-dealer research used by its Global Fixed Income Commodities and Currencies business and will not pass the costs through to other clients.

JPMAM (UK) has a fiduciary obligation to act in the best interests of its client when seeking best execution and using clients commissions to pay for certain goods and services. JPMAM (UK) must therefore ensure that commissions generated from equity transactions are not being used in a way that could give rise to conflicts of interest by influencing the execution of trades and that JPMAM (UK) is accountable to clients in how their commissions are effectively spent. The sole responsibility of JPMAM (UK)'s dealing desks is to ensure that best execution is achieved for clients in accordance with regulatory requirements. When selecting the broker-dealer and the type of trade to be used, JPMAM (UK) will aim to ensure that the best possible transaction outcome is achieved in accordance with best execution.

The commission charges often incurred on equity transactions are passed directly to the clients' accounts which are party to the transactions. JPMAM (UK) only uses commission charged by broker-dealers to purchase goods or services that are directly related to the execution of trades. JPMAM (UK) must identify the circumstances in which commissions can be used to pay for execution services, and that such usage complies with all applicable regulatory requirements. JPMAM (UK) requires its client's equity trading commissions to be used solely to pay for execution costs. In order to be considered goods and services permitted to be paid using client commissions, they must be linked to the arranging and conclusion of a specific investment transaction(s) and they must be provided between the time of the decision and the time of the transaction(s). Consequently, for example, post trade analysis does not constitute execution.

Permitted services related to execution include not only the execution of trades but also incidental functions that may include post-trade matching, exchange of messages among broker-dealers, custodians and institutions, and routing settlement instructions to custodian banks and broker-dealers' clearing agents.

## **2. Brokerage for Client Referrals**

The Adviser does not select broker-dealers in order to receive client referrals. The factors used by the Adviser in selecting broker-dealers in order to execute trades are described above.

### 3. Directed Brokerage

The Adviser does not routinely recommend, request or require that clients direct the Adviser to execute transactions through a specified broker-dealer. However, under certain conditions, the Adviser may accept written direction from a client to direct brokerage commissions from that client's account to a specific broker(s), including an Affiliate of the Adviser, in return for services provided by the broker to the client. Due to the Adviser's overall objective in effecting client transactions consistent with its duty to achieve best execution, the Adviser generally will accept direction only with respect to a limited percentage of certain clients' overall trades on a "best efforts" basis. Consequently, JPMAM (UK) generally will not enter client orders with a directed broker when a pending order with a different broker will be providing a better execution. JPMAM (UK) reserves the right to decline directed brokerage instructions where it believes such trading direction could interfere with its fiduciary duties, or for other reasons, determined in JPMAM (UK)'s sole discretion. Under most circumstances, JPMAM (UK) will aggregate the client's order with the open order and place the combined order with the broker providing best execution. Where client orders are directed, clients may experience sequencing delays in order to meet directed brokerage requests, which may impact JPMAM (UK)'s ability to achieve best execution on behalf of such clients. Clients may forgo benefits, such as volume discounts, that JPMAM (UK) may have obtained for its non-directed accounts in a combined order.

In certain circumstances an ETF creation / redemption unit may consist in whole or in part of cash, and Authorized Participants transacting in these units may request that related trades for the ETF's portfolio securities be directed back to such Authorized Participant's broker for execution.

Where a client directs the use of a particular broker-dealer, it is possible that the Adviser may be unable to achieve most favorable execution of such client's transactions, and the client's account may be disadvantaged as a result of a less favorable execution price and/or higher commissions. In addition, less favorable execution prices and/or higher commissions could result from the client account's inability to participate in aggregate orders or other reasons.

Client accounts that direct brokerage may have execution of their orders delayed, since, in an effort to achieve orderly execution of transactions, execution of orders for client accounts that have directed the Adviser to use particular broker-dealers may, in certain circumstances, be made after the Adviser completes the execution of non-directed orders. This delay may negatively affect the price paid or received in the purchase or sale of securities, respectively, by a client account electing to direct brokerage.

