

FORM ADV, PART 2A

FIRM BROCHURE

J.P. Morgan Private Investments Inc.

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 212-464-1945. 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. also is 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.

Material Changes

J.P. Morgan Private Investments Inc. ("JPMPI") began sub-advising a portion of certain sub-funds of the JPMorgan Private Bank Funds I, an umbrella investment vehicle registered in Luxembourg that qualifies as an Undertaking for Collective Investments in Transferable Securities ("UCITS").

TABLE OF CONTENTS

1. Cover Page	
2. Material Changes	1
3. TABLE OF CONTENTS	2
4. Advisory Business	4
A. General Description of Advisory Firm	4
B. Description of Advisory Services	4
C. Availability of Customized Services for Individual Clients	6
D. Wrap Fee Programs.....	6
E. Assets Under Management	6
5. Fees and Compensation.....	8
A. Advisory Fees and Compensation.....	8
B. Payment of Fees	10
C. Additional Fees and Expenses	10
D. Prepayment of Fees.....	11
E. Additional Compensation and Conflicts of Interest.....	11
6. Performance-Based Fees and Side by Side Management	12
7. Type of Clients	13
8. Method of Analysis, Investment Strategies and Risk of Loss	14
A. Methods of Analysis and Investment Strategies	14
B. Material, Significant, or Unusual Risks Relating to Investment Strategies	25
C. Risks Associated With Particular Types of Securities	54
9. Disciplinary Information	55
A. Criminal or Civil Proceedings.....	55
B. Administrative Proceedings Before Regulatory Authorities.....	55
C. Self Regulatory Organization (SRO) Proceedings.....	55
10. Other Financial Industry Activities and Affiliations	56
A. Broker-Dealer Registration Status	56

B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status	56
C. Material Relationships or Arrangement with Industry Participants.....	56
D. Material Conflicts of Interest Relating to Other Investment Advisers.....	57
11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	60
A. Code of Ethics.....	60
B. Securities That You or a Related Person Has a Material Financial Interest	60
C. Investing in Securities That You or a Related Person Recommends to Clients.....	60
D. Conflicts of Interest Created by Contemporaneous Trading.....	60
12. Brokerage Practices	61
A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions	61
1. Research and Other Soft Dollar Benefits.....	62
2. Brokerage for Client Referrals.....	64
3. Directed Brokerage.....	64
B. Order Aggregation	64
13. Review of Accounts	65
A. Frequency and Nature of Review of Client Accounts or Financial Plans.....	65
B. Factors Prompting Review of Client Accounts Other than a Periodic Review	65
C. Content and Frequency of Account Reports to Clients.....	65
14. Client Referrals and Other Compensation.....	67
A. Economic Benefits for Providing Services to Clients.....	67
B. Compensation to Non-Supervised Persons for Client Referrals	67
15. Custody.....	68
A. Custody of Client Assets.....	68
16. Investment Discretion.....	70
17. Voting Client Securities	71
A. Policies and Procedures Relating to Voting Client Securities	71
B. Policies and Procedures Relating to Voting Client Securities	72
18. Financial Information	73
A. Balance Sheet.....	73
B. Financial Conditions Likely to Impair Ability to Meet Contractual Commitments to Clients.....	73
C. Bankruptcy Filings.....	73

ITEM 4

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 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 to certain individuals as the manager of the Focused Dividend Growth strategy (“FDG”) through the J.P. Morgan Securities Strategic Investment Services Program (“STRATIS”), a wrap fee program offered through an affiliate, J.P. Morgan Securities LLC (“JPMS”) (For more information, please see the JPMS Form ADV Part 2A Appendix 1 (Wrap Fee Program Brochure), SEC File No. 801-3702). For the purposes of this Form ADV, Part 2A, the RICs and Private Funds will be collectively referred to as the “Funds”. JPMPI also sub-advises a portion of certain sub-funds of the JPMorgan Private Bank Funds I, an umbrella investment vehicle registered in Luxembourg that qualifies as an Undertaking for Collective Investments in Transferable Securities (“UCITS”).

JPMPI was incorporated on November 25, 1991. JPMPI is a wholly-owned subsidiary of J.P. Morgan Chase and Co.

B. Description of Advisory Services

JPMPI does not hold itself out as specializing in a particular type of advisory service. JPMPI primarily acts in an administrative capacity on behalf of privately-offered pooled investment vehicles. However, JPMPI provides investment advisory services in the capacities listed below.

Advisory Services to Private Funds

JPMPI provides advisory services to certain Private Funds described below. Such Private Funds generally fall into one of two categories;

- (i) conduit vehicles formed solely to invest in a designated master fund, typically a private equity fund, hedge fund or real estate fund (“Conduits”), and
- (ii) other private investment funds, such as hedge funds, funds of hedge funds or funds of private equity funds, as described more fully below (“Hedge Funds or Private Equity Funds”).

Conduit Vehicles:

Each Conduit is a special purpose entity (typically a limited partnership or limited liability company) formed by JPMPI for the sole purpose of investing its assets in a designated master fund, which is typically a private equity fund, hedge fund or real estate fund formed and managed by an affiliated or unaffiliated third party. Conduits may also participate in co-investment opportunities at the discretion of JPMPI. JPMPI has retained J.P. Morgan Investment Management Inc. (“JPMIM”) to provide investment advisory services to the Conduits for the purposes of evaluating co-investment opportunities. JPMIM is under common control with JPMPI and is a registered investment adviser.

