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FORM ADV, PART 2A

FIRM BROCHURE

J.P. Morgan Private Investments Inc.
Advisory Program

File No. 801-41088

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This brochure provides information about the qualifications and business practices of J.P. Morgan Private Investments Inc. If you have any questions about the contents of this brochure, please contact us at (212) 464-2070. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about J.P. Morgan Private Investments Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

The advisory services described in this brochure are: not insured by the Federal Deposit Insurance Corporation ("FDIC"); not a deposit or other obligation of, or guaranteed by, JPMorgan Chase Bank, N.A. or any of its affiliates; and subject to investment risks, including possible loss of the principal amount invested.

Item 2

Material Changes

This brochure ("Brochure") is dated October 9, 2018 and is an interim update to the Brochure. Clients should carefully review this Brochure in its entirety. JPMPI has updated disclosures in the following areas:

- Item 8 – Method of Analysis, Investment Strategies and Risk of Loss
    - *Method of Analysis and Investment Strategies* - this item has been updated to note that the J.P. Morgan Digital Evolution Strategy changed its benchmark from the S&P Technology Select Sector Index to the S&P 500 Communication Services & Information Technology Index, effective October 1, 2018.

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Advisory Business

A. General Description of Advisory Firm

J.P. Morgan Private Investments Inc. ("JPMPI"), a Delaware corporation, is a registered investment adviser that acts as a sub-adviser and adviser to open-end and closed-end Registered Investment Companies ("RICs") under the Investment Company Act of 1940, as amended (the "1940 Act"); provides investment advice and/or administrative functions for private investment funds organized as limited partnerships, limited liability companies, or offshore companies ("Private Funds"); and provides discretionary investment management services in various wrap fee programs offered through an affiliate, J.P. Morgan Securities LLC ("JPMS"), including acting as (i) manager of the Customized Municipal Bond Portfolio ("C-MAP"), Customized Taxable Bond Portfolio ("C-TAX"), and Customized Preferreds Portfolio ("C-PREP") strategies offered through JPMS' Customized Bond Solutions ("C-BoS") program, (ii) manager of the Select Advisory Strategies offered through JPMS' Advisory Program (the "Advisory Program"), (iii) manager of the Focused Dividend Growth ("FDG") and Focused Tactical Equity ("FTE") strategies offered through JPMS' Strategic Investment Services ("STRATIS") program, and (iv) sub-adviser to JPMS' J.P. Morgan Core Advisory Portfolio ("JPMCAP") program, Chase Strategic Portfolio ("CSP") program, Mutual Fund Advisory Portfolio ("MFAP") program, and the J.P. Morgan You Invest Portfolios program ("You Invest Portfolios"). In addition, as described in this brochure, JPMPI provides certain manager research services to JPMS with respect to the Portfolio Manager Program ("PMP") strategies managed by unaffiliated and certain affiliated portfolio managers that JPMS offers through the Advisory Program and to other advisory programs where JPMPI is not a sub-adviser. The JPMS legal entity includes two wealth management businesses: Chase Investments and J.P. Morgan Securities.

JPMPI was incorporated on November 25, 1991. JPMPI is a wholly-owned subsidiary of J.P. Morgan Chase & Co., which, together with its affiliates (collectively, "J.P. Morgan" or "JPMC"), is engaged in a large number of financial businesses worldwide, including banking, asset management, securities brokerage, and investment advisory services. As relevant to this brochure, JPMPI is also affiliated with the following entities, which are also affiliates of each other as well as J.P. Morgan: JPMS, J.P. Morgan Investment Management Inc. ("JPMIM"), and J.P. Morgan Chase Bank, N.A. ("JPMCB").

B. Description of Advisory Services

This brochure describes (i) the advisory services that JPMPI provides to Advisory Program clients that select the Select Advisory Strategies, and (ii) the manager research services that JPMPI provides to JPMS with respect to the PMP strategies that JPMS offers through the Advisory Program and manager research services that JPMPI provides to other strategies.

Additional information about the services JPMPI provides to its other clients and for STRATIS, CSP, MFAP, C-BoS, You Invest Portfolios and JPMCAP is described in separate brochures, which are available from JPMS upon request and/or at the SEC's website at www.adviserinfo.sec.gov. In addition, for more information on wrap fee programs, including STRATIS, CSP, MFAP, JPMCAP, C-BoS, You Invest Portfolios, and the Advisory Program please see the applicable JPMS Form ADV, Part 2A Appendix 1, SEC File No. 801-3702, for those programs.

Advisory Program Overview

The Advisory Program is a wrap fee program offered by the Chase Investments and Chase Private Client divisions of JPMS that provides JPMS clients with access to portfolio managers who provide discretionary investment management services in client separately managed accounts. Clients in the Advisory Program may invest in (i) Select Advisory Strategies managed by JPMPI, and (ii) PMP strategies managed by JPMIM or by unaffiliated portfolio managers.

Based on information provided by the client, JPMS assists the client in selecting an investment strategy and a portfolio manager. JPMS (not JPMPI) is responsible for determining whether the Advisory Program, particular investment strategies, and particular portfolio managers are suitable for a particular client.

JPMS requires clients to open a separate account for each investment strategy selected. Clients that wish to pursue multiple investment strategies as part of their overall strategy must open a separate Advisory Program account for each investment strategy. In managing a Select Advisory Strategy, JPMPI will not consider any assets owned by the client outside of that particular Select Advisory Strategy, including any assets held in other Advisory Program accounts.

JPMS will ordinarily provide clearing, settlement, and custodial services with respect to transactions and assets in Advisory Program accounts, including the Select Advisory Strategies.

In addition to the portfolio management of the Select Advisory Strategies, JPMS has separately engaged JPMPI to provide manager research services to JPMS with respect to the PMP strategies, which include unaffiliated and certain affiliated portfolio managers, that JPMS offers through the Advisory Program. JPMPI performs these manager research services for JPMS, and not for any individual client in a PMP strategy. JPMPI is not responsible for any portfolio management or trading in client accounts in the PMP strategies.

For more information about the Advisory Program, including the PMP strategies, please see the JPMS Form ADV, Part 2A Appendix 1 Advisory Program Brochure.

Portfolio Management of the Select Advisory Strategies

JPMS has determined to include certain strategies managed by JPMPI in the Advisory Program; collectively these comprise the Select Advisory Strategies. JPMPI provides discretionary investment management services to those clients in the Advisory Program who select one or more Select Advisory Strategies.

There are two types of Select Advisory Strategies: (1) single-manager strategies (the "Single-Manager Select Advisory Strategies") for which JPMPI seeks to invest in individual securities, and (2) multi-manager strategies (the "Multi-Manager Select Advisory Strategies") for which JPMPI seeks to invest in one or more open-end mutual funds and exchange-traded funds ("ETFs") available through JPMS (collectively, "Funds" or included as investment products), and/or in individual securities following one or more model portfolios provided by affiliated and/or unaffiliated investment advisers (the "Model Managers"). With respect to Model Managers that are SEC-registered investment advisers, the Form ADV, Part 2A for each Model Manager selected for a client's Multi-Manager Select Advisory Strategy account is available at the SEC's website at www.adviserinfo.sec.gov.

JPMPI, as portfolio manager of the Select Advisory Strategies, is responsible for securities selection (including selecting Funds and Model Managers for investment by certain Multi-Manager Select Advisory Strategy accounts) and determining portfolio construction. JPMPI is also responsible for evaluating the Select Advisory Strategies on an ongoing basis, as described below in Item 8. Funds available in the Multi-Manager Select Advisory Strategies include both Funds sponsored or managed by J.P. Morgan (the "J.P. Morgan Funds"), including JPMPI, JPMIM, and Funds managed by third-party asset managers (the "non–J.P. Morgan Funds"). In addition, unaffiliated and affiliated Model Managers may be evaluated and selected for Multi-Manager Select Advisory Strategy accounts. See "Use of J.P. Morgan Funds and Model Managers and Potential Conflicts of Interest" below for more information on the use of J.P. Morgan Funds and affiliated Model Managers in the Multi-Manager Select Advisory Strategies portfolios.

Effective as of October 1, 2018, certain affiliated bank managed investment accounts at JPMCB have been transferred into similar Select Advisory Strategy accounts ("Transition Accounts") managed by JPMPI with identical investment objectives. All Transition Accounts for retirement Multi-Manager Select Advisory Strategy, as well as retirement and non-retirement Single-Manager Select Advisory Strategy and Select Advisory U.S. Energy & Industrial Renaissance Strategy, have been conformed to the Advisory Program models and Select Advisory Strategies. However, with the exception of the Select Advisory U.S. Energy & Industrial Renaissance Strategy, all non-retirement Multi-Manager Select Advisory Strategy Transition Accounts continue to be invested in their existing asset allocation models and portfolios ("Legacy Models/Strategies"). Individual holdings of certain Legacy Models/Strategies are different from the current models and Multi-Manager Select Advisory Strategies offered in the Advisory Program. Non-retirement Multi-Manager Select Advisory Strategy Transition Accounts, with the exception of the Select Advisory U.S. Energy & Industrial Renaissance Strategy, remain in the Legacy Models/Strategies because of potential tax consequences. Legacy Models/Strategies trade on a different trade implementation system than the other models and Multi-Manager Select Advisory Strategies in the Advisory Program. Although the asset allocation models and portfolio management are provided by the same investment management team, the performance and the holdings differ, if applicable. Clients that remain in the Legacy Models/Strategies can request to be transitioned to current Advisory Program models and Multi-Manager Select Advisory Strategies.

Option to Use non-J.P. Morgan Managed Strategies

As described in "Use of J.P. Morgan Funds and Model Managers and Potential Conflicts of Interest," JPMPI prefers J.P. Morgan managed strategies. However, clients may elect to exclude from their Dynamic Multi-Asset Strategy accounts J.P. Morgan managed strategies (except for J.P. Morgan managed cash and liquidity products) including strategies managed by J.P. Morgan where a party other than J.P. Morgan is appointed investment adviser. This election excludes from Dynamic Multi-Asset Strategy accounts J.P. Morgan managed strategies (except money market mutual funds) and affiliated Model Managers. Currently, this election is only available for the Dynamic Multi-Asset Strategy.

When a client elects to exclude J.P. Morgan managed strategies, it may affect JPMPI's ability to make investments, access asset classes, or take advantage of opportunities that are available to clients who do not make that election. As a result, performance of an account with an election may differ from the performance of other accounts without an election.

Retirement Accounts

Retirement accounts are currently restricted from investing in index funds that track a J.P. Morgan index. As a result, performance of retirement accounts would differ from non-retirement accounts.

C. Availability of Customized Services for Clients

Clients can place reasonable restrictions on the purchase or sale of certain securities for their Select Advisory Strategy accounts, subject to JPMPI's acceptance. JPMPI can reject a restriction or the account if it deems the restriction to be unreasonable. Any restrictions on the management of a Select Advisory Strategy account may cause the account to perform differently than similar unrestricted accounts. JPMPI is only responsible for implementing client-imposed restrictions in the Select Advisory Strategies, not in any PMP strategies. Clients cannot prohibit or restrict JPMPI from investing in specific securities or types of securities that are held within any Fund.

For more information, please see the JPMS Form ADV, Part 2A Appendix 1 Advisory Program Brochure.