### **B. Order Aggregation**

The Adviser has allocation practices in place that are designed to reasonably promote fair and equitable allocations of investment opportunities among its client accounts over time and to promote compliance with applicable regulatory requirements. Such practices are designed to reasonably ensure that accounts are treated in a fair and equitable manner. In general, orders involving the same investment opportunity are aggregated throughout each trading day, consistent with the Adviser's obligation to obtain best execution for its clients. Partially completed orders will generally be allocated among participating accounts on a pro-rated average price basis. No one account may be systematically favored over another in the allocation of trade orders. Similarly, accounts are to be treated in a non-preferential manner, such that allocations are not based upon the client, account performance, fee structure, or the portfolio manager.

For purposes of achieving best execution in various investment sector markets, JPMAM (UK) will coordinate, as applicable, portfolio management and trading activities among clients of JPMAM (UK) and appropriate clients of related persons and of advisory affiliates that utilize JPMAM (UK)'s trading desk. Such activities will be executed through JPMAM (UK)'s appropriate trading desk in accordance with JPMAM (UK)'s current trading policies and procedures, including, but not limited to, trade allocations, securities of "new issues" as such term is defined under FINRA Rule 5130 or other international securities exchange, cross trading, directed brokerage. Indications of interest for new issue securities will be aggregated for clients of JPMAM



(UK) and appropriate clients of advisory affiliates and related persons, who will receive a fair and equitable allocation of securities in accordance with JPMAM (UK)'s allocation policy.

In general, orders involving the same investment opportunity or managed by the same portfolio manager will be aggregated, consistent with JPMAM (UK)'s obligation to obtain best execution for its clients. If fully executed, participating accounts will be allocated their requested allotment on an average price basis. If partially executed, the order may be allocated on an average price basis among clients in the same proportions as the initial allocation.

As a result of JPMAM (UK)'s trading arrangements, JPMAM (UK)'s clients may receive fewer shares of a new issue of securities given the participation of clients of advisory affiliates and related persons in such "new issues". Allocations of aggregated trades, particularly trade orders that are only partially completed due to limited availability and allocation of investment opportunity generally, could raise a potential conflict of interest, as JPMAM (UK) may have an incentive to allocate securities that are expected to increase in value to favored accounts.

With regard to equity securities, including public offerings that receive substantial interest and are frequently oversubscribed, partially completed orders generally will be allocated among participating accounts on a pro-rata average price basis, subject to certain limited exceptions. One such exception provides that if an allocation results in a de minimis allocation relative to the size of the account or its investment strategy, the allocation may be reallocated to other participating accounts. With respect to certain asset classes (e.g., cash and fixed income) and in certain other circumstances (e.g., participating accounts that have a dedicated, specialized investment strategy, such as small cap, high yield, emerging markets, or other specialized strategies) there may be an exception to pro-rata allocations as these situations may be given priority in the allocation process with respect to certain securities that are included in their investment mandate. Non-pro-rata allocations for money market instruments and fixed income securities are based upon a disciplined process for allocating securities with similar duration, credit quality, risk/return profiles and liquidity in the good faith judgment of JPMAM (UK) so that fair and equitable allocation will occur over time.

The similarity of guidelines and objectives for many accounts in combination with thin markets, price volatility or lack of liquidity in the market may require that a block order be filled in multiple executions extending over several days. To promote fair and equitable allocation over time each account is allocated shares on a pro-rata basis to their original order. In certain circumstances the partial fills of the order could result in a client receiving an allocation that is too small to justify fixed transaction costs and custody costs associated with being included in the transaction. In these circumstances the traders may exclude small orders until such time as 50% of the total order is complete. At this stage the small orders will be executed. Under this process smaller orders will lag in the early part of the order but will be 100% filled before the completion of the total order. In certain circumstances the trader may override the individual amounts which would be automatically allocated to each account. Examples of these circumstances are where a limit order applies, or to avoid a mismatch with a contingent trade. JPMAM (UK)'s policy regarding securities allocations requires portfolio managers to use reasonable judgment consistent with fiduciary duties to clients in making any non-pro rata allocations that are in the best interest of the affected clients. Trade allocations are reviewed by compliance on a post trade basis to ensure fair treatment and consistent application.