After JPMIM evaluates each co-investment opportunity and makes its recommendation to JPMPI, JPMPI either accepts or declines JPMIM’s decision. With respect to the Conduits, JPMPI generally serves as the general partner, managing member, manager or administrator thereto. For purposes of conducting JPMPI’s business, JPMPI deems the Conduit, and not the master fund or each of the Conduit’s investors, to be its client.

Hedge Funds/Private Equity Funds:

For the Hedge Funds and Private Equity Funds, JPMPI identifies certain investment strategies and retains either affiliated or unaffiliated investment advisers to act as sub-advisers to implement such investment strategies through direct investments or investments in other funds.

Advisory Services to RICs

JPMPI also acts as a sub-adviser to two open-end RICs and two closed-end RICs. JPMIM is the investment adviser to each RIC and JPMPI is the investment sub-adviser. JPMPI makes the day-to-day investment decisions for each RIC. JPMIM is a wholly-owned subsidiary of J.P. Morgan Asset Management Holdings Inc., which is a wholly-owned subsidiary of JPMorgan Chase & Co. (JPMorgan Chase), a bank holding company. JPMPI is a wholly-owned subsidiary of JPMorgan Chase. JPMIM and JPMPI are located at 270 Park Avenue, New York, NY 10017.

Advisory Services to Certain Individuals Through STRATIS

The J.P. Morgan Securities division of J.P. Morgan Securities LLC (“JPMS”) offers clients the discretionary management services of third-party and affiliated portfolio managers and provides consulting services to clients through STRATIS, a wrap fee program. Clients pay an asset-based wrap fee that covers JPMS’s consulting services, the portfolio managers’ services, and execution of transactions and custody through JPMS and its affiliates.

In July 2011, JPMS identified the FDG strategy, managed by John L. Caffrey, as an investment strategy for its individual clients. The FDG strategy is a concentrated long-only equity strategy that focuses on brand name U.S.-listed equities and targets above-market blended yields.

The STRATIS program offers clients the ability to choose managers based on their investment objectives and suitability. Mr. Caffrey is an officer of JPMPI and makes the day-to-day investment decisions for the client portfolios invested through the STRATIS program who have selected FDG as a strategy.

In the future, JPMPI may serve as investment adviser to additional strategies offered on the STRATIS program.

C. Availability of Customized Services for Individual Clients

As mentioned above, JPMPI provides advisory services to individuals through STRATIS, a JPMS-offered wrap fee program providing clients with access to a variety of investment strategies. If clients select the FDG strategy, JPMPI, through Mr. Caffrey, serves as investment adviser for that individual client.

For more information, please see the JPMS Form ADV Part 2A Appendix 1 (Wrap Fee Program Brochure).

D. Wrap Fee Programs

While JPMPI does not offer a wrap fee program, it does offer investment advisory services to individual clients through STRATIS, a JPMS-offered wrap-fee program.

For more information, please see the JPMS Form ADV Part 2A Appendix 1 (Wrap Fee Program Brochure).

E. Assets Under Management

All assets managed and sub-advised by JPMPI are on a discretionary basis.

Private Equity assets managed as of 9/30/12 (cash adjusted to 12/31/2012):
\$2,428,229,809

Hedge Fund assets managed as of 12/31/12:
\$2,920,229,260

Access RIC sub-advised assets managed as of 12/31/2012:
\$1,043,862,040.76

RIC II sub-advised assets managed as of 12/31/2012:
\$178,287,738.98

JPMorgan Access Balanced Fund sub-advised assets managed as of 12/31/2012:
\$847,375,820.20

JPMorgan Access Growth Fund sub-advised assets managed as of 12/31/2012:
\$640,561,050.09

Individual client assets via STRATIS for the FDG strategy as of 12/31/2012, amounted to \$30,955,057.

UCITS sub-advised assets managed as of 12/31/2012:
\$27,039,703

ITEM 5

Fees and Compensation

A. Advisory Fees and Compensation
Private Funds

JPMPI is paid a fee based on capital commitments with respect to the Hedge Funds or Private Equity Funds and Conduits. JPMPI may pay a portion of such fee to the affiliated or unaffiliated sub-adviser. The fees assessed are intended to compensate JPMPI for its services rendered to each respective fund. The fees are not negotiable and are charged to each fund and are generally allocated among the capital accounts of the investors; however, with respect to certain funds, such fee may not be charged to investors who have commitments of a certain size, as more fully disclosed in the offering and organizational documents of such fund. Since such fees are payable in arrears, compensation is not payable until after services are provided. The master funds in which the funds invest also charge fees that are assessed to investors in the funds as described more fully in their respective offering materials.

With respect to certain of the funds, JPMPI is entitled to receive or share a performance fee contingent upon the funds realizing a predetermined rate of return. Additional information regarding advisory and related fees is available in the offering and organizational documents of the fund.