D. Wrap Fee Programs

JPMPI's investment advisory services are available to clients through the Select Advisory Strategies available in the Advisory Program, a "wrap fee" program sponsored by JPMS. A wrap fee program generally is an investment advisory program under which a client pays a single, all-inclusive (or "wrap" or "bundled") fee to an adviser (here, JPMS) for investment advisory services, custody and reporting services, and the execution of client transactions. See Item 5 for information regarding additional fees and expenses. The sponsor typically pays JPMPI a fee based on the assets of clients invested in the applicable JPMPI strategy in the wrap program.

JPMS has primary responsibility for client communications and services; arranging for payment of JPMPI's advisory fees on behalf of the client; monitoring and evaluating JPMPI's investment advisory services; executing trades placed with JPMS; and providing custodial services for the client's assets, in exchange for a single fee paid by the client to JPMS.

JPMPI, as the portfolio manager of the Select Advisory Strategies, is responsible for making investment decisions regarding the selection of investments and the total amount of securities bought and sold for Select Advisory Strategy accounts, and can do so without consultation with clients. Clients generally authorize and direct each selected portfolio manager to effect transactions for the account(s) directly through JPMS, subject to the portfolio manager's duty to seek best execution. JPMS will ordinarily provide clearing, settlement, and custodial services with respect to transactions and assets in Select Advisory Strategies accounts.

The same JPMPI personnel who manage Select Advisory Strategies also manage other accounts for JPMPI and for affiliates of JPMPI, including JPMCB. Some of these other accounts have the same or substantially similar investment objectives, and follow similar strategies to those used by, the Select Advisory Strategies ("Similar Accounts"). For example, certain Select Advisory Strategies might be made available by JPMCB, and the FDG and FTE strategies available through the Advisory Program are also available through STRATIS. Select Advisory Strategy accounts in the Advisory Program may not be handled identically to Similar Accounts. Transactions may be implemented in Similar Accounts on behalf of clients of JPMPI or

JPMCB, but that may not actually be implemented in the Select Advisory Strategy accounts in the Advisory Program. JPMPI and/or its affiliates may receive more compensation with respect to Similar Accounts than it or its affiliates receive from Select Advisory Strategy accounts. This may create a potential conflict of interest for JPMPI and its affiliates or the portfolio managers by providing an incentive to favor these Similar Accounts when, for example, placing securities transactions.

See Items 10 and 11 for more information on material conflicts of interest relating to JPMPI's advisory services.

E. Assets Under Management

JPMPI provides discretionary investment management services to those clients in the Advisory Program who select one or more of the Select Advisory Strategies. As of December 31, 2017, JPMPI managed approximately $3.2 billion of assets in the Select Advisory Strategies on a discretionary basis.

Outside of the Select Advisory Strategies, as of December 31, 2017, JPMPI managed approximately $75.8 billion in assets on a discretionary basis and approximately $22.5 billion in assets on a non-discretionary basis.

ITEM 5

Fees and Compensation

A. JPMPI Advisory Fees and Compensation

JPMS charges to clients and pays to JPMPI a product fee for the discretionary investment management services JPMPI provides in the Single-Manager Select Advisory Strategies, which is 0.45% annually. Clients do not pay a separate product fee to JPMPI for the Multi-Manager Select Advisory Strategies, but will incur a separate fee for Model Managers in the portfolios of the selected Multi-Manager Select Advisory Strategy.

JPMS also pays to JPMPI a share of the JPMS advisory fee, equal to 0.20% of the total assets in the Advisory Program, in return for certain investment advisory, portfolio management, manager research and execution services JPMPI performs for the Advisory Program. For qualified retirement accounts where product fees to affiliates are waived, JPMS may share with JPMPI a portion of the advisory fees it receives for the account.

B. Payment of Fees

JPMS deducts fees for the Advisory Program from client accounts monthly in arrears based upon the market value of all assets held in the Advisory Program account (including cash) on the last business day of the prior month.

Wrap clients should review the terms and conditions of the wrap program or contact the sponsor regarding fees and billing arrangements. JPMPI does not bill wrap clients or deduct fees directly from such client's wrap accounts. In general, the sponsor deducts fees from the client's wrap accounts, and the sponsor compensates JPMPI for its advisory services. Certain wrap clients are invested directly or indirectly in funds managed by affiliates of JPMPI and from which JPMPI affiliates receive additional compensation.

C. Additional Fees and Expenses

The wrap fee clients pay to JPMS does not include internal Fund fees and expenses, transfer taxes, electronic fund and wire fees, individual retirement account ("IRA") and retirement plan account fees, margin interest, American depositary receipt ("ADR") related fees, or any other fees that would reasonably be assessed to a brokerage account. In addition, the wrap fee paid to JPMS does not cover certain costs or charges that may be imposed by JPMS or third parties, including costs associated with exchanging foreign currencies, borrowing fees on short sales, odd-lot differentials, activity assessment fees, exchange fees, postage fees, auction fees, foreign clearing, settlement and custodial fees, and other fees or taxes required by law. Further, the wrap fee does not cover "dealer spreads" that JPMS or its affiliates or other broker-dealers may receive when acting as principal in certain transactions.

Funds pay fees and expenses that are ultimately borne by clients (including but not limited to management fees, brokerage costs, and administration and custody fees). Additionally, Funds held in an account have annual investment advisory expenses, so clients incur two levels of investment management fees: one indirectly in the form of an investment management fee to the investment adviser of each Fund and one to JPMS for its and JPMPI's services rendered. Clients should review the applicable prospectuses for Funds in the Select Advisory Strategies for additional information about these fees and expenses. These fees are in addition to any fees paid to JPMS as the sponsor of the Advisory Program and any fees received by JPMPI for acting as manager of the Select Advisory Strategies. In addition, JPMS and its affiliates collectively generally receive greater revenue if J.P. Morgan Funds or affiliated Model Managers are included in the Select Advisory Strategies, and therefore, JPMS and JPMPI have a conflict of interest in including J.P. Morgan Funds or affiliated Model Managers in the Select Advisory Strategies. See "Use of J.P. Morgan Funds and Model Managers and Potential Conflicts of Interest" in Item 11 for more information on the use of J.P. Morgan Funds and affiliated Model Managers.

In choosing to open a wrap account, wrap clients should also be aware that JPMPI offers a variety of investment strategies that may, at various times, experience higher or lower portfolio "turnover" of investment securities held in the portfolio. Wrap clients investing in a strategy during a period with lower investment turnover may in turn find themselves paying a disproportionately high fee for execution services as part of their bundled fee arrangement, relative to if they were paying brokerage on a per transaction basis due to the low turnover of securities held within a strategy.

In managing the Select Advisory Strategies available through the Advisory Program, JPMPI will generally place orders for client accounts with JPMS for execution because the wrap fee paid by each client includes commissions and certain transaction charges on trades executed through JPMS. JPMPI may execute trades through a broker-dealer other than JPMS (including in transactions referred to as "step-out" transactions) when JPMPI reasonably believes doing so will allow it to seek best execution. This can include, for example, situations where JPMPI believes that any added transaction or other charges of trading through another broker-dealer can be offset by a more favorable execution offered by that broker-dealer. For orders placed with broker-dealers other than JPMS, the trade confirmation issued by JPMS shows a price for the traded security that is inclusive (i.e., net) of the commission, mark-up, or mark-down paid by the client to the other broker-dealer, but it does not break out or otherwise show the amount of the commission, mark-up or mark-down separately. For more information on trades away from JPMS, please refer to additional disclosures on the JPMS separate website, available at www.chase.com/managed-account-disclosures.

To the extent that any securities or other assets used to establish a wrap account may be sold to bring the account into alignment with the investment strategy selected by the client, the client will be responsible for payment of any taxes due. Clients should consult their tax adviser or accountant regarding the tax treatment of their account under a wrap program.

In certain instances, wrap clients may request to engage in trades intended to offset capital gains tax liability. Such tax loss harvesting trades are subject to the sponsors or JPMPI's policies regarding minimum size of the trade, timing and format of the request. As part of its policy the account trading may be limited, depending on strategy, and the maximum amount of losses permitted in an account. Generally, if the policies are satisfied, tax loss harvesting trades are processed on a best efforts basis. Tax loss harvesting trades typically receive a lower priority than cash flow trades, trades to fund new accounts, trades to liquidate securities in connection with account terminations and block trades. As such, there may be a delay between a wrap client's tax loss harvesting request and its execution, and requests received after a communicated deadline, may not be executed before year end.

There are no additional fees and expenses payable to JPMPI with respect to the Advisory Program. Please see the JPMS Form ADV, Part 2A Appendix 1 Advisory Program Brochure for additional information.

D. Prepayment of Fees

See Item 5.B.

E. Additional Compensation and Conflicts of Interest

Neither JPMPI nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of Funds, in the Advisory Program.

ITEM 6

Performance-Based Fees and Side-by-Side Management

This Item is not applicable to this advisory program.

ITEM 7

Types of Clients

JPMS offers the Advisory Program to individuals, trusts, estates, charitable organizations, corporations and other business entities, and certain types of retirement accounts. Clients invested in the Advisory Program must have a brokerage account with JPMS.

JPMS has established minimum account requirements for certain client accounts, which can vary based on the investment strategy. The minimum amount of assets required to open an account in the Multi-Manager Select Advisory Strategies available through the Advisory Program is typically $50,000 per

account, although JPMS can, in its discretion, waive or reduce the minimum account opening size for certain clients or accounts. The minimum amount of assets required to open an account in the Single-Manager Select Advisory Strategies available through the Advisory Program is typically $100,000 per account, although JPMS may, in its discretion, waive or reduce the minimum account opening size for certain clients or accounts. To open or maintain an account, clients are required to sign an investment advisory agreement with JPMS that stipulates the terms under which JPMPI is authorized to act on behalf of the client to manage the assets listed in the agreement.

ITEM 8

Method of Analysis, Investment Strategies and Risk of Loss

A. Method of Analysis and Investment Strategies

JPMPI 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 JPMPI utilizes in formulating investment advice or managing assets.

This Item 8 also includes a discussion of the primary risks associated with these investment strategies. However, 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 JPMPI seeks to manage accounts so that risks are appropriate to the strategy, it is often impossible or not desirable to fully mitigate risks. Any investment includes the risk of loss, and there can be no guarantee that a particular level of return will be achieved. 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 carefully read all applicable informational materials and offering or governing documents prior to retaining JPMPI to manage an account. See Item 8.B. for additional information regarding investment risks.

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 JPMPI's clients. This is a summary only. The information included in this ADV does not include every potential risk associated with each investment strategy or applicable to a particular client account. Clients should not rely solely on the descriptions provided below. Clients are urged to ask questions regarding risk factors applicable to a particular strategy or investment product, 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.

JPMPI utilizes different methods of analysis that are tailored for each of the Select Advisory Strategies available in the Advisory Program. The descriptions are not intended to serve as Fund, Model Manager, or account guidelines, and are not generally intended to provide a complete investment program for a client. Neither JPMS nor JPMPI can ensure that a given Select Advisory Strategy’s investment objective will be attained.