## **Trade Errors**

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



a client account to the appropriate financial position considering all relevant circumstances surrounding the error.

The Adviser makes its determinations pursuant to its error policies on a case-by-case basis, in its discretion, based on factors it considers reasonable. Relevant facts and circumstances the Adviser may consider include, among others, the nature of the service being provided at the time of the incident, whether intervening causes, including the action or inaction of third parties, caused or contributed to the incident, specific applicable contractual and legal restrictions and standards of care, whether a client's investment objective was contravened, the nature of a client's investment program, whether a contractual guideline was violated, the nature and materiality of the relevant circumstances, and the materiality of any resulting losses.

The Adviser's policies and procedures generally do not require perfect implementation of investment management decisions, trading, processing or other functions performed by the Adviser. Therefore, not all mistakes 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 constitute compensable errors, depending on the facts and circumstances. In addition, in managing accounts, the Adviser 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.

## ITEM 13

### Review of Accounts

#### **A. Frequency and Nature of Review of Client Accounts**

The Adviser periodically reviews client accounts utilizing product-specific review processes. Accordingly, account review differs across various product groups. The Adviser's portfolio managers are generally responsible for the daily management and review of the accounts under their supervision.

Each product group conducts performance reviews of its portfolio managers' accounts. Such reviews examine compliance with clients' investment objectives and account guidelines, account performance, and the Adviser's current investment processes and practices. An account review is conducted by a team which includes as applicable the portfolio managers and/or individuals from other appropriate functional areas.

The information in this Brochure does not include all the specific review features associated with each investment strategy or applicable to a particular client account. Clients are urged to ask questions regarding the Adviser's review process applicable to a particular strategy or investment product.

#### **B. Factors Prompting Review of Client Accounts Other than a Periodic Review**

In addition to periodic reviews, the Adviser may perform reviews as it deems appropriate or otherwise required. Additional reviews of client accounts may be triggered by client request, compliance monitoring, guideline monitoring, industry factors, market developments, statutory or regulatory changes, and any issues that may have been identified with respect to a client account. Events that trigger reviews of client accounts are generally directed to the attention of investment professionals covering relevant businesses and functions and business management.

**C. Content and Frequency of Account Reports to Clients**

The Adviser regularly provides written reports to clients that are tailored to the type of investments included in the client's account. The Adviser regularly provides or makes available one or more of the following types of account reports (typically quarterly or annually):

- A statement of assets including a description of each asset with cost and current market values;
- A statement of transactions detailing account activity;
- Performance reports; and
- audited and unaudited financial statements which include a portfolio overview, investment vehicle summary, and schedule of investments.

Investors in pooled investment vehicles managed by the Adviser receive reports described in the offering or organizational document for the relevant vehicle or as required by law, rule, or regulation.

**ITEM 14****Client Referrals and Other Compensation****A. Economic Benefits Received from Third-Parties for Providing Services to Clients**

The Adviser does not receive economic benefits from someone who is not a client for providing investment advisory services to its clients.

As discussed in Item 11.B, however, the Adviser derives ancillary benefits from providing investment advisory services to clients. For example, allocating assets of a multi-manager portfolio to an unaffiliated investment adviser or allocating the assets of a fund-of-funds to a fund advised by an unaffiliated investment adviser may help the Adviser or its Affiliates enhance their relationships with the unaffiliated investment adviser or its Affiliates, facilitate additional business development and enable the Adviser and its Affiliates to obtain additional business and generate additional revenue. For more information, see the JPMC Acting in Multiple Commercial Capacities section within Item 11.B.