Fee Schedule

Fund Name	Management Fee	Performance/Incentive Fee
JPMorgan Leveraged Loans LLC JPMorgan Leveraged Loans Ltd J.P. Morgan Leveraged Loans Master Fund LP	1.25% per annum	Not Applicable
JP Morgan-BlackRock Opportunistic RMBS LLC JP Morgan-BlackRock Opportunistic RMBS Ltd. JP Morgan BlackRock Opportunistic RMBS Master Fund LP	2% per annum	Not Applicable
JP Morgan Winton Managed Futures LLC	2% per annum	20% per annum

BW Private Investors LLC ¹ BW Private Investors Offshore Ltd.	1.6% annual fee, paid quarterly	17.8% subject to high water mark
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RICs

For its sub-advisory services to the JPMorgan Access Balanced Fund and the JPMorgan Access Growth Fund (collectively, the “Open-End RICs”), JPMPI receives an annual fee equal to 0.90 percent per annum as a percentage of average daily net assets. Effective March 1, 2013, JPMIM and JPMPI have contractually agreed to waive the investment advisory fee for the Open-End RICs by 0.25% through November 1, 2014. Additional information regarding sub-advisory and management fees is available in the prospectuses of these funds and the Statement of Additional Information for the JPMorgan Funds.

For its sub-advisory services to the J.P. Morgan Access Multi-Strategy Fund, L.L.C., (“Access RIC”) a closed-end RIC, JPMPI receives an annual fee equal to 1.10 percent per annum as a percentage of average daily net assets. JPMPI is entitled to the Performance Allocation, if any, payable by the Access RIC. At the end of each calendar year, each investors’ (“Member”) return on investment for the year will be determined and a portion of the Net Capital Appreciation allocated to the Member’s capital account during the year (the “Performance Allocation”), net of the Member’s allocable share of the Management Fee and the Administration Fee, equal to 10% of the portion of such Net Capital Appreciation that exceeds the Preferred Return (as defined below) will be reallocated to the capital account of the Special Member. The “Preferred Return” is equal to the 3-month U.S. Treasury Bill yield (as defined below) for each month during the relevant calendar year (or any shorter period of calculation). The “3-month U.S. Treasury Bill yield” for any month shall equal one-twelfth of the annual yield for the 3-month U.S. Treasury bill for the first business day of the then current calendar quarter as set forth in the U.S. Federal Reserve Statistical Release H.15(519) under the caption “Treasury constant maturities,” or if such measurement is not available, such other source as the Board may determine appropriate in its discretion.

No Performance Allocation will be made, however, with respect to a Member’s capital account until any cumulative Net Capital Depreciation previously allocated to such Member’s capital account plus any Management Fees and Administration Fee charged to such capital account (the “Loss Carryforward”) have been recovered. Any Loss Carryforward of a Member will be reduced proportionately to reflect the repurchase of any portion of that Member’s Interest.

¹ The BW Private Investors LLC maintains an approximate allocation of 60% to All Weather@12%, LLC and 40% to Bridgewater Pure Alpha Trading Company Ltd., and BW Private Investors Offshore Ltd. maintains an approximate allocation of 60% to All Weather @12%, Ltd. (together with All Weather @12%, LLC, “All Weather”) and 40% to Bridgewater Pure Alpha Funds Ltd. (together with Bridgewater Pure Alpha Trading Company, Ltd., “Pure Alpha”). As an investor in the Bridgewater Funds, the Fund will pay (i) a 2% per annum management fee and a 20% annual profit participation fee in connection with its investment in Pure Alpha; and (ii) a 0.50% per annum management fee and a 8% annual profit participation allocation in connection with its investment in All Weather).

The performance of each capital contribution made by a Member during a calendar year will be separately tracked, and the Performance Allocation, Preferred Return and any Loss Carryforward for such Member will be determined separately with respect to each such capital contribution as if it were a separate capital account. As a result, a Performance Allocation may be made with respect to a Member's capital account even though such Member's aggregate return for the year is not positive or does not exceed the Preferred Return.

For its sub-advisory services to the J.P. Morgan Access Multi-Strategy Fund II, a closed-end RIC ("RIC II") and together with Access RIC, the "Closed-End RICs") JPMPI receives a fee of 1.10% percent per annum as a percentage of the capital account balance of the fund. JPMPI does not receive a performance/incentive fee.

Additional information regarding sub-advisory and management fees is available in the applicable Offering Memorandum.

UCITS

Fees received via the sub-advised portion of the UCITS are 0.50% per annum of the annual management charge.

STRATIS

Fees received via the STRATIS program are 0.50% per annum for the first \$100 million in assets and 0.45% per annum for amounts in excess of \$100 million. There is no performance fee.

B. Payment of Fees

Fees for the Private Funds are deducted from clients' assets. Certain fees are deducted on a one-time start up basis, and other fees are deducted on an ongoing basis (monthly, quarterly, annually).

Fees for STRATIS are deducted from client accounts by JPMS each calendar quarter in advance. Please see Form ADV Part 2A Appendix 1 (Wrap Fee Program Brochure) of JPMS discussing the STRATIS program for additional information.