The descriptions of the Select Advisory Strategies below are: (1) with respect to investments in Funds, qualified in their entirety by the information included in the applicable Fund’s prospectus or other relevant offering documentation, and (2) with respect to investments in individual securities through a Model Manager that is an SEC-registered investment adviser, qualified in their entirety by the information included

in the applicable Model Manager's Form ADV, Part 2A, which is available at the SEC's website at www.adviserinfo.sec.gov. In addition, set forth below is a general description of the primary method of analysis that the Manager Selection Team uses to perform manager research services regarding the PMP strategies in the Advisory Program.

With the exception of the Six Circles Funds, for which JPMPI serves as investment adviser, neither JPMS, JPMPI, nor JPMPI's Manager Selection Team (the "Manager Selection Team") is responsible for the performance of any Fund (including any J.P. Morgan Fund), any Model Manager (including any affiliated Model Manager), or any PMP strategy, or for any Fund's, Model Manager's, or PMP strategy's compliance with its prospectus, disclosures, laws or regulations, or other matters within the Fund's, Model Manager's or PMP strategy's control. Each Fund's adviser is solely responsible for the management of the Fund.

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

Description of Select Advisory Strategies

JPMPI provides discretionary investment management services to those clients in the Advisory Program who select one or more of the Select Advisory Strategies. The Select Advisory Strategies seek to address specific investment objectives, provide exposure to targeted asset classes, capture timely market opportunities, and/or address specific client objectives through actively managed portfolios. Portfolio managers construct portfolios to implement investment views within the Select Advisory Strategy's guidelines and consistent with its investment objectives. Portfolio managers may seek to determine their initial and ongoing portfolio positioning at an asset class, sub-asset class, sector, or sub-sector level, in order to capture opportunities or limit risks while managing the portfolio within respective guidelines.

Portfolio managers identify specific securities and investment vehicles to use within a Select Advisory Strategy that reflect the portfolio manager's investment view within the Select Advisory Strategy's investment guidelines and portfolio objectives. In making investment decisions with respect to the Multi-Manager Select Advisory Strategies, portfolio managers are only permitted to use approved investment vehicles. An internal governance forum provides ongoing oversight of the Select Advisory Strategies to review compliance with strategy-specific guidelines and metrics.

Portfolio managers may select individual securities and Funds. The Funds may include Liquid Alternative Funds, which are mutual funds that may hold more non-traditional investments and employ more complex strategies than traditional mutual funds. See Item 8.B below for more information about relevant risks of these investments.

For more information on Transition Accounts, please see Item 4.B above.

Single-Manager Select Advisory Strategies

The Single-Manager Select Advisory Strategies available in the Advisory Program include the following strategies:

- The Digital Evolution Strategy aims to achieve capital appreciation by investing in equity securities and depositary receipts of companies focusing on or benefiting from the development of technology related products, services and processes that enhance mobility and connectivity. The strategy expects to invest in companies across all market capitalizations with a preference toward medium and large capitalizations. The strategy seeks to deliver long-term total returns in excess of the benchmark (the S&P 500 Communication Services & Information Technology Index) over a full market cycle.
- FDG seeks to allocate to concentrated equity investments expected to produce current income and capital gains over a longer-term horizon.
- FTE seeks to provide a concentrated, all-cap opportunistic strategy that invests in equities trading at compelling valuations versus historical averages, peer universe, and potential earnings power.

Multi-Manager Select Advisory Strategies

The Multi-Manager Select Advisory Strategies available in the Advisory Program include the following strategies:

- The Absolute Return Fixed Income Strategy seeks a combination of income and capital appreciation by utilizing an absolute return investment style. The strategy will primarily invest in fixed income and alternative mutual funds[1]; the strategy may also invest in cash and liquidity funds. The strategy may invest in funds with minimal sector or duration constraints to afford the portfolio maximum flexibility in terms of investments.
- The Dynamic Multi-Asset Strategy seeks total returns, with a predominant focus on capital growth and income, and a secondary focus on principal preservation. The strategy is intended to maintain a moderate exposure to risk of capital loss, and will be managed with flexible asset allocation parameters. The strategy may involve some risk of loss of income and capital.
- The Dynamic Yield Strategy aims to generate yield and long-term capital appreciation by investing in multiple asset classes across global markets, with a preference toward fixed income. The strategy seeks lower sensitivity to U.S. interest rates than core fixed income, and volatility lower than U.S. equity markets, over a full market cycle. The strategy is expected to have higher volatility than core fixed income over a market cycle.
- The Emerging Markets Growth and Income Strategy seeks to achieve capital appreciation by investing in multiple asset classes across a portfolio which aims to achieve emerging markets returns while balancing risk. The strategy attempts to offer lower volatility than pure emerging

[1] "Alternative mutual funds" are mutual funds classified as alternative investments for risk and portfolio management purposes by J.P. Morgan. When determining whether a mutual fund may be classified as an alternative investment, J.P. Morgan will consider, among other things, the fund's use of certain strategies or investments similar to those used by alternative investment vehicles, such as hedge funds. This determination is to be made in J.P. Morgan's sole discretion. Alternative mutual funds are registered under the Investment Company Act of 1940.

markets equity by investing across asset classes in emerging and developed markets equity, emerging markets fixed income and cash, as well as alternatives.

- The Global Opportunistic Equity Strategy seeks to allocate to a blend of Funds, individual securities, and cash that represent a concentrated, flexible, and dynamic tactical allocation across a collection of thematic ideas. The strategy will seek to outperform the MSCI All-Country World Index over a full market cycle while balancing risk across geographic regions, market capitalization, and industry sectors.
- The U.S. Energy & Industrial Renaissance Strategy seeks to provide an opportunistic, all-capitalization strategy that invests in companies that should benefit from their involvement in North American energy production or from the ability to take advantage of affordable energy prices (example: natural gas) for the purpose of production and profit within the United States.

JPMPI's Managed Strategy Selection Process for the Multi-Manager Select Advisory Strategies

JPMPI, as portfolio manager of the Multi-Manager Select Advisory Strategies, is responsible for portfolio construction, including selecting Funds and Model Managers for these Strategies. JPMPI's process for selecting Funds and Model Managers as available for portfolio managers of the Multi-Manager Select Advisory Strategies is described below.

Research Process

JPMPI's Manager Selection Team is responsible for researching and selecting Funds and Model Managers, and for subjecting them to a review process. The Manager Selection Team will begin the search process by defining an applicable universe of managed strategies, which typically will include J.P. Morgan managed strategies when there is one in the desired asset class. The Manager Selection Team utilizes both quantitative and qualitative assessments during its initial review process. The Manager Selection Team then recommends particular Funds and Model Managers to an internal governance forum, which is responsible for approving or rejecting them. The Manager Selection Team is also responsible for monitoring and re-evaluating approved Funds and Model Managers as part of its ongoing review process. The Manager Selection Team and internal governance forum perform substantially similar services for other clients of JPMPI and its affiliates.

Strategy Approval

The internal governance forum approves or rejects new affiliated and unaffiliated Funds and Model Managers to be made available for JPMPI to use in the Multi-Manager Select Advisory Strategies. There may be Funds or Model Managers that are not available in Multi-Manager Select Advisory Strategies, but that are available in other programs advised by JPMPI or its affiliates. The Manager Selection Team provides a formal presentation on prospective managed strategies to the governance forum for review. The internal governance forum is expected to consider the same factors in its review and approval process for J.P. Morgan and non–J.P. Morgan managed strategies. These factors include, but are not limited to: (a) an analysis of the manager's overall investment opportunity, (b) investment thesis, (c) track record, (d) performance, (e) terms of the vehicle, (f) reputational risk, (g) potential for conflicts of interest, and (h) regulatory issues.

Portfolio Construction

From the pool of strategies, JPMPI selects the combination of Funds and Model Managers that, in its view, fit each Multi-Manager Select Advisory Strategy's asset allocation goals and JPMPI's forward looking views in an effort to best meet the Multi-Manager Select Advisory Strategy's investment objectives. JPMPI may also consider other factors, including but not limited to: (a) manager capacity, (b) investment guidelines, and/or (c) portfolio-specific constraints. In making portfolio construction decisions, JPMPI will consider and is permitted to prefer J.P. Morgan Funds, including the Six Circles Funds, and affiliated Model Managers.

Ongoing Review of Approved Strategies

Another internal governance forum is responsible for making decisions to maintain Funds and Model Managers as approved and available for use in the Multi-Manager Select Advisory Strategies, place them on probation, or terminate them as part of its ongoing monitoring and oversight responsibilities. The factors considered by the forum are expected to be the same for J.P. Morgan and non–J.P. Morgan managed strategies, and include, but are not limited to: (a) changes in the portfolio management team, (b) significant underperformance, (c) discovery of material operational risks, (d) changes in investment thesis, (e) terms of the vehicle, (f) reputational risk, (g) potential for conflicts of interest, and (h) regulatory issues.

JPMPI also may, for portfolio construction reasons, remove a Fund or Model Manager from use in a Multi-Manager Select Advisory Strategy.

A Fund or Model Manager that is on probation may be held in a Multi-Manager Select Advisory Strategy account, but generally JPMPI may not direct new purchases until the Fund or Model Manager is removed from probation. During the probation period, the Manager Selection Team will continue to review the Fund or Model Manager. Generally, a Fund or Model Manager that is terminated will be sold in a Multi-Manager Select Advisory Strategy account, and JPMPI will not direct new purchases of that Fund or Model Manager.

If JPMPI removes a Fund or Model Manager from use in a Multi-Manager Select Advisory Strategy, the assets held in Multi-Manager Select Advisory Strategy accounts will be sold and replaced with another Fund or Model Manager that is approved for use in a Multi-Manager Select Advisory Strategy. When evaluating a replacement Fund or Model Manager, JPMPI is expected to consider the same factors described above.

If a Model Manager is terminated, JPMPI will determine whether to re-invest Multi-Manager Select Advisory Strategy account assets in a replacement Fund or Model Manager, and JPMPI will determine the specific Fund or Model Manager in which to re-invest the assets, using the factors described above.

JPMPI Review Process for its Select Advisory Strategies

The Select Advisory Strategies are subject to an initial and ongoing internal review process by JPMPI. This is different from the review process applied by JPMPI to the PMP strategies described below, and does not involve the Manager Selection Team, or follow the same governance procedure for placing a strategy on probation or terminating ongoing monitoring and oversight responsibilities for a strategy. However, JPMPI does have a process for taking action on the Select Advisory Strategies if warranted as a result of its ongoing internal review process.

JPMPI Manager Research Services on PMP Strategies

In addition to the portfolio management of the Select Advisory Strategies, JPMS has separately engaged JPMPI to perform manager research services regarding the PMP strategies for potential inclusion in the Advisory Program. The manager research services that JPMPI performs for JPMS include: (1) recommending PMP strategies to JPMS for potential inclusion in the Advisory Program; (2) ongoing review of the PMP strategies selected by JPMS; and (3) recommending that PMP strategies selected by JPMS be placed on probation or removed from the Advisory Program. The PMP strategies are managed by affiliated portfolio managers, including JPMIM, and unaffiliated portfolio managers. JPMPI uses its Manager Selection Team to provide the manager research services and make recommendations to JPMS. In providing the manager research services, JPMPI expects to generally follow a similar process to the one described above under "Research Process," "Strategy Approval," and "Ongoing Review."