The Code of Ethics, the Code of Conduct and other related policies and procedures adopted by the Adviser restrict the receipt of personal benefits by employees of the Adviser or its Affiliates in connection with the Adviser's business. For more information, see Item 11.A, Code of Ethics and Personal Trading.

**B. Compensation to Non-Supervised Persons for Client Referrals**

The Adviser directly or indirectly compensates affiliated and unaffiliated referral agents for client referrals in accordance with applicable laws, including Rule 206(4)-1 under the Advisers Act, when applicable. The compensation generally consists of a cash payment that is computed either as a percentage of the Adviser's fees or as a percentage of the client's assets invested with the Adviser as a result of the referral. Such compensation is paid entirely out of Adviser's own resources and therefore, does not result in any additional charges to the clients. When the Adviser compensates an unaffiliated referral agent, it does so pursuant to a written agreement, in accordance with Rule 206(4)-1.

Additionally, the Adviser or its Affiliates also compensates JPMC employees for referring clients to the Adviser in accordance with applicable laws.

## **ITEM 15**

### **Custody**

The Adviser generally does not maintain physical custody of its clients' assets. Client assets are typically held by a qualified custodian pursuant to a separate custody agreement. However, pursuant to Rule 206(4)-2 under the Advisers Act, in certain circumstances the Adviser may be deemed to have custody of client assets.

The Adviser is deemed to have custody of client assets in the following circumstances:

- When the Adviser or a related person acts in any capacity that gives it legal ownership of, or access to, client assets, (e.g., when the Adviser serves as a general partner, managing member, or comparable position for certain pooled investment vehicles).

Clients in such private funds will receive the fund's annual audited financial statements. Such clients should review these statements carefully. If clients in the private funds do not receive audited financial statements in a timely manner, they should contact the Adviser immediately.

- When, with respect to certain separately managed accounts, the Adviser is deemed to have custody of the client's assets because it or a related person directly or indirectly holds client funds or securities or has authority to obtain possession of them. The Adviser is deemed to have custody if it is authorized or permitted to withdraw client funds or securities maintained with a custodian upon its instruction to the custodian.

Clients will receive account statements at least quarterly directly from their broker-dealer, bank or other qualified custodian. Separately managed account clients may also receive a statement of assets from the Adviser. Clients are encouraged to compare the account statements that they receive from their qualified custodian with those that they receive from the Adviser. If clients do not receive statements at least quarterly and in a timely manner from their qualified custodian, they should contact JPMAM (UK) immediately.

## **ITEM 16**

### **Investment Discretion**

As described in Item 4.B, Description of Advisory Services, the Adviser provides both discretionary and non-discretionary investment advisory services. For discretionary mandates, the Adviser and client execute an investment advisory agreement authorizing the Adviser to act on behalf of the client's account. Execution of such agreement authorizes the Adviser to supervise and direct the investment and reinvestment of assets in the client's account on the client's behalf and at the client's risk.

The scope of the Adviser's discretionary authority is defined by the terms of its written agreement with each client, which may include certain. These terms include objective and investment guidelines that the client establishes for the account. For JPMorgan Funds, the Adviser's investment discretion may be limited by certain federal securities laws and tax laws that require diversification of investments and impose other limitations.

For an additional discussion of risks related to the Adviser's discretionary authority, please refer to Item 6, Performance-Based Fees and Side-by-Side Management.