C. Additional Fees and Expenses

Clients may pay the following types of fees in connection with JPMPI's advisory services to Private Funds and the RICs:

One time fee- start up

- Origination fees
- Placement fees
- Organizational cost
- Offering cost

Ongoing fees

- Administration Fee
- Custodian Fees

Audit Fees
Tax Fees
Printing fees
Mailing fees
Brokerage fees
Management fees
Incentive Fees

Clients will incur brokerage and other transaction costs. Please see Item 12 of this brochure that discusses brokerage.

D. Prepayment of Fees
Not Applicable

E. Additional Compensation and Conflicts of Interest
Not Applicable

ITEM 6

Performance-Based Fees and Side by Side Management

For Private Funds, JPMPI manages accounts that are charged a performance-based fee and accounts that are charged an asset-based fee. Fees earned by JPMPI for managing certain accounts may vary, particularly because for multiple accounts, JPMPI is paid based upon the performance results for those accounts. In addition, some of the portfolio managers have personal investments in other accounts. This could create a conflict of interest because the portfolio managers could have an incentive to favor certain accounts over others, resulting in some accounts outperforming others. JPMPI believes that such conflicts are mitigated in part because the Funds that charge asset based fees invest predominantly in mutual funds and structured notes, the prices of which are fixed at the close of the trading day for all investors, while the Funds that charge performance fees predominantly invest in alternative strategies. With respect to other securities, JPMPI utilizes JPMIM's trading desk and systems in order to participate in JPMIM's policies designed to achieve fair and equitable allocation of investment opportunities. JPMPI also has policies and procedures that seek to manage conflicts and monitors a variety of areas, including compliance with fund guidelines, review of allocation decisions and compliance with its Code of Ethics and JPMorgan Chase & Co ("JPMC") Code of Conduct.

ITEM 7

Type of Clients

JPMPI provides investment advice to registered investment companies, privately-offered pooled investment vehicles, and certain individual clients under the STRATIS program. Investors who open accounts for the Private Funds and RICs must be clients of JPMorgan Private Bank or employees of JPMorgan Chase Bank, N.A. (“JPMCB”). There are minimum account sizes for each fund, as disclosed in the respective fund’s prospectus or offering memorandum.

In addition, investors in the privately-offered pooled investment vehicles must generally be “Accredited Investors” as defined in Regulation D under the Securities Act of 1933, as amended, and “Qualified Purchasers” as defined in the 1940 Act.

Individual clients invested in a strategy on the STRATIS program must have a brokerage account with JPMS. For more information, please see the JPMS Form ADV Part 2A Appendix 1 (Wrap Fee Program Brochure).

Certain classes of shares in the UCITS fund may only be acquired by clients of J.P. Morgan International Bank Limited that receive advice in the United Kingdom either directly or through persons acting on their behalf. J.P. Morgan International Bank Limited will determine whether a client meets such criteria.

Certain other classes of shares may only be acquired by institutional investors who are clients of JPMorgan Asset Management (Europe) S.a.r.l. or J.P. Morgan Chase & Co. and (i) which meet the minimum account maintenance or qualification requirements established from time to time for JPMorgan Chase & Co. client accounts and/or (ii) whose shares will be held in a JPMorgan Chase & Co. client account subject to separate advisory fees payable to JPMorgan Chase Bank National Association (London Branch) or any of its affiliated companies.

ITEM 8

Method of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis and Investment Strategies

Please refer to the Fund's offering memorandum for a more detailed discussion of the method of analysis, investment strategies and risk of loss. Please refer to the Fund's offering memorandum for defined terms. Please note: Investing in securities involves risk of loss that clients should be prepared to bear.

Private Equity Funds

AIF VII Private Investors, LLC

AIF VII Private Investors Offshore, L.P.

AIF VII Private Investors (TE) LLC

J.P. Morgan private clients will invest in AIF VII Private Investors, LLC, AIF VII Private Investors Offshore, L.P. and AIF VII Private Investors (TE) LLC (together, the "Feeder Funds") which will invest substantially all of its assets in Apollo Investment Fund VII, L.P.

Investment Strategy and Method of Analysis

The investment strategy for Apollo Investment Fund VII, L.P. is value-oriented and often contrarian in its approach. Apollo quickly adapts to changing market environments through its three-pronged buyout approach including classic, distressed and corporate partner buyouts. During times of economic expansion, Apollo's flexible strategy has produced returns from classic and corporate partner buyouts. Similarly, during recessionary periods, Apollo has used its expertise to invest significant amounts of capital in distressed buyouts.

Co-Investment

A Feeder Fund may from time to time be invited by Apollo to co-invest with the Fund in certain of the Fund's portfolio companies (each such invitation, a "Co-Investment Opportunity"). Apollo will have no obligation to offer Co-Investment Opportunities to the Feeder Funds. JPMorgan will determine whether any Co-Investment Opportunity is accepted by a Feeder Fund. In addition to an investor's capital commitment to a Feeder Fund, each investor will be required to make additional contributions (each a "Co-Investment Contribution") in respect to Co-Investment Opportunities accepted by a Feeder Fund. The aggregate amount of an investor's Co-Investment Contributions will not exceed 20% of such investor's capital commitment.