The manager research services JPMPI provides to JPMS for the PMP strategies are not advisory services provided by JPMPI to or tailored to clients of the Advisory Program. JPMS (not JPMPI) is solely responsible for selecting the PMP strategies to be made available in the Advisory Program, based upon the information and recommendations provided by the Manager Selection Team and such other information and resources that JPMS deems appropriate.

JPMPI does not have the authority to place a PMP strategy on probation or to terminate it from the Advisory Program. Rather, when the Manager Selection Team's monitoring process uncovers a concern, it may recommend that JPMS place the PMP strategy on probation or terminate it from the Advisory Program. JPMS (not JPMPI) is solely responsible for determining whether to place a PMP strategy on probation or to terminate one from the Advisory Program. JPMPI may, however, terminate its manager research services on a particular PMP strategy at any time.

JPMS provides clients the Form ADV, Part 2A and Part 2B (or an equivalent disclosure document) for the portfolio manager(s) of each PMP strategy clients select for their Advisory Program accounts.

JPMPI Manager Research Services on Other Strategies

JPMPI also provides research services as described above on other strategies outside of the Advisory Program.

Potential Conflicts of Interest in the Research and Review of the Select Advisory Strategies and PMP Strategies

For the Advisory Program, JPMPI may recommend to JPMS strategies managed by JPMPI, JPMIM, or unaffiliated third parties. JPMPI has an incentive to recommend the JPMPI and JPMIM-managed strategies to JPMS because J.P. Morgan receives more overall revenue when these strategies are chosen by clients (except for the Six Circles Funds). Similarly, with respect to manager termination, JPMPI has a greater incentive to recommend that JPMS terminate unaffiliated third-party managers from the Advisory Program, particularly where the manager's strategy is similar to one offered by JPMPI or JPMIM.

In addition, with respect to the JPMPI-managed strategies (i.e., the Select Advisory Strategies), the internal review process that JPMPI follows in recommending a manager to JPMS does not include a process to identify an applicable universe of managed strategies. As a result, there may be one or more strategies

managed by affiliates or third parties that may outperform the Select Advisory Strategies made available to Advisory Program clients.

Investment Advisory Services for Other Clients

Additional information about the services JPMPI provides to its other clients is described in separate brochures, which are available from JPMS upon request or at the SEC's website at www.adviserinfo.sec.gov.

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

The Select Advisory Strategies in which clients may invest generally will invest in Funds and individual securities. Please refer to a Fund's prospectus or other relevant offering materials for a more detailed discussion of risks.

General Portfolio Risks

Many of the risks defined below apply within the Fund, Model Manager, or separately managed accounts.

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 underperform in comparison to general financial markets, a particular financial market or other asset classes, due to a number of factors, including inflation, interest rates, global demand for particular products or resources, natural disasters or events, terrorism, regulatory events and government controls.

Equity Investments

When investing in equity securities (such as stocks), or when selecting Funds or Model Managers that invest in equity securities, such strategies may be more volatile and carry more risks than some other forms of investment. The price of equity securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries selected for a portfolio or the securities market as a whole, such as changes in economic or political conditions.

When investing in growth equity securities, or when selecting Funds or Model Managers that invest in growth equity securities, the portfolio manager attempts to identify companies that it believes will experience rapid earnings growth relative to value or other types of stocks. The value of these stocks generally is much more sensitive to current or expected earnings than stocks of other types of companies. Short-term events, such as a failure to meet industry earnings expectations, can cause dramatic decreases in the growth stock price compared to other types of stock. Growth stocks may trade at higher multiples of current earnings compared to value or other stocks, leading to inflated prices and thus potentially greater declines in value.

When investing in value equity securities, or when selecting Funds or Model Managers that invest in value equity securities, the portfolio manager attempts to identify companies that are undervalued based on the

estimate of their true worth. The portfolio manager selects stocks at prices that it believes are temporarily low relative to factors such as the company's earnings, cash flow or dividends. A value stock may decrease in price or may not increase in price as anticipated by the portfolio manager if other investors fail to recognize the company's value or the factors that the portfolio manager believes will cause the stock price to increase do not occur.

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

Fixed Income 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. However, usually, changes in the value of fixed income securities will not affect cash income generated. 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, rising inflation rates and general economic conditions. Given the historically low interest rate environment, risks associated with rising rates are heightened.

Credit Risk

There is a risk that issuers and/or counterparties will not make payments on securities when due or in default. Such default could result in losses. In addition, the credit rating of securities may be lowered if an issuer's or a counterparty's financial condition changes. Lower credit rating may lead to greater volatility in the price of a security, affect liquidity and make it difficult to sell the security. Certain strategies may invest in securities that are rated in the lowest investment grade category. Such securities also are considered to have speculative characteristics similar to high yield securities, and issuers or counterparties of such securities are more vulnerable to changes in economic conditions than issuers or counterparties of higher grade securities. 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 rating. Credit spread risk is the risk that economic and market conditions or any actual or perceived credit deterioration may lead to an increase in the credit spreads (i.e., the difference in

yield between two securities of similar maturity but different credit rating) and a decline in price of the issuer's securities.

Government Securities Risk

Some accounts could 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 may invest in securities and investments 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

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.

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, 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 credit rating 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 or certain state or local taxes.

Liquidity Risk

There may be no market for a fixed income instrument, and the holder may not be able to sell the security at the desired time or price. Even when a market exists, there may be a substantial difference between the secondary market bid and ask prices for a fixed income instrument.

Credit Spread Risk

Credit spread risk is the risk that a change in credit spreads will adversely affect the value of an investment. Even when a market exists, there may be a substantial credit spread, that is, the difference between the secondary market bid and ask prices for a fixed income instrument. The value of fixed income instruments generally moves in the opposite direction of credit spreads. Values decrease when credit spreads widen and increase when credit spreads narrow.

Call Risk

Declining interest rates may cause issuers to call their bonds in order to sell new bonds paying lower interest rates. The bond's principal is repaid early, but the investor is left unable to find a similar bond with as attractive a yield.

Reinvestment Risk

Investors in callable bonds may not receive the bond's original coupon rate for the entire term of the bond, and they may be unable to find an equivalent investment paying rates as high as the original rate. In addition, once the call date has been reached, the stream of a callable bond's interest payments is uncertain and any appreciation in the market value of the bond may not rise above the call price.

Prepayment and Extension Risk

Callable bonds are also subject to prepayment and extension risk. A decline in interest rates and other factors may result in unexpected prepayment of the underlying obligations, possibly causing a decline in the value of the investment and reinvestment at lower interest rates. An increase in interest rates and other factors may extend the life of such a security because the prepayments do not occur as expected, possibly causing a decline in the value of the investment.

Other Risks

Active Trading

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.

Initial Public Offering ("IPO") Risk

Certain strategies invest in IPO securities that 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, JPMPI 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 JPMPI. 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 JPMPI'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.

Model Risk

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

Geographic and Sector Focus Risk

Certain strategies concentrate their investments in a region, small group of countries, an industry or economic sector, and as a result, the value of the portfolio 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.

Diversification Risk

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

Regulatory Risk

There have been recent legislative, tax, and regulatory changes and proposed changes that may impact the activities of JPMPI, 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.

Cyber Security Risk

As the use of technology has become more prevalent in the course of business, JPMPI 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 JPMPI and its clients; and compromises or failures to systems, networks, devices and applications relating to the operations of JPMPI and its service providers. Cyber security risks may result in financial losses to JPMPI and its clients; the inability of JPMPI 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. JPMPI's service providers, financial intermediaries, companies in which client accounts and funds invest, and parties with which JPMPI 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 JPMPI 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 JPMPI 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.

Foreign Investments

Changes in foreign currency exchange rates will affect the value of portfolio securities and 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.

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, currency fluctuations, higher transactions costs, delayed settlement, possible foreign controls on investment, expropriation and nationalization risks, 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." These countries may have relatively unstable governments and less-established market economies than 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.

ETFs and Index Mutual Funds

ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold.

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

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

- *Variance from Benchmark Index*. ETF performance may differ from the performance of the applicable index for a variety of reasons. For example, ETFs incur operating expenses and portfolio transaction costs not incurred by the benchmark index, may not be fully invested in the securities of their indices at all times, or may hold securities not included in their indices. In addition, corporate actions with respect to the equity securities underlying ETFs (such as mergers and spin-offs) may impact the variance between the performances of the ETFs and applicable indices.
- *Passive Investing Risk*. Passive investing differs from active investing in that ETF managers are not seeking to outperform their benchmark. As a result, ETF managers may hold securities that are components of their underlying index, regardless of the current or projected performance of the specific security or market sector. Passive managers do not attempt to take defensive positions based upon market conditions, including declining markets. This approach could cause a passive vehicle's performance to be lower than if it employed an active strategy.
- *Secondary Market Risk*. ETF shares are bought and sold in the secondary market at market prices. Although ETFs are required to calculate their net asset values ("NAV") on a daily basis, at times the market price of an ETF's shares may be more than the NAV (trading at a premium) or less than the NAV (trading at a discount). Given the differing nature of the relevant secondary markets for ETFs, certain ETFs may trade at a larger premium or discount to NAV than shares of other ETFs depending on the markets where such ETFs are traded. The risk of deviation from NAV for ETFs generally is heightened in times of market volatility or periods of steep market declines. For example, during periods of market volatility, securities underlying ETFs may be unavailable in the secondary market, market participants may be unable to calculate accurately the NAV per share of such ETFs, and the liquidity of such ETFs may be adversely affected. This kind of market volatility may also disrupt the ability of market participants to create and redeem shares in ETFs.

Further, market volatility may adversely affect, sometimes materially, the prices at which market participants are willing to buy and sell shares of ETFs. As a result, under these circumstances, the market value of shares of an ETF may vary substantially from the NAV per share of such ETF, and the client may incur significant losses from the sale of ETF shares.

- *Tracking the Index*. The risk that a client account or fund may not track the performance of its underlying index may be heightened during times of increased market volatility or other unusual market conditions. Additionally, the index provider does not control or own index tracking accounts.

Investment in Funds

The investment performance of client accounts that implement their strategies by investing in underlying funds is directly related to the performance and risks of the underlying funds. There is no assurance that the underlying funds will achieve their investment objectives.

Liquid Alternative Funds

Liquid Alternative Funds typically can invest in assets such as global real estate, commodities, derivatives, leveraged loans, start-up companies, and unlisted securities that offer exposure beyond traditional stocks, bonds, and cash. These funds may provide a source of returns with a low correlation with the performance of traditional asset classes, such as equities and bonds.

Hedge funds often engage in leveraging, short selling, derivatives, and other speculative investment practices that may increase the risk of a complete loss of a client's investment. Hedge funds often charge performance fees in addition to management fees.

Liquid Alternative Funds utilize strategies similar to hedge funds, but are subject to regulatory limits on illiquid investments, leveraging, and amounts that may be invested in any one issuer. However, Liquid Alternative Funds may trade more frequently than traditional mutual funds and generally will hold more non-traditional investments and will employ more complex trading strategies than traditional mutual funds. Liquid Alternative Funds may have higher total expense ratios compared to traditional mutual funds plus higher annual operating expenses. Higher fees will negatively impact performance compared to traditional mutual funds. Unlike hedge funds, Liquid Alternative Funds generally cannot charge performance fees in addition to management fees. Liquid Alternative Funds also offer daily liquidity. Although Liquid Alternative Funds can offer diversification within a relatively liquid and accessible structure, they may not have the same type of returns as other alternative investments. The risk characteristics of Liquid Alternative Funds can be similar to those generally associated with other alternative investments and are further described in the prospectus. In addition to the usual market and investment-specific risks of traditional mutual funds, Liquid Alternative Funds may carry additional risks based on the strategies they use and the underlying investments made by the Liquid Alternative Funds. These strategies may target specific returns or benchmarks, and seek to mitigate or provide exposure to higher asset classes and alternative risks.