**ITEM 17**  
**Voting Client Securities**

**A. Policies and Procedures Relating to Voting Client Securities**

For accounts where the client has delegated proxy voting authority to the Adviser, the Adviser has adopted and implemented policies and procedures pursuant to Rule 206(4)-6 of the Advisers Act that are reasonably designed to ensure that it votes client securities in the best interest of clients, which procedures include how the Adviser addresses material conflicts of interest. To ensure that the proxies are voted in the best interests of its clients and to address material conflicts of interest, the Adviser has adopted detailed guidelines for voting proxies on specific types of issues (the "Proxy Voting Guidelines"). The Proxy Voting Guidelines address proxy voting with respect to a wide variety of topics including: shareholder voting rights, anti-takeover defenses, board structure, the election of directors, executive and director compensation, mergers and corporate restructuring and social and environmental issues. Because the regulatory framework and the business cultures vary from region to region, the Proxy Voting Guidelines take into account such variations with separate Proxy Voting Guidelines covering the regions of (1) North America, (2) Europe, Middle East, Africa, Central America and South America, (3) Asia (ex Japan), and (4) Japan. The Proxy Voting Guidelines have been developed with input from portfolio managers and analysts and investment stewardship specialists (as applicable) and approved by the applicable proxy committee ("Proxy Committee", as defined below) with the objective of encouraging corporate action that enhances shareholder value. The Proxy Voting Guidelines are proprietary to the Adviser and reflect the Adviser's views on proxy matters as informed by its investment experience and research over many years of proxy voting. Certain guidelines are prescriptive ("Prescribed Guidelines") meaning they specify how the Adviser will vote a particular proxy proposal except where the Adviser, pursuant to its procedures, determines to vote in a manner contrary to its Prescribed Guidelines also known as an "Override". Other guidelines contemplate voting on a case by case basis. Individual company facts and circumstances vary. In some cases, the Adviser may determine that, in the best interest of its clients, a particular proxy item should be voted in a manner that is not consistent with the Prescribed Guidelines. Clients may obtain a copy of the Adviser's Proxy Voting Guidelines by contacting their client service representative or financial adviser or by visiting the JPMorgan Funds website. Clients may obtain a copy of the Adviser's information about how the Adviser voted the client's proxies by contacting their client service representative or financial adviser, or with respect to JPMorgan Funds, by visiting the JPMorgan Funds website. [In limited circumstances, if agreed by the Adviser, clients in separately managed accounts may direct, the Adviser to vote the clients' proxies according to the clients' own policies or policies of a third party that are selected by the clients. In such circumstances, the Adviser provides administrative support but does not have voting discretion.]

**Proxy Administrator and Proxy Committee**

To oversee and monitor the proxy voting process, the Adviser has established a Proxy Committee and appointed a proxy administrator (the "Proxy Administrator") in each global location where proxies are voted. Each Proxy Committee is composed of members and invitees including a Proxy Administrator and senior officers from among the Investment, Legal, Compliance, and Risk Management Departments. The primary functions of each Proxy Committee include: (1) reviewing and approving the Proxy Voting Guidelines annually; (2) providing advice and recommendations on general proxy-voting matters including potential or material conflicts of interests escalated to it from time to time as well as on specific voting issues to be implemented by the Adviser; and (3) determining the independence of any third-party vendor to which it has delegated proxy voting responsibilities (such as, for example, delegation when the Adviser has identified a material conflict of interest) and to conclude that there are no conflicts of interest that would prevent such vendor from providing such proxy voting services prior to delegating proxy responsibilities.

## Mitigating Conflicts of Interests

### Material Conflicts of Interest

Regulations under the Advisers Act require that the proxy-voting procedures adopted and implemented by a U.S. investment adviser include procedures that are reasonably designed to address material conflicts of interest that may arise between the investment adviser's interests and those of its clients. In order to maintain the integrity and independence of the Adviser's investment processes and decisions, including proxy-voting decisions, and to protect the Adviser's decisions from influences that could lead to a vote other than in its clients' best interests, JPMC (including the Adviser) has adopted policies and procedures that address (i) the handling of conflicts, (ii) that establish information barriers, and (iii) that restrict the use of MNPI. Material conflicts of interest are further avoided by voting in accordance with the Adviser's predetermined Prescribed Guidelines.