Amounts contributed to Co-Investment Opportunities by the Feeder Funds (i) may be subject to fees and carried interest in favor of Apollo and (ii) will be subject to an incentive fee, payable to JPMPI, equal to 10% of any profits derived from Co-Investments

AIF V Private Investors LLC

J.P. Morgan private clients will invest in AIF V Private Investors LLC which will invest substantially all of its assets in Apollo Investment Fund V, L.P.

Investment Strategy and Method of Analysis

Apollo Advisers V, L.P. (together with its affiliated investment management entities, “Apollo”) has formed a U.S. private equity limited partnership (together with parallel non-U.S. limited partnerships, the “Partnership” or “Apollo V”) to invest in mid-size private and public companies with strong business franchises through the purchase of distressed securities or through direct equity infusions (“buyouts”). Apollo has developed a buyout strategy. Apollo focuses on mid-size companies (\$500 million - \$5 billion enterprise value²) which it believes have successful operating franchises and strong prospects for value creation through capital restructuring and strategic growth. Apollo seeks to obtain control or influential ownership of its portfolio companies through either “friendly” transactions in which the investment professionals aim to work in partnership with management or reorganizations where Apollo believes it can serve as a catalyst for a consensual resolution. Apollo’s goal is to consistently buy businesses with strong franchise assets at 5.5x to 6.5x cash flow. In addition to paying below market multiples, building in downside protection is a key element of over 75% of Apollo transactions and can take the form of (i) an investment senior in a company’s capital structure; (ii) guaranteed returns from corporate partners such as Liberty, Sony and Cendant; or (iii) conservatively capitalizing portfolio companies with low amounts of leverage. Further, Apollo has been able to achieve these transaction structures regardless of market environment by pursuing one of three different types of buyouts: distressed buyouts, “classic” buyouts, and corporate partner buyouts.

Asia Opportunity Private Investors Ltd.

J.P. Morgan private clients will invest in Asia Opportunity Private Investors Ltd., which will invest substantially all of its assets in Asia Opportunity Fund, L.P.

Investment Strategy and Method of Analysis

Asia Opportunity Fund, L.P. intends to take significant minority and majority positions in leading companies with strong franchises in Hong Kong, which is a Special Administrative Region of the People’s Republic of China, Indonesia, Malaysia, the Philippines, South Korea, and Thailand. It also intends to invest selectively in other regions in the People’s Republic of China, Singapore, and Taiwan.

BCOM I Private Investors Ltd.

J.P. Morgan private clients will invest in BCOM I Private Investors Ltd. which will invest substantially all of its assets in Blackstone Communications Partners I, L.P.

² Enterprise value is the intrinsic value of a going concern without regard to discount or premium.

Investment Strategy and Method of Analysis

BCOM I Private Investors Ltd. seeks to achieve superior, long-term capital appreciation through investments in the communications sector by investing in equity and equity-related securities, principally through privately negotiated investments. It will invest substantial effort in seeking quality management teams with proven track records in prior related endeavors. It pursues unique opportunities with limited competition, investing in companies with recurring revenues and in strategic assets in the context of ongoing consolidation. And it will build upon core and proven investment strategies by seeking companies that fall within current investment themes. Such themes incorporate new, opportunistic and strategic trends in the sector.

J.P. Morgan Corporate Finance Private Investors III LLC

J.P. Morgan private clients will invest in J.P. Morgan Corporate Finance Private Investors III LLC, which is sub-advised by J.P. Morgan Investment Management Inc. ("JPMIM").

Investment Strategy and Method of Analysis

The objective of JPMIM with respect to J.P. Morgan Corporate Finance Private Investors III LLC is to identify and select attractive corporate finance investments from across a broad spectrum of private equity investment opportunities. JPMIM intends to use its experience, relationships with general partners and other sponsors of partnerships, and global network to create a portfolio that is diversified across general partners, companies, industries, stages of development, and investment cycles. The investment program will seek to generate attractive risk-adjusted returns relative to other asset class alternatives. J.P. Morgan Corporate Finance Private Investors III LLC is expected to focus on investments in existing private companies expanding through growth strategies or fundamental business change.

J.P. Morgan Corporate Finance Private Investors III LLC will make investments in pooled investment vehicles, including investments in newly formed partnerships and in existing partnerships. It will also make direct investments in operating companies.

J.P. Morgan Secondary Private Investors LLC

J.P. Morgan private clients will invest in J.P. Morgan Secondary Private Investors LLC, which is sub-advised by J.P. Morgan Investment Management Inc. ("JPMIM").

Investment Strategy and Method of Analysis

The objective of JPMIM with respect to J.P. Morgan Secondary Private Investors LLC is to identify and select attractive secondary investments from across a broad spectrum of private equity investment opportunities. JPMIM intends to use its experience, knowledge of existing private equity partnerships and their portfolios, relationships with general partners and other sponsors of partnerships, relationships with intermediaries and other investors in private equity, and global network to create a portfolio that is

diversified across general partners, vintage years, companies, industries, stages of business development, investment cycles, and geographies. The investment program will seek to generate attractive risk-adjusted returns relative to other asset class alternatives, taking into account the inherent illiquidity and long-term nature of private equity.

J.P. Morgan Secondary Private Investors LLC will make secondary partnership investments in existing pooled investment vehicles and may make secondary direct investments in existing operating companies.

J.P. Morgan Venture Capital Private Investors II Offshore Special L.P.