In general, Liquid Alternative Funds are speculative investments that have the potential for significant loss of principal. Investments in Liquid Alternative Funds are only available to certain clients who meet applicable eligibility and suitability requirements and in circumstances approved by JPMS. Because Liquid Alternative Funds involve speculative strategies, clients should fully understand the terms, investment strategy, and risk associated with such Funds. For example, the use of aggressive investment techniques, such as futures, forward contracts, swap agreements, derivatives, and options, can increase a Liquid

Alternative Funds' volatility and carries a high risk of substantial loss. The risks of a particular Liquid Alternative Fund are described in the prospectus.

Key Personnel Risk

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

Focused Portfolio Risks

An investment strategy's portfolio may have more volatility and is considered to have more risk than a portfolio that invests in a greater number of Funds because changes in the value of a single Fund may have a more significant effect, either negative or positive on the portfolio's value. To the extent that the portfolio invests its assets in fewer Funds, the portfolio is subject to greater risk of loss if any of those securities lose value.

C. Risks Associated with Particular Types of Securities

Please see response to Item 8.B.

ITEM 9

Disciplinary Information

A. Criminal or Civil Proceedings

JPMPI has no material civil or criminal actions to report.

B. Administrative Proceedings Before Regulatory Authorities

JPMPI has no material administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority to report.

On December 18, 2015, JPMS and JPMCB (together "Respondents"), affiliates of JPMPI, entered into a settlement with the SEC, resulting in the SEC issuing an order (the "SEC Order"), and JPMCB entered into a settlement with the United States Commodity Futures Trading Commission ("CFTC"), resulting in the CFTC issuing an order. The Respondents consented to the entry of the SEC Order that finds that JPMS violated Sections 206(2), 206(4), and 207 of the Investment Advisers Act of 1940 ("Advisers Act") and Rule 206(4)-7 and JPMCB violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933. The SEC Order finds that JPMCB negligently failed to adequately disclose (a) from February 2011 to January 2014, a preference for affiliated mutual funds in certain discretionary investment portfolios (the "Discretionary Portfolios") managed by JPMCB and offered through J.P. Morgan's U.S. Private Bank (the "U.S. Private Bank") and the Chase Private Client lines of business; (b) from 2008 to 2014, a preference for affiliated hedge funds in certain of those portfolios offered through the U.S. Private Bank; and (c) from 2008 to August 2015, a preference for retrocession-paying third-party hedge funds in certain of those portfolios offered

through the U.S. Private Bank. With respect to JPMS, the SEC Order finds, that from May 2008 to 2013, JPMS negligently failed to adequately disclose, including in documents filed with the SEC, conflicts of interest associated with its use of affiliated mutual funds in the CSP program, specifically, a preference for affiliated mutual funds, the relationship between the discounted pricing of certain services provided by an affiliate and the amount of CSP assets invested in affiliated products, and that certain affiliated mutual funds offered a lower-cost share class than the share class purchased for CSP. In addition, the SEC Order finds that JPMS failed to implement written policies and procedures adequate to ensure disclosure of these conflicts of interest. Solely for the purpose of settling these proceedings, the Respondents consented to the SEC Order, admitted to the certain facts set forth in the SEC Order and acknowledged that certain conduct set forth in the SEC Order violated the federal securities laws. The SEC Order censures JPMS and directs the Respondents to cease-and-desist from committing or causing any violations and any future violations of the above-enumerated statutory provisions. Additionally, the SEC Order requires the Respondents to pay a total of $266,815,000 in disgorgement, interest and civil penalty.

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

On or about July 27, 2016, Respondents entered into a Consent Agreement ("Agreement") with the Indiana Securities Division ("ISD"). The Respondents consented to the entry of the Agreement that alleged that certain conduct of the Respondents was outside the standards of honesty and ethics generally accepted in the securities trade and industry, in violation of 710 Ind. Admin. Code§ 4-10-1(23) (2016). Specifically, the Agreement alleged that, between 2008 and 2013, JPMS failed to disclose to Indiana investors that certain proprietary mutual funds purchased for CSP clients offered institutional shares that were less expensive than the institutional shares JPMS chose for CSP clients. In addition, the Agreement alleged that, from February 2011 to January 2014, no account opening document or marketing materials disclosed to Indiana investment management account clients or Indiana J.P. Morgan Investment Portfolio clients that JPMCB preferred to invest client assets in proprietary mutual funds, and that between 2008 and January 2014, JPMCB did not disclose its preference for investing certain investment management account assets in certain proprietary hedge funds to Indiana clients. Lastly, the Agreement alleged that, JPMCB did not disclose its preference for placement-agent-fee-paying third-party hedge fund managers in certain investment management accounts to Indiana clients until August 2015. Solely for the purpose of settling these proceedings, the Respondents consented to the Agreement, with no admissions as to liability. In the Agreement, the Respondents agreed to pay a total of $950,000 to resolve the ISD's investigation, which was paid on August 1, 2016.

C. Self-Regulatory Organization ("SRO") Proceedings

JPMPI has no material SRO disciplinary proceedings to report.

ITEM 10

Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status

JPMPI is not a registered broker-dealer; however, JPMPI has management persons who are registered with the Financial Industry Regulatory Authority ("FINRA") as representatives of JPMS, an affiliated broker-dealer, if necessary, or appropriate to perform their responsibilities.

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

JPMPI is registered as a commodity pool operator with the CFTC and is not registered as a commodity trading advisor in reliance on applicable exemptions from registration. Further, JPMPI operates its commodity pools under three separate exemptions: CFTC Rules 4.7 (exemption from certain part 4 requirements) and 4.13 (exemption from registration as a commodity pool operator), and CFTC Advisory 18-96 (relief from certain disclosure, reporting, and recordkeeping requirements for offshore commodity pools). JPMPI is also a member of the National Futures Association (the "NFA"). In addition, one of JPMPI's management persons is registered with the NFA as an "associated person" of JPMPI, as necessary or appropriate to perform their responsibilities.

C. Material Relationships or Arrangements with Industry Participants

JPMPI 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. JPMPI has adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate conflicts of interest that may arise between JPMPI and its affiliates. These policies and procedures include information barriers designed to prevent the flow of information between JPMPI and certain other affiliates, as more fully described in Item 11, Section A.

JPMPI also manages accounts on behalf of its affiliates, which creates conflicts of interest related to JPMPI's determination to use, suggest, or recommend the services of such affiliates. The particular services involved will depend on the types of services offered by the affiliate. The use of affiliates to provide services to clients and JPMPI creates certain conflicts of interest for JPMPI. Among other things, there are financial incentives for JPMPI's affiliates, including its parent company, J.P. Morgan, to favor affiliated service providers over non-affiliated service providers, and compensation of supervised persons of JPMPI may be directly or indirectly related to the financial performance of J.P. Morgan. However, JPMPI believes there may also be advantages to using affiliated service providers in certain situations, and JPMPI will engage such affiliated service providers only in a manner consistent with applicable laws, regulations, and JPMPI's policies and procedures.

(1) broker-dealer, municipal securities dealer, or government securities dealer or broker

J.P. Morgan Distribution Services, Inc., ("JPMDS") an affiliated broker-dealer, is the distributor for the J.P. Morgan Funds and certain other Funds offered to Multi-Manager Select Advisory Strategy clients. A description of the compensation payable to JPMDS is set forth in the applicable prospectus for the relevant fund.

JPMS is dually registered as a broker-dealer and an investment adviser with the SEC. JPMS is a wholly owned subsidiary of J.P. Morgan. JPMS is also registered as a Futures Commission Merchant ("FCM") with the CFTC. Certain directors and officers of JPMPI are also officers of JPMS. JPMPI utilizes JPMS for various services, including for clearing of securities transactions on behalf of certain RICs sub-advised by JPMPI, subject to applicable laws and regulations and the policies and procedures of JPMPI. JPMPI also acts as a portfolio manager/sub-adviser for certain JPMS-sponsored wrap fee programs, in which JPMS typically provides custody and equity trade execution services to the program clients. JPMS does not receive any additional brokerage commissions from its wrap clients when JPMPI places trades for those clients with JPMS. Additionally, JPMPI does not receive any additional fees or compensation from placing trades for these JPMS sponsored wrap accounts with JPMS.

(2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)

JPMPI provides investment advice and/or administrative functions for private investment funds organized as limited partnerships, limited liability companies, or offshore companies and serves as sub-adviser to four RICs for which JPMIM serves as investment adviser. JPMPI also acts as the investment adviser to open-end mutual funds, including the Six Circles Funds. JPMPI has entered into sub-advisory arrangements with JPMIM to provide the day-to-day investment decisions for the RICs, including the selection of funds for the RICs, which may include J.P. Morgan Funds. See "Use of J.P. Morgan Funds and Model Managers and Potential Conflicts of Interest" below. As of the date of this brochure, JPMPI owns 100% of each of the Six Circles Funds, as the provider of initial seed capital. As such, JPMPI may have the incentive to allocate assets of an account to the Six Circles Funds and/or not to withdraw client money from an account to avoid or delay the withdrawal's impact on the Six Circles Funds. Further, JPMPI may face conflicts of interest when considering the effect of redemptions on the Six Circles Funds and on other shareholders in deciding whether and when to redeem its shares. In addition, please see Section D of this Item and Item 11 for more information on material conflicts of interest relating to JPMPI's advisory services.

(3) other investment adviser or financial planner

JPMPI acts as sub-adviser or portfolio manager to JPMS as described above in Item 4.

JPMPI's affiliate, JPMIM, is the investment adviser or sub-adviser for various J.P. Morgan affiliated funds, including funds organized under the laws of other countries and jurisdictions. JPMIM is the primary adviser to a U.S. mutual funds complex as well as separately managed accounts. JPMPI often recommends and invests client accounts in J.P. Morgan affiliated funds and separately managed accounts which creates a conflict of interest because JPMPI affiliates benefit from increased allocations to the J.P. Morgan affiliated funds, and JPMDS and other affiliates receive distribution, placement, administration, custody, trust services or other fees for services provided to such funds.

(4) banking or thrift institution

J.P. Morgan, JPMPI's parent company, is a public company that is a bank holding company registered with the Board of Governors of the Federal Reserve System (the "Federal Reserve"). J.P. Morgan is subject to supervision and regulation by the Federal Reserve and is subject to certain restrictions imposed by the Bank Holding Company Act and related regulations.