Given the breadth of the Adviser's products and service offerings, it is not possible to enumerate every circumstance that could give rise to a material conflict. Examples of such material conflicts of interest that could arise include, without limitation, circumstances in which:

- Management of a client or prospective client, distributor or prospective distributor of its investment management products, or critical vendor, is soliciting proxies and failure to vote in favor of management may harm the Adviser's relationship with such company and materially impact the Adviser's business;
- A personal relationship between an officer of the Adviser and management of a company or other proponent of a proxy proposal could impact the Adviser's voting decision;
- The proxy being voted is for JPMC stock or for JPMorgan Affiliated Funds;
- When an Affiliate of the Adviser is an investment banker or rendered a fairness opinion with respect to the matter that is the subject of the proxy vote;

Depending on the nature of the conflict of interest, the Adviser may elect to take one or more of the following measures, or other appropriate action:

- Removing certain Adviser personnel from the proxy voting process;
- "Walling off" personnel with knowledge of the conflict to ensure that such personnel do not influence the relevant proxy vote;
- Voting in accordance with the applicable Prescribed Guidelines, if any, if the application of the Proxy Guidelines would objectively result in the casting of a proxy vote in a predetermined manner; or
- Deferring the vote to an independent voting service, if any, that will vote in accordance with its own recommendation. However, the Adviser may request an exception to this process to vote against a proposal rather than referring it to an independent third party ("Exception Request") where the Proxy Administrator has actual knowledge indicating that a JPMC Affiliate is an investment banker or rendered a fairness opinion with respect to the matter that is the subject of a proxy vote. The Proxy Committee (or other governance body) shall review the Exception Request and shall determine whether the Adviser should vote against the proposal or whether such proxy should still be referred to an independent third party due to the potential for additional conflicts or otherwise.

### Potential Conflicts

In the course of its proxy voting or engagement activities, the Adviser may identify potential conflicts of interests. To the extent that the Proxy Administrator determines that certain activities give rise to the potential for a material conflict of interest for a particular proxy vote, the Proxy Administrator shall escalate to the relevant Proxy Committee to determine if the matter gives rise to a material conflict of interest and if so, what actions should be taken. Sales and marketing professionals will be precluded from participating in the

decision-making process. The resolution of all potential and actual material conflict issues will be documented to demonstrate that the Adviser acted in the best interests of its clients.

Use of Independent Voting Services

Subject to the oversight by the relevant Proxy Committee, the Adviser may retain the services of independent voting service providers ("Independent Voting Services") to assist with functions, such as coordinating with client custodians to ensure that all proxy materials are processed in a timely fashion, recordkeeping, acting as an agent to execute the Adviser's voting Guidelines, providing proxy research and analysis, and to provide certain conflict of interest-related services. In arriving at their voting decisions the Adviser's investment professionals may review the research provided by a third party such as Independent Voting Services. Such research may include but is not limited to data, such as comparative data on company peers, background on directors, and company controversies.

**B. No Authority to Vote Client Securities and Client Receipt of Proxies**

If a client chooses not to delegate proxy voting authority to the Adviser, the right to vote securities is retained by the client or other designated person. In such situations, the client will generally receive proxies or other solicitations directly from the custodian or transfer agent. The Adviser does not recommend or advise clients how to vote proxies, nor does it share with clients how it intends to vote proxies for clients for which it has proxy voting authority.

Proxies for securities that are out on loan normally cannot be voted, as title passes to the borrower of the securities. For accounts where the client has delegated proxy voting authority to the Adviser, the Adviser is not responsible for recalling securities to vote proxies for securities that have been loaned from the client's account unless the Adviser is directly involved in a client's securities lending arrangement because it is a party to the client's securities lending agreement and/or the Adviser makes the decision to loan the client's securities or unless expressly agreed with the client. Please note that the Adviser will not be deemed to be directly involved in a securities lending arrangement simply because an Affiliate of the Adviser serves as lending agent for a client.