J.P. Morgan private clients will invest in J.P. Morgan Venture Capital Private Investors II Offshore Special L.P., which will invest substantially all of its assets into J.P. Morgan Pooled Venture Capital Private Investors II LLC and J.P. Morgan Direct Venture Capital Private Investors II LLC, both of which are advised by J.P. Morgan Investment Management Inc. (“JPMIM”).

Investment Strategy and Method of Analysis

J.P. Morgan Pooled Venture Capital Private Investors II LLC will invest in pooled investment vehicles that make venture capital investments. J.P. Morgan Direct Venture Capital Private Investors II LLC will invest directly in the securities of venture-stage companies, primarily sourced through the general partners and sponsors of partnerships with whom JPMIM has business relationships. The goal of JPMIM is to identify and select attractive investments from across a broad spectrum of private equity venture capital opportunities. JPMIM intends to use its private equity experience, relationships with general partners and other sponsors of partnerships, and global network to create a portfolio that is diversified across general partners, companies, industries, stages of development, geographic markets, and investment cycles. The investment program will seek to generate, on a cost and risk adjusted basis, attractive returns relative to other asset class alternatives.

KKR 2006 Fund Private Investors, LLC

KKR 2006 Fund Private Investors Offshore, L.P.

J.P. Morgan private clients will invest in KKR 2006 Fund Private Investors, LLC and KKR 2006 Fund Private Investors Offshore, L.P. which will invest substantially all of its assets in KKR 2006 Fund L.P. (the “Fund”).

Investment Strategy and Method of Analysis

KKR’s strategy is to acquire large, industry leading companies with investment opportunities arising from public-to-privates, corporate divestitures, consolidations and private company sales. Overall, KKR 2006 expects to invest in 20 to 30 companies over its life, or approximately three to five transactions per year, typically with enterprise values in excess of \$1.0 billion. Equity investments are expected to average between \$500 and \$750 million with several having the potential to exceed this number. Investments will generally be in the industry sectors where KKR has specific expertise including: chemicals, consumer products, energy and natural resources, financial services, health care, industrials, retail, media and

communications and technology. KKR 2006 expects to acquire controlling interests in its portfolio companies, to take an active role on the board, and to maintain significant involvement throughout the life of the investment. KKR identifies investment opportunities by leveraging its extensive network of industry contacts and its expertise in specific sectors. KKR conducts extensive due diligence prior to making an investment. Before an investment closes, the KKR deal team develops a 100-day plan, often in conjunction with Capstone Consulting and Capstone Europe, consulting firms with which KKR has an exclusive relationship, to identify operational improvements.

Co-investment with KKR European Fund II

The Fund will invest side-by-side with the KKR European Fund II, Limited Partnership (“European II”) in Non-North American Portfolio Companies of European II. The Fund will be allocated 15% of the equity available to KKR with respect to investments in Non-North American Portfolio Companies.

Nestor 2000 Special LLC

J.P. Morgan private clients will invest in Nestor 2000 Special LLC which will invest substantially all of its assets in Nestor 2000 S.p.A. (the “Investment Vehicle”).

Investment Strategy and Method of Analysis

The Investment Vehicle is a private equity vehicle that seeks significant capital appreciation through equity investments in start-up and early-stage privately held Internet companies located primarily in Europe. The Investment Vehicle intends to acquire significant minority ownership interests — generally between 10%-25% — in its portfolio companies and intends to maintain its position in subsequent rounds of financing. Accordingly, it is anticipated that the Investment Vehicle will make investments in 20-30 companies over the investment term, with no more than 20% of its total capital commitments invested in any one company. In making investments, the Manager will use the following criteria:

- Viability of overall business plan (e.g., proprietary assets, first mover advantage or strong competitive positioning, revenue and cost drivers)
- Market size (e.g., large local market or Pan-European/global demand, rate of growth);
- Quality of management team (e.g., sector and industry knowledge, experience, reputation);
- Potential synergies with other investments (e.g., possibility to build “vertical portals”);
- Risk factors (e.g., market cycle, legal, competition, technology replacement); and
- Exit potential (e.g., timing and likelihood of liquidity event).

The Manager intends generally to obtain board positions and to maintain an active role in the portfolio companies following the initial investment, by assisting in the ongoing development of strategy and the recruitment of key personnel, and by making introductions to potential strategic partners for further rounds of financing.

TL Ventures V Special Partners LLC

J.P. Morgan private clients will invest in TL Ventures V Special Partners LLC which will invest substantially all of its assets in TL Ventures V L.P.

Investment Strategy and Method of Analysis

TL Ventures' strategy is to invest in the top U.S. venture capital markets with a particular focus on investment opportunities in the mid-Atlantic, Southwest and Southern California markets, where TL Ventures believes favorable supply and demand dynamics for venture capital exist. TL Ventures targets and assists early-stage companies at concept (seed), product development (first), and market development (second) stages in three principal areas: IT, communications and life sciences. TL Ventures will look to capitalize on investment opportunities created by the convergence of these sectors: computing and communications, communications and content, and computing and content. TL Ventures' professionals are actively involved in the growth of portfolio companies by helping to define the companies' strategy, recruit executives, design marketing plans and recommend optimal capital structure. The team seeks to create value early in a company's evolution. TL Ventures will seek to leverage its close relationship with

Safeguard Scientifics, a leading investor in emerging growth technology companies for over 40 years, to source and evaluate investment opportunities. TL Ventures' investment process includes: a careful analysis of a target company's market size and growth; sales organization and strategy for going to market; potential strategic alliances; financing plans; technology and development time; and, most importantly, the strength and capability of the management team.