JPMCB is a national banking association. JPMCB is subject to supervision and regulation by the U.S. Department of Treasury's Office of the Comptroller of the Currency. JPMCB provides banking, investment management, trustee, custody, and other services to clients. JPMCB also provides custody, or administrative services to funds sponsored or managed by J.P. Morgan. JPMCB and/or other affiliates of JPMCB share personnel (including investment advisory, research, legal, compliance, investor relations, marketing, technology, accounting, back office, human resources, IT, risk management, and administrative personnel) with JPMPI and provide other investment and non-investment resources to JPMPI. A substantial number of JPMPI's supervised persons also have duties and obligations outside of JPMPI to JPMCB and/or JPMPI's other affiliates. Personnel sharing can result in conflicts of interest to the extent such personnel have substantive responsibilities outside of JPMPI. For example, the resources available to JPMPI may be impacted by such personnel's other responsibilities to JPMCB or its affiliates. In addition, it may be more difficult for JPMPI to supervise such personnel and to monitor the communications and activities of such personnel. To the extent JPMCB or its affiliates share personnel with JPMPI, such personnel generally will be treated as supervised persons of JPMPI for compliance purposes with respect to that portion of their roles and responsibilities that directly relates to JPMPI's business.

D. Material Conflicts of Interest Relating to Other Investment Advisers

JPMPI's relationship with its affiliates limit certain trading capabilities as described below.

JPMPI and its affiliates maintain certain limitations on investment positions (including registered funds) that JPMPI or its affiliates will take on behalf of its various clients due to, among other things: (i) liquidity concerns, (ii) regulatory requirements applicable to JPMPI or its affiliates, and (iii) internal policies related to such concerns or requirements, in light of the management of multiple portfolios and businesses by JPMPI and its affiliates. Such policies preclude JPMPI or its affiliates from purchasing certain investments for clients, and may cause JPMPI to sell certain investments held in client accounts. This could result in performance dispersion among accounts with similar investment objectives.

Potential conflicts of interest may arise with both the aggregation and allocation of securities transactions and allocation of investment opportunities because of market factors or investment restrictions imposed upon JPMPI and its affiliates by law, regulation, contract, or internal policies. Allocations of aggregated trades, particularly trade orders that were only partially completed due to limited availability and allocation of investment opportunities generally, could raise a potential conflict of interest, as JPMPI or its affiliates may have an incentive to allocate securities that are expected to increase in value to favored accounts. Initial public offerings, in particular, are frequently of very limited availability. JPMPI and its affiliates may be perceived as causing accounts they manage to participate in an initial public offering to increase JPMPI's and its affiliates' overall allocation of securities in that offering. A potential conflict of interest also may arise if transactions in one account closely follow related transactions in a different account, such as when a purchase increases the value of securities previously purchased by another account or when a sale in one account lowers the sale price received in a sale by a second account.

The share classes of Funds available to Multi-Manager Select Advisory Strategy clients are limited to the share classes of Funds available through JPMS. As a policy, JPMS seeks to make available in the Multi-Manager Select Advisory Strategies the lowest cost share class of each Fund offered for which Multi-Manager Select Advisory Strategy clients are eligible. The share class of a Fund available through a Multi-Manager Select Advisory Strategy may differ from the share class available to Similar Accounts and evaluated by the Manager Selection Team in conducting research and selecting Funds for the Multi-Manager Select Advisory Strategies. JPMS receives a portion of the servicing or administrative fees from certain Funds that are held in clients' Multi-Manager Select Advisory Strategy accounts. For more information on these fees, please see the JPMS Form ADV, Part 2A Appendix 1 Advisory Program Brochure. The receipt by JPMS of these fees creates a conflict of interest in the selection of Funds for Multi-Manager Select Advisory Strategy accounts. JPMPI addresses this conflict of interest by making investment decisions based on the lowest cost share class available to Similar Accounts and without regard to any compensation that may be received by JPMPI's affiliates, including JPMS.

See Item 4.D. for more information about Similar Accounts.

Additionally, JPMC and its affiliates own interests in electronic communication networks and alternative trading systems (collectively "ECNs"), please see Item 11 for more information relating to this conflict.

ITEM 11

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

JPMPI has adopted the JPMPI Code of Ethics (the "Code of Ethics") pursuant to Rule 204A-1 under the Advisers Act. The Code of Ethics is designed to ensure that JPMPI and its supervised persons 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 a client service representative or financial adviser.

(i) General

The Code of Ethics contains policies and procedures relating to:

• Account holding reports, personal trading, including reporting and preclearance requirements for all personnel of JPMPI;

• Confidentiality obligations to clients set forth in the JPMC privacy notices; and

• Conflicts of interest, which includes guidance relating to restrictions on trading on material, nonpublic information ("MNPI"), gifts and entertainment, political and charitable contributions and outside business activities.

In general, the personal trading rules under the Code of Ethics require that accounts of JPMPI personnel be maintained with an approved broker and that all trades in reportable securities for such accounts be precleared and monitored by compliance personnel. The Code of Ethics also prohibits certain types of trading activity, such as short-term and speculative trades. JPMPI personnel must obtain approval prior to engaging in all covered security transactions, including those issued in private placements. In addition, JPMPI personnel 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 JPMPI's recommendations to clients, purchases, or sales of securities for client accounts and advised funds) are prohibited from executing personal trades in a security at certain times. 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 JPMPI personnel are subject to the JPMC firm-wide policies and procedures including those found in the JPMC Code of Conduct (the "Code of Conduct"). The Code of Conduct sets forth restrictions regarding confidential and proprietary information, information barriers, private investments, outside business activities and personal trading. All JPMC employees, including JPMPI personnel, are required to familiarize themselves, comply, and attest annually to their compliance with provisions of the Code of Conduct's terms as a condition of continued employment.

(ii) Information Barrier Policies

J.P. Morgan Wealth Management ("WM"), 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 WM or between JPMIM and WM, and within JPMC more broadly. JPMPI relies on these information barriers to protect the integrity of its investment process and to comply with fiduciary duties and regulatory obligations. JPMPI also relies upon these barriers to mitigate potential conflicts, to preserve confidential information and to prevent the inappropriate flow of MNPI and confidential information to and from JPMPI and to other public and private JPMC lines of business. 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. JPMPI's information barriers include: (1) written policies and procedures to limit the sharing of MNPI and confidential information on a need to know basis only, and (2) various physical, technical and procedural controls to safeguard such information. As a result of information barriers, JPMPI generally will not have access, or will have limited access, to information and personnel in other areas of JPMC, and generally will not manage the client accounts and funds with the benefit of information held by these other areas. Under certain circumstances, JPMPI and/or its affiliates may decide that transactions in a particular security need to be restricted and therefore JPMPI and/or its affiliates may determine that the security should be placed on a "restricted list." While the security is on the restricted list, JPMPI typically prohibits purchases, sales, or all transactions in the security. The reasons for placing a security on the restricted list include, but are not limited to: (i) preventing JPMPI from exceeding regulatory investment limitations with respect to the securities of companies in certain regulated industries, such as insurance companies and public utilities, (ii) avoiding a concentration in any particular security, (iii)

buttressing an information barrier by preventing the appearance of impropriety in connection with trading decisions or recommendations, and (iv) preventing the use or appearance of the use of inside information.

B. Securities in Which JPMPI or a Related Person Has a Material Financial Interest and Other Conflicts of Interest

J.P. Morgan Acting in Multiple Commercial Capacities

J.P. Morgan is a diversified financial services firm that provides a broad range of services and products to its clients and is a major participant in the global currency, equity, commodity, fixed-income and other markets in which program client accounts indirectly invest or may invest. J.P. Morgan is typically entitled to compensation in connection with these activities and the program's clients will not be entitled to any such compensation. In providing services and products to clients other than program clients, J.P. Morgan, from time to time, faces conflicts of interest with respect to activities recommended to or performed for program clients on one hand and for J.P. Morgan's other clients on the other hand. For example, J.P. Morgan has, and continues to seek to develop banking and other financial and advisory relationships with numerous U.S. and non-U.S. persons and governments. J.P. Morgan also advises and represents potential buyers and sellers of businesses worldwide. Program client accounts have invested in, or may wish to invest in, such entities represented by J.P. Morgan or with which J.P. Morgan has a banking, advisory or other financial relationship. Furthermore, in certain circumstances, J.P. Morgan persons issue recommendations on securities held in accounts advised or sub-advised by JPMPI that are contrary to the investment activities of JPMPI. In addition, certain clients of J.P. Morgan may invest in entities in which J.P. Morgan holds an interest, including a collective investment trust, or other pooled investment vehicle managed by a J.P. Morgan affiliate. In providing services to its clients and as a participant in global markets, J.P. Morgan from time to time recommends or engages in activities that compete with or otherwise adversely affect a program client account or its investments. It should be recognized that such relationships can preclude program clients from engaging in certain transactions and can also restrict investment opportunities that may be otherwise available to program clients. For example, J.P. Morgan is often engaged by companies as a financial adviser, or to provide financing or other services, in connection with commercial transactions that are indirectly potential investment opportunities for program clients. There are circumstances in which advisory accounts are precluded from participating in such transactions as a result of J.P. Morgan's engagement by such companies. J.P. Morgan reserves the right to act for these companies in such circumstances, notwithstanding the potential adverse effect on program clients. In addition, J.P. Morgan derives ancillary benefits from providing investment advisory, custody, administration, and other services to program clients, and providing such services to program clients may enhance J.P. Morgan's relationships with various parties, facilitate additional business development and enable J.P. Morgan to obtain additional business and generate additional revenue. The following are descriptions of certain additional conflicts of interest and potential conflicts of interest that may be associated with the financial or other interests that J.P. Morgan and JPMPI may have in transactions effected by, with, or on behalf of its clients. In addition to the specific mitigants described further below, JPMPI has established information barriers (see Item 11, Section A) and adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate conflicts of interest. In addition, many of the activities that create these conflicts of interest are limited and/or prohibited by law, unless an exception is available.

J.P. Morgan Service Providers and Its Relationships with Issuers of Debt or Equity Instruments Indirectly Held in Client Accounts

J.P. Morgan or JPMPI's related persons may provide financial, consulting, investment banking, advisory, brokerage (including prime brokerage) and other services to, and receive customary compensation from, an issuer of equity or debt securities held indirectly by client accounts. Any fees or other compensation received by J.P. Morgan in connection with such activities will not be shared with program clients. Such compensation could include financial advisory fees, monitoring fees, adviser fees or fees in connection with restructurings or mergers and acquisitions, as well as underwriting or placement fees, financing or commitment fees, trustee fees and brokerage fees.

Conflicts Related to the Joint Use of Vendors and Unaffiliated Service Providers

Certain service providers to clients managed by JPMPI (including 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 relations with J.P. Morgan and/or JPMPI, their affiliates, advisory clients and portfolio companies. Such advisors and service providers may be clients of J.P. Morgan and JPMPI, sources of investment opportunities, co-investors or commercial counterparties or entities in which J.P. Morgan has an investment. Additionally, certain employees of J.P. Morgan or JPMPI could have family members or relatives employed by such advisors and service providers. These relationships could have the appearance of affecting or potentially influencing JPMPI in deciding whether to select or recommend such 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).

Clients' Investments in Affiliated Companies

Subject to applicable law, from time to time JPMPI may include equity instruments or other securities in model portfolios, and therefore client accounts, that represent an indirect interest in securities of J.P. Morgan, including J.P. Morgan stock. JPMPI will receive advisory fees on the portion of client holdings invested in such instruments or other securities and may be entitled to vote or otherwise exercise rights and take actions with respect to such instruments or other securities on behalf of its clients. Generally, such activity occurs when a client account includes an index strategy that targets the returns of certain indices in which J.P. Morgan securities are a key component.