**ITEM 18**  
**Financial Information**

**A. Balance Sheet**

Pursuant to SEC instructions, the Adviser is not required to include its balance sheet as part of this Brochure.

**B. Financial Conditions Likely to Impair Ability to Meet Contractual Commitments to Clients**

The Adviser is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

**C. Bankruptcy Filings**

The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.



<b>Key Terms</b>	
<b>1940 Act</b>	: means the Investment Company Act of 1940, as amended.
<b>Access Persons</b>	: means persons with access to non-public information regarding the Adviser's recommendations to clients, purchases, or sales of securities for client accounts and advised funds.
<b>Adviser</b>	: means JPMorgan Asset Management (UK) Limited
<b>Advisers Act</b>	: means the Investment Advisers Act of 1940, as amended.
<b>Affiliate</b>	: means, with respect to any Person, any other Person that, directly or indirectly, controls, is under common control with, or is controlled by that Person. For purposes of this definition, "control" (including the terms "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct and cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise.
<b>Alternative Fund</b>	: means an alternative investment vehicle and its investors.
<b>AM</b>	: means the Asset Management business of JPMAM
<b>BHCA</b>	: means the Bank Holding Company Act of 1956.
<b>Brochure</b>	: means JPMAM (UK)'s Form ADV, Part 2A.
<b>CFTC</b>	: means the U.S. Commodity Futures Trading Commission
<b>Code of Conduct</b>	: means the JPMC firm-wide policies and procedures that sets forth restrictions regarding confidential and proprietary information, information barriers, private investments, outside business activities and personal trading.
<b>Code of Ethics</b>	: means the Code of the Ethics of JPMAM, which is designed to ensure that JPMAM (UK) employees comply with applicable federal securities laws and place the interests of clients first in conducting personal securities transactions.
<b>Covenant-lite</b>	: means a loan agreement that has fewer covenants to protect the lender and fewer restrictions on the borrower regarding payment terms, income requirements and collateral.
<b>CPO</b>	: means commodity pool operator.
<b>CTA</b>	: means commodity trading advisor.
<b>Dodd-Frank</b>	: means the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended.
<b>ECN</b>	: means electronic communication networks and alternative trading systems.
<b>ESG</b>	: means Environmental, Social, and Governance factors.
<b>ETF</b>	: means exchange-traded fund.
<b>Exception Request</b>	: means a request from an investment professional(s) to the Proxy Administrator to vote against a proxy where the Proxy Administrator has actual knowledge indicating that an Affiliate is an investment banker or rendered a fairness opinion with respect to the matter that is the subject of a proxy vote rather than refer the vote to an independent third party.
<b>Exchange Act</b>	: means the U.S. Securities Exchange Act of 1934, as amended.
<b>Fannie Mae</b>	: means the Federal National Mortgage Association.
<b>FCM</b>	: means futures commission merchant.
<b>Federal Reserve</b>	: means the Board of Governors of the Federal Reserve System.
<b>FINRA</b>	: means the U.S. Financial Industry Regulatory Authority.
<b>Freddie Mac</b>	: means the Federal Home Loan Mortgage Corporation.
<b>Ginnie Mae</b>	: means the Government National Mortgage Association.