Hedge Funds

BW Private Investors LLC

BW Private Investors Offshore Ltd.

J.P. Morgan private clients will invest in the BW Private Investors LLC (the "Onshore Fund") and BW Private Investors Offshore Ltd. (the "Offshore Fund") which initially invested 60% of their assets in All Weather and 40% of their assets in Pure Alpha.

Investment Strategy and Method of Analysis

At launch, JPMPI determined that the BW Private Investors, LLC and the BW Private Investors Offshore, Ltd. will initially be invested in 60% in All Weather and 40% in Pure Alpha (the "Target Allocation"). JPMPI may adjust the Target Allocation from time to time; however, if JPMPI determines to adjust the Target Allocation up or down by more than 5% (i.e., outside the range of 55% to 65% for All Weather and 35% to 45% for Pure Alpha), clients will be notified at least 60 days prior to the effective date of such adjustment and will be permitted to withdraw any client's investments in the Onshore/Offshore Funds

prior to the effective date of such adjustment. The sole purpose of the Onshore/Offshore Funds is to acquire interests in Pure Alpha and All Weather.

J.P. Morgan Leveraged Loans LLC
J.P. Morgan Leveraged Loans Ltd.
J.P. Morgan Leveraged Loans Master Fund LP

J.P. Morgan private clients will invest in J.P. Morgan Leveraged Loans LLC and J.P. Morgan Leveraged Loans Ltd., which will invest substantially all of its assets in J.P. Morgan Leveraged Loans Master Fund LP.

Investment Strategy and Method of Analysis

The current strategic focus of the J.P. Morgan Leveraged Loans Master Fund LP is to perform well in an environment of weak recovery in the economy with positioning in better quality leveraged loans with strong downside protection from solid issuers. J.P. Morgan Leveraged Loans Master Fund LP is incrementally and opportunistically adding yield and total return potential through increased exposure to lower rated loans and more cyclical issuers as market conditions and credit fundamentals continue to improve, and this trend is expected to continue within the context of a generally defensive portfolio.

As the J.P. Morgan Credit Team (the “Team”) believes that security selection will drive leveraged loan returns, it will seek to use its bottom-up analysis to identify companies with strong fundamentals in the leveraged loan market. The Team will seek to mitigate credit risk with continuous and meticulous research of sectors and issuers and will search for opportunities in inefficient sectors of the market where credit ratings have not caught up with improving credit fundamentals. The fundamental analysis of the Team will be complemented by its macroeconomic insights as they relate to interest rates, default rates and capital market liquidity. In addition to traditional fundamental credit and valuation analysis, the Team will specifically focus on identifying the cause (or potential causes) of a company’s distress, identifying catalysts that drive value creation and downside risk, calculating the expected enterprise value relative to the leveraged market value of the securities and analyzing the potential volatility of the company’s enterprise value to assess downside risk and upside potential.

J.P. Morgan-BlackRock Opportunistic RMBS LLC
J.P. Morgan-BlackRock Opportunistic RMBS Ltd.
J.P. Morgan-BlackRock Opportunistic RMBS Master Fund LP

J.P. Morgan private clients will invest in J.P. Morgan-BlackRock Opportunistic RMBS LLC and J.P. Morgan-BlackRock Opportunistic RMBS Ltd., which will invest substantially all of its assets in J.P. Morgan-BlackRock Opportunistic RMBS Master Fund L.P.

Investment Strategy and Method of Analysis

J.P. Morgan-BlackRock Opportunistic RMBS Master Fund L.P. is an open-ended investment fund created exclusively for J.P. Morgan Private Bank clients to take advantage of the historic dislocation in the non-agency residential mortgage-backed securities (“RMBS”) market. J.P. Morgan-BlackRock

Opportunistic RMBS Master Fund L.P. will seek to provide a directional and liquid investment opportunity following the dislocation in the RMBS market by investing in the senior portion of the capital structure of non-agency RMBS. The J.P. Morgan-BlackRock Opportunistic RMBS Master Fund L.P. seeks to take advantage of this opportunity by making long-only investments with no leverage, at prices that reflect a steep discount to par. Subprime RMBS will be limited to 15% of the portfolio, and at least 90% of the J.P. Morgan-BlackRock Opportunistic RMBS Master Fund L.P. will be invested in securities that are currently or were previously AAA-rated.

J.P. Morgan-BlackRock Opportunistic RMBS Master Fund L.P.'s investment team emphasizes disciplined portfolio management and creative structuring capabilities, while focusing on a high degree of credit scrutiny. The investment team aims to provide high risk-adjusted returns by employing rigorous quantitative analysis that is reinforced by fundamental research to identify and quantify risks. This allows the investment team to customize their analysis in an effort to identify mortgage securities that have relatively consistent performance across a wide range of scenarios.