Clients' Investments in Deposit Sweep

Clients authorize JPMS and JPMPI to invest (i.e., sweep) available cash balances in client accounts that are pending investment, as well as any balances allocated to cash, into a bank deposit account held with JPMCB, an affiliate of JPMS and JPMPI.

Deposits with JPMCB are covered by the Federal Deposit Insurance Corporation ("FDIC"), up to applicable limits.

JPMS and JPMPI have a conflict of interest in using the Deposit Sweep for balances pending investment as well as the cash allocation for the model portfolios. JPMCB benefits from the use of the Deposit Sweep because JPMCB receives a stable, cost-effective source of funding. JPMCB intends to use deposits from program accounts to fund current and new business, including lending activities and investments. The

profitability on such lending activities and investments is generally measured by the difference, or "spread", between the interest rate paid on the deposits and other costs associated with the deposits, and the interest rate or other income JPMCB earns on loans and investments made with the deposits. JPMS addresses this conflict by monitoring the rate of interest paid on deposits made from program accounts and by providing disclosure and information about the Deposit Sweep to clients. In addition, an internal governance forum reviews the target allocation to cash for each of the model portfolios to determine whether it is consistent with such strategy's investment objective.

Restrictions Relating to J.P. Morgan Directorships/Affiliations

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

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

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

Other Compensation from Funds

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

J.P. Morgan's Use and Ownership of Trading Systems

JPMS may effect trades on behalf of program accounts through exchanges, electronic communications networks, alternative trading systems and similar execution systems and trading venues (collectively, "Trading Systems"), including Trading Systems in which J.P. Morgan has a direct or indirect ownership interest. J.P. Morgan may receive indirect proportionate compensation based upon its ownership percentage in relation to the transaction fees charged by such Trading Systems in which it has an ownership interest.

Use of J.P. Morgan Funds and Model Managers and Potential Conflicts of Interest

Investment Principles and Potential Conflicts of Interest

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

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

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

While JPMPI's internally managed strategies generally align well with JPMPI's forward looking views, and JPMPI is familiar with the investment processes as well as the risk and compliance philosophy of J.P. Morgan, it is important to note that J.P. Morgan receives more overall fees when internally managed strategies are included. In certain programs, JPMPI offers the option of choosing to exclude J.P. Morgan managed strategies (other than cash and liquidity products) in certain portfolios.

The Six Circles Funds are mutual funds advised by JPMPI and sub-advised by third-parties. Although considered internally managed strategies, neither JPMPI nor its affiliates retain a fee for fund management or other fund services.

Separately Managed Accounts

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

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

J.P. Morgan Funds - Management Fees

JPMPI or its affiliates may be sponsors or managers of Registered Funds ("J.P. Morgan Funds") that JPMPI purchases for the client's portfolio. In such case, JPMPI or its affiliates may receive a fee for managing the J.P. Morgan Funds. As such, JPMPI and its affiliates will receive more total revenue when the client's portfolio is invested in J.P. Morgan Funds than when it is invested in third party funds.

J.P. Morgan Funds and Third Party Funds - Other Fees & Expenses

All J.P. Morgan Funds have various internal fees and other expenses, that are paid by managers or issuers of the J.P. Morgan Funds or by the J.P. Morgan Funds itself, but that ultimately are borne by the investor. Affiliates of JPMPI may receive administrative and servicing and other fees for providing services to both J.P. Morgan Funds and third party J.P. Morgan Funds that are held in the client's portfolio. These payments may be made by sponsors of J.P. Morgan Funds (including affiliates of JPMPI) or by the J.P. Morgan Funds themselves and may be based on the value of the J.P. Morgan Funds in the client's portfolio. J.P. Morgan Funds or their sponsors may have other business relationships with JPMPI outside of its portfolio management role or with the broker-dealer affiliates of the JPMPI, which may provide brokerage or other services that pay commissions, fees and other compensation.

Six Circles Funds

JPMPI and its affiliates have developed the Six Circles Funds exclusively for use in investment advisory accounts. Beginning in October 2018, the Six Circles Funds will be available through investment advisory accounts managed by JPMPI.

In transitioning account assets to the Six Circles Funds, existing holdings will be sold to purchase the Six Circles Funds. This will result in tax implications. Clients should consult their tax advisors to determine the effect of these tax implications. Non-retirement Transition Accounts (see Item 4.B above) will be invested in the Six Circles Funds beginning on November 2, 2018.

The Six Circles Funds are Registered Funds specifically designed by JPMPI and its affiliates for use in discretionary accounts as completion funds to align with JPMPI's core portfolio views. JPMPI acts as investment adviser to the Six Circles Funds and engages third-party investment managers as sub-advisers to the Six Circles Funds' investment portfolios. JPMPI may experience certain benefits and efficiencies from

investing account assets in the Six Circles Funds instead of unaffiliated investment vehicles; however, JPMPI does not retain investment advisory fees for managing the Six Circles Funds through an agreement to waive any investment advisory fees that exceed the fees owed to the Six Circles Funds' third-party sub-advisers. The Six Circles Funds do not pay fees to JPMPI or its affiliates for any other services to the Six Circles Funds. Services are provided by third-party service providers and are generally paid by the Six Circles Funds or J.P. Morgan. (The market value of assets invested in the Six Circles Funds will be included in calculating the advisory fees paid on the overall portfolio.)

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

Please see the prospectus for more complete information about the Six Circles Funds, including the funds' objectives, risks, charges and expenses.

Principal and Agency Transactions

When permitted by applicable law and JPMPI's policy, JPMPI, acting on behalf of its advisory 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 JPMPI, acting on behalf its advisory accounts, knowingly buys a security from, or sells a security to, JPMPI's or its affiliate's own account.

A "cross transaction" occurs when JPMPI arranges a transaction between different advisory clients where they 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, JPMPI 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 JPMPI.

An "agency cross transaction" occurs if JPMC acts as broker for, and receives a commission from a client account of JPMPI 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 JPMPI's client account. JPMPI 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 JPMPI determines that the transaction is in the best interest of each client account and permitted by applicable law.

Potential Conflicts Relating to Valuation

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

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

• A significant event that affects the value of a security;

• Illiquid securities;

• Securities that have defaulted or are de-listed from an exchange and are no longer trading; or

• Any other circumstance in which it is determined that current market quotations do not accurately reflect the value of the security.

C. Investing in Securities That JPMPI or a Related Person Recommends to Clients

JPMPI or one of its related persons may, for its own account, buy or sell securities or other instruments that JPMPI has recommended to clients or purchased or sold for its clients. As a result, positions taken by JPMPI and its related persons may be the same as or different from, or made contemporaneously with or at different times than, positions taken for clients of JPMPI. As these situations may involve actual or potential conflicts of interest, JPMPI has adopted policies and procedures relating to personal securities transactions, insider trading, and other ethical considerations. These policies and procedures are intended to identify and mitigate actual and perceived conflicts of interest with clients and to resolve such conflicts appropriately if they do occur. The policies and procedures contain provisions regarding preclearance 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. JPMPI has also implemented monitoring systems designed to ensure compliance with these policies and procedures.

J.P. Morgan's Proprietary Investments

JPMPI, J.P. Morgan, and any of their directors, partners, officers, agents or employees, also buy, sell or trade securities for their own accounts or the proprietary accounts of JPMPI and/or J.P. Morgan. JPMPI and/or J.P. Morgan, 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. Further, JPMPI is not required to purchase or sell for any client account securities that it, J.P. Morgan, and any of their employees, principals or agents may purchase or sell for their own accounts or the proprietary accounts of JPMPI or J.P. Morgan. JPMPI, J.P. Morgan, and their respective directors, officers and employees face a conflict of interest as they will have income or other incentives to favor their own accounts or the proprietary accounts of JPMPI or J.P. Morgan.

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

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

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

Potential conflicts of interest may also arise as a result of JPMPI's current policy to endeavor to manage its clients' portfolios 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, inter alia, to "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" disgorgement requirement of "short-swing" profits deriving from purchase and sale or sale and purchase of the security, executed within a six-month period. JPMPI 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 JPMPI accounts and funds managed for its clients, JPMPI may limit the amount of, or alter the timing, of purchases of securities, in order not to trigger the foregoing requirements. That means that certain contemplated transactions that otherwise would have been consummated by JPMPI on behalf of its clients may not take place, may be limited in their size or may be delayed.

Furthermore, J.P. Morgan has adopted policies and procedures reasonably designed to ensure compliance generally with economic and trade sanctions-related obligations applicable 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 JPMPI of its compliance policies and procedures in respect thereof, may restrict or limit an advisory account's investment activities. In addition, J.P. Morgan from time to time subscribes to or otherwise elects to become subject to investment policies on a firm-wide basis, including policies relating to environmental, social and corporate governance. JPMPI may also limit transactions and activities for reputational or other reasons, including when J.P. Morgan is providing or may provide advice or services to an entity involved in such activity or transaction, when J.P. Morgan or a client is or may be engaged in the same or a related activity or transaction to that being considered on behalf of the advisory account, when J.P. Morgan or another account has an interest in an entity involved in such activity or transaction, or when such activity or transaction on behalf of or in respect of the advisory account could affect J.P. Morgan, JPMPI, their clients or their activities. J.P. Morgan may become subject to additional restrictions on its business activities that could have an impact on Program client account activities. In addition, JPMPI may restrict its investment decisions and activities on behalf of particular advisory accounts and not other accounts.

D. Conflicts of Interest Created by Contemporaneous Trading

Conflicts Related to the Advising of Multiple Accounts

Certain portfolio managers of JPMPI manage or advise multiple client accounts, investment vehicles or portfolios. These portfolio managers are not required to devote all or any specific portion of their working time to the affairs of any specific client. Conflicts of interest do arise in allocating management time, services or functions among such clients, including clients that may have the same or similar type of investment strategies. JPMPI addresses these conflicts by disclosing it to clients and through its supervision of portfolio managers and their teams. Responsibility for managing JPMPI's client portfolios is organized according to investment strategies within asset classes. Generally, client portfolios with similar strategies are managed by portfolio managers in the same portfolio management group using the same or similar objectives, approach and philosophy. Therefore, portfolio holdings, relative position sizes, industry and sector exposures generally tend to be similar across client portfolios with similar strategies. However, JPMPI faces conflicts of interest when JPMPI's portfolio managers manage accounts or portfolios with similar investment objectives and strategies. For example, investment opportunities that may potentially be appropriate for certain clients may also be appropriate for other groups of 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 or advised by JPMPI or its related persons. JPMPI has controls in place to monitor and mitigate these potential conflicts of interest.

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

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

In addition, it may be perceived as a conflict of interest when activity in one account closely correlates with the activity in a similar account, such as when a purchase by one account increases the value of the same securities previously purchased by another account, or when a sale in one account lowers the sale price received in a sale by a second account. Furthermore, if JPMPI or an affiliate manages accounts that engage in short sales of securities in which other accounts invest, JPMPI or its affiliate could be seen as harming the performance of one account for the benefit of the account engaging in short sales if the short sales cause the market value of the securities to fall.