<b>Key Terms</b>	
<b>GSS</b>	: means the Global Special Situations product group which manages certain alternative investment strategies for the Adviser's clients.
<b>Hedging Instruments</b>	: means forward, swap and option contracts or other financial instruments with similar characteristics, including, without limitation, forward foreign currency exchange contracts, currency and interest rate swaps, options and short sales.
<b>Independent Voting Service</b>	: means third-party independent voting service provider.
<b>IPO</b>	: means initial public offering
<b>JPMAM</b>	: means JPMorgan Asset Management, which is the marketing name for the investment management businesses of JPMorgan Chase & Co.
<b>JPMAWM</b>	: means J.P. Morgan Asset & Wealth Management
<b>JPMC</b>	: means JPMorgan Chase & Co., a publicly traded company, and its Affiliates worldwide.
<b>JPMCB</b>	: means JPMorgan Chase Bank, N.A., an affiliated national banking association.
<b>JPMC Seed Capital</b>	: means when the Adviser or related persons provide initial funding necessary to establish a new fund.
<b>JPMIM</b>	: means J.P. Morgan Investment Management Inc.
<b>JPMorgan Affiliated Funds</b>	: means mutual funds, exchange-traded funds, collective investment funds, and other pooled investment vehicles managed by the Adviser and/or its Affiliates.
<b>JPMorgan Funds</b>	: means mutual funds or ETFs advised by the Adviser or its affiliates.
<b>JPMS</b>	: means J.P. Morgan Securities LLC.
<b>LIBOR</b>	: means the London Interbank Offering Rate.
<b>JPMAM (UK)</b>	: means JPMorgan Asset Management (UK) Limited.
<b>Management Persons</b>	: means the Adviser's principal executive officers, directors and members of the Adviser's investment committee.
<b>MiFID II</b>	: means the Markets in Financial Instrument Directive II.
<b>MLP</b>	: means master limited partnership.
<b>MNPI</b>	: means material, non-public information. MNPI is information not generally disseminated to the public that a reasonable investor would likely consider important in making an investment decision.
<b>OECD</b>	: means the Organization for Economic Cooperation and Development.
<b>OTC</b>	: means over-the-counter.
<b>Participating Account</b>	: means an account that is included in aggregation when trading equity and certain fixed income instruments where there are contemporaneous purchase or sale orders of the same security across multiple client accounts, including affiliated and seeded funds.
<b>Person</b>	: means, with respect to any Person, any other Person that, directly or indirectly, controls, is under common control with, or is controlled by that Person. For purposes of this definition, "control" (including, with correlative meaning, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct and cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise.
<b>Prescribed Guidelines</b>	: means certain guidelines that specify how the Adviser will vote a particular proxy proposal.
<b>PricingDirect</b>	: means PricingDirect Inc., an approved pricing vendor and an affiliate of the Adviser.

<b><u>Key Terms</u></b>	
<b>Proxy Administrator</b>	: means the professional for the applicable region who is responsible for oversight of the Adviser's Guidelines and the proxy voting process including (along with the Investment Stewardship teams and portfolio management teams) responsibility for voting proxies as described in the Guidelines.
<b>Proxy Committee</b>	: means the committee for the applicable region that is responsible for oversight of the Adviser's proxy voting process.
<b>Proxy Voting Guidelines</b>	: means the detailed guidelines for voting proxies on specific types of issues including: shareholder voting rights, anti-takeover defenses, board structure, the election of directors, executive and director compensation, mergers and corporate restructuring and social and environmental issues.
<b>RaaS</b>	: means Risk as a Service.
<b>REIT</b>	: means real estate investment trust.
<b>Sale Leaseback</b>	: means an arrangement whereby a property owner enters into an agreement to sell a property to a buyer and then leases the property back from the buyer for a designated period.
<b>SEC</b>	: means the United States Securities and Exchange Commission.
<b>Section 16</b>	: means Section 16 of the Securities Exchange Act of 1934.
<b>SRO</b>	: means self-regulatory organization.
<b>Supervised Persons</b>	: means any of the Adviser's officers, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on the Adviser's behalf and is subject to the Adviser's supervision or control.
<b>Unaffiliated Funds</b>	: means investment vehicles managed by advisers who are not affiliated with JPMAM (UK).
<b>Volcker Rule</b>	: refers to § 619 (12 U.S.C. § 1851) of the Dodd–Frank Wall Street Reform and Consumer Protection Act.