JPMorgan Winton Managed Futures LLC

J.P. Morgan private clients will invest in JPMorgan Winton Managed Futures LLC, a Delaware limited liability company. The Fund will be sub-advised by Winton Capital Management Limited ("WCM").

Investment Strategy and Method of Analysis

JPMorgan Winton Managed Futures LLC seeks long-term capital appreciation through intensive research and the development of mathematical methods applied to investments in futures markets. Specifically, the sub-advisor WCM creates statistically-driven computer models that are designed to identify small but persistent inefficiencies across various equity, interest rate, commodity and currency futures markets. WCM follows the Diversified Strategy which trades a portfolio of more than 100 futures, options, equities, contracts for differences and forward contracts centered on the following areas: stock indices, interest rates, currencies, metals, agriculture and energy. WCM uses a computerized, statistical trading system designed to track the price movements of these markets around the world. The system seeks to maximize profit within a certain range of risk by calculating the degree to which the portfolio should have long and short exposure to various markets. The portfolio management process is automated and driven by the trading system. The system uses expected returns, volatility, correlations and other statistical measures to create an optimal portfolio. The updated portfolio is compared with the current portfolio to generate a list of trades, taking transaction costs into account.

RICs

Investment Strategy and Method of Analysis

JPMPI is the sub-adviser to the open-end and closed-end RICs.

Open-End RICs

The Funds invest in a combination of domestic and international equity, fixed income, and alternative assets. The Funds invest in mutual funds in the same group of investment companies (i.e., J.P. Morgan Funds), unaffiliated open-end and closed-end investment companies (which may or may not be registered under the Investment Company Act of 1940, as amended), exchange traded funds and directly in individual securities. In addition, to the extent permitted by applicable law or exemptive relief obtained from the Securities and Exchange Commission, the Funds invest directly in other financial instruments, including derivatives, such as futures, swaps, and structured investments, to gain exposure to or overweight or underweight allocations among various sectors or markets.

JPMPI utilizes an allocation process to invest the Open-End RICs' assets across the various asset classes and with various sub-advisers. JPMPI use rigorous criteria to select sub-advisers and underlying fund managers to manage certain portions of the Open-End RICs' assets. In choosing whether to buy or sell an investment and to set their allocations, JPMPI considers the following factors: (1) market trends, (2) JPMPI's outlook for a market capitalization or investment style category, and (3) an underlying fund manager's performance in various market conditions. JPMPI will also consider the advantages and disadvantages to the Open-End RICs of using actively versus passively managed investment vehicles. By combining the strengths of different sub-advisers and underlying fund managers, the Open-End RICs seek to benefit from a variety of investment selection processes and methodologies to achieve its investment objective.

Closed-End RICs

The Access RIC's investment objective is to generate consistent capital appreciation over the long term, with relatively low volatility and a low correlation with traditional equity and fixed-income markets. Access RIC will seek to accomplish this objective by allocating its assets primarily among professionally selected investment funds that are managed by experienced portfolio managers who invest in a variety of markets and employ, as a group, a range of investment techniques and strategies. Additionally, from time to time, Access RIC may use derivative instruments, such as total return swaps, structured notes or other structured products, to gain exposure to the returns of investment funds or otherwise seek to replicate exposure to investment funds or investment fund strategies. Access RIC may invest, to a limited extent in registered investment companies, including exchange-traded funds.

JPMPI will select each investment fund based on various criteria, including, among other things, an analysis of the portfolio manager's performance during various time periods and market cycles and/or the portfolio manager's reputation, experience, training, and investment and risk management philosophy and policies. Investment funds will be selected on the basis of, among other things, factors that the JPMPI may weigh in its discretion, such as: above-average investment histories and/or recognizable prospects, an identifiable track record and a substantial personal investment by the portfolio manager or its affiliates in the investment program. In addition, JPMPI will consider a portfolio manager's ability to provide timely and accurate reporting and valuations of the investment fund managed by the portfolio manager. JPMPI is not limited to selecting investment funds managed by portfolio managers with past investment histories and may invest with investment funds based on an assessment of future prospects.

The RIC II's investment objective is to generate consistent capital appreciation over the long term, with relatively low volatility and a low correlation with traditional equity and fixed-income markets. RIC II

will seek to accomplish this objective by allocating its assets primarily among professionally selected investment funds that are managed by experienced portfolio managers who invest in a variety of markets and employ, as a group, a range of investment techniques and strategies. RIC II is commonly referred to as a “fund of hedge funds.” RIC II will seek to allocate its assets among various investment funds that pursue “absolute return” strategies in that they seek to achieve positive returns, by taking long and short positions and by engaging in various hedging strategies, regardless of the performance of the traditional equity and fixed income markets. Additionally, from time to time, RIC II may use derivative instruments, such as total return swaps, structure notes or other structured products, to gain exposure to the returns of investment funds or otherwise seek to replicate exposure to investment funds or investment fund strategies. RIC II may invest, to a limited extent, in registered investment companies, including exchange-traded funds.

JPMPI will select each investment fund based on various criteria, including, among other things, an analysis of the portfolio manager’s performance during various time periods and market cycles and/or the portfolio manager’s reputation, experience, training, and investment and risk management philosophy