Certain Other Trading Related Conflicts of Interest

Generally, client portfolios with similar strategies are managed by portfolio managers in the same portfolio management group using the same or similar objectives, approach, and philosophy. Therefore, portfolio holdings, relative position sizes, and industry and sector exposures tend to be similar across similar portfolios, which may reduce the potential for conflicts of interest. Nonetheless, conflicts of interest may potentially arise when JPMPI's portfolio managers manage accounts with similar investment objectives and strategies. For example, a potential conflict of interest includes the allocation of investment opportunities for similar accounts. There is no specific limit as to the number of accounts that may be managed or advised by JPMPI or its related persons. JPMPI has controls in place to monitor and mitigate against these potential conflicts of interest.

Conflicts Related to Allocation and Aggregation

Potential conflicts of interest also arise involving both the aggregation of trade orders and allocation of securities transactions or investment opportunities. Allocations of aggregated trades and allocation of investment opportunities raise a potential conflict of interest because JPMPI has an incentive to allocate trades or investment opportunities to certain accounts or funds. Fees for accounts managed by affiliates ("Affiliate Accounts") are generally higher than fees for the program. In addition, the assets under management for individual Affiliate Accounts are generally higher than the assets under management for individual program accounts. Therefore, affiliates can receive more gross compensation with respect to Affiliate Accounts than JPMS and JPMPI receive from program accounts. This may create a potential conflict of interest for JPMPI and its affiliates or the portfolio managers by providing an incentive to favor these Affiliate Accounts as to time spent managing such accounts, placing securities transactions or when allocating securities to clients. JPMPI has established policies, procedures and practices to manage the conflicts described above.

ITEM 12

Brokerage Practices

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

Broker Selection

Clients invested in this program authorize and direct JPMPI, in the client agreement, to effect transactions for their accounts through JPMS, subject to JPMPI's duty to seek best execution and JPMS' capacity and willingness to execute the transaction. Although JPMPI has discretion to select brokers or dealers other than JPMS, JPMPI generally places such trades through JPMS because the wrap fee paid by each wrap program account client only covers execution costs on trades executed through JPMS. Certain securities included in the clients' portfolios can be less liquid or are traded infrequently. If faced with a liquidity constraint, to fulfill its duty to seek best execution of transactions for its clients' accounts, JPMPI can select broker-dealers other than JPMS or its affiliates to affect a trade for a wrap program account client and any execution costs charged by other broker-dealers will be paid by the client's account.

In the event JPMPI selects brokers for the execution of transactions for client accounts, it does in accordance with its best execution policies and procedures. In making decisions about best execution, JPMPI considers some of the factors below, including:

- The execution venues available for such instruments
- Price, costs, and commission rates charged
- Speed of execution or priority placed upon an order by the portfolio manager or client
- Likelihood of execution and settlement
- Relative size of the order
- Consistent quality of overall service from the counterparty

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

1. Research and Other Soft Dollar Benefits.

JPMPI does not receive research or other soft dollar benefits in connection with client transactions in the Advisory Program.

2. Brokerage for Client Referrals.

JPMPI does not compensate persons for client referrals to the Advisory Program.

3. Directed Brokerage.

Clients are not permitted to direct brokerage in the Advisory Program.

B. Order Aggregation

JPMPI generally aggregates contemporaneous purchase or sale orders of the same security across multiple client accounts (the "Participating Accounts"). Pursuant to JPMPI's trade aggregation and allocation policies and procedures, JPMPI determines the appropriate facts and circumstances under which it will aggregate trade orders depending on the particular asset class, investment strategy or type of security or instrument and timing of order flow and execution.

When Participating Accounts' orders are aggregated, the orders will be placed with JPMS or if best execution can be achieved by executing away it will be placed with one or more broker-dealers or other counterparties for execution. When a bunched order or block trade is completely filled, JPMPI generally allocates the securities or other instruments purchased or the proceeds of any sale pro-rata among the Participating Accounts, based on such accounts' relative size. Adjustments or changes may be made and allocations may be made on a basis other than pro-rata under certain circumstances such as to avoid odd lots or small allocations or to satisfy account cash flows or to comply with investment guidelines. In addition, if the order is filled at several different prices, through multiple trades, generally all Participating Accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice.

JPMPI portfolio managers place trades for certain clients simultaneously with the trading activities of other clients (including certain clients of JPMCB and other related persons). These activities will be executed through the appropriate trading desk generally in accordance with JPMPI's trading policies and procedures.

In order to minimize potential execution costs arising from the market impact of trading the same securities, JPMPI can implement trade order volume controls. Where wrap program account orders coincide with the trade orders for other clients of JPMPI, JPMCB, and JPMIM, the wrap program account order flow will be subject to the previously mentioned order volume controls and will be delayed if such controls are binding. In the course of monitoring the above-noted trading activities, JPMPI attempts to ensure that its clients are treated fairly and equitably over time.

Clients invested in the Select Advisory Strategies can experience sequencing delays and costs associated with negative market movement. JPMPI's trading guidelines provide an established mechanism for creating a random trade rotation, which determines the order in which trade instructions are transmitted for clients of JPMPI to broker-dealers. The trade rotation is designed to ensure that no clients of JPMPI receive preferential treatment over time as a result of the timing of the receipt of trade execution instructions.

Orders for different strategies or programs managed by JPMPI are not aggregated if portfolio management decisions relating to the orders are made separately or if aggregating orders is not practicable from an operational or other perspective. In addition, certain JPMPI portfolio managers manage similar strategies that are available through JPMPI's affiliates and that are not aggregated with orders for clients invested in this program. In some instances, trading restrictions imposed by client guidelines might preclude the aggregation of trades, in which case, the aggregated trades will be executed in advance of the trade for the client account that is precluded.

Where transactions for a client's account are not aggregated with orders for other accounts, pricing received by that client may differ. Executing brokers may be permitted to trade along with client orders, subject to applicable law.

Notwithstanding the above, order aggregation for Transition Accounts that will remain in the Legacy Models/Strategies will be implemented differently from current Multi-Manager Select Advisory Strategies as previously described in Item 4.B, which may lead to a difference in performance.

Trade Errors

Trade errors and other operational mistakes occasionally occur in connection with JPMPI's management of client accounts. JPMPI 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.).

JPMPI's policies and procedures require that all errors affecting a client's account be resolved promptly and fairly. Under certain circumstances, JPMPI 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.

JPMPI 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 JPMPI 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.

JPMPI's policies and procedures generally do not require perfect implementation of investment management decisions, trading, processing or other functions performed by JPMPI. 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. For example, imperfections in the implementation of investment strategies, including quantitative strategies (e.g., coding errors), that do not result in material departures from the intent of the portfolio management team will generally not be considered compensable errors. In addition, in managing accounts, JPMPI 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 or Financial Plans

JPMPI creates guidelines and periodically reviews the Select Advisory Strategies, Funds, and Model Managers available in the Advisory Program in an effort to ensure that the Select Advisory Strategies, Funds, and Model Managers continue to meet applicable requirements. JPMPI reviews individual client accounts for adherence with the guidelines.

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

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

JPMPI does not review individual client accounts on an other than periodic basis.

C. Content and Frequency of Account Reports to Clients

JPMPI does not provide performance reports to Advisory Program clients. Clients receive written account statements from the custodian at least quarterly and also receive written quarterly performance reports from JPMS.

ITEM 14

Client Referrals and Other Compensation

A. Economic Benefits for Providing Services to Clients

No person who is not a client provides an economic benefit to JPMPI for providing investment advice or other advisory services to Advisory Program accounts. Notwithstanding the forgoing and subject to compliance with applicable law, JPMPI derives ancillary benefits from providing investment advisory services to clients. For example, providing such advisory services to clients generally helps JPMPI enhance its relationships with various parties and facilitate additional business development, and also enables JPMPI and its related persons to obtain additional business and generate additional revenue. In addition, J.P. Morgan may derive ancillary benefits from certain decisions made by JPMPI on behalf of clients. While JPMPI makes decisions for its clients in accordance with its obligations to manage the assets in the best interests of its clients, the fees, allocations, compensation, and other benefits to J.P. Morgan arising from those decisions may be greater as a result of certain investment or other decisions made by JPMPI on behalf of its clients than they would have been had other decisions been made which also might have been appropriate for the clients.

The Code of Conduct does not permit employees to accept anything of value personally in connection with the business of the firm. Subject to strictly enforced compliance policies, in limited circumstances exceptions may be made for certain nominal non-cash gifts, meals, refreshments and entertainment provided in the course of a host-attended business-related meeting or other occasion.

B. Compensation to Non-Supervised Persons for Client Referrals

Neither JPMPI nor any related person of JPMPI directly or indirectly compensates any person who is not its supervised person for client referrals to the Advisory Program.

ITEM 15

Custody

JPMPI generally does not maintain physical custody of client 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, JPMPI may be deemed to have custody of client assets under certain circumstances.

JPMPI might be deemed to have custody of clients' assets in the Select Advisory Strategies because JPMS directly or indirectly holds clients' funds or securities or has authority to obtain possession of them. Clients will receive account statements at least quarterly directly from their qualified custodian. Clients may also receive account statements from JPMS. Clients are encouraged to compare the account statements that they receive from their qualified custodian with those that they receive from JPMS. If clients do not receive statements at least quarterly from their qualified custodian in a timely manner, they should contact JPMS immediately.

ITEM 16

Investment Discretion

JPMPI has full discretionary authority, to be exercised in its exclusive judgment and consistent with the Select Advisory Strategy selected by the client, to determine the allocation of assets in such strategies; and to remove or replace Funds or Model Managers.

JPMS and the client execute an investment advisory agreement authorizing JPMPI, as the portfolio manager, to act on behalf of the account. Execution of such agreement authorizes JPMPI 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.

ITEM 17

Voting Client Securities

A. Policies and Procedures Relating to Voting Client Securities

JPMPI will not vote proxies (or give advice about how to vote proxies) relating to securities or other property currently or formerly held in a client's account. Please see the JPMS Form ADV, Part 2A Appendix 1 Advisory Program Brochure for more information on proxy voting. Unless a client otherwise directs in writing and such instruction is transmitted to JPMPI, JPMPI will receive and respond to corporate actions with respect to securities in a client's account, such as: any conversion option; execution of waivers, consents, and other instruments; and consents to any plan of reorganization, merger, combination, consolidation, liquidation, or similar plan. JPMPI may, in its sole discretion, delegate this responsibility to a service provider. Each client has the right and responsibility to take any actions with respect to any legal proceedings, including without limitation, bankruptcies and shareholder litigation, and the right to initiate or pursue any legal proceedings, including without limitation, shareholder litigation, including with respect to transactions, securities, or other investments held in the client's account or the issuers thereof. JPMPI is not obligated to render any advice or take any action on a client's behalf regarding securities or other property held in the client's account, or the issuers thereof, which become the subject of any legal proceedings, including without limitation, bankruptcies and shareholder litigation, to which any securities or other investments held or previously held in the account, or the issuers thereof, become subject. In addition, JPMPI is not obligated to initiate or pursue any legal proceedings, including without limitation, shareholder litigation, on behalf of a client's account, including with respect to transactions, securities, or other investment held or previously held, in the client's account or the issuers thereof.

ITEM 18

Financial Information

JPMPI does not require or solicit prepayment of more than $1,200 in fees per client six months or more in advance and, thus, has not included a balance sheet of its most recent fiscal year. JPMPI is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has JPMPI been the subject of a bankruptcy petition at any time during the past ten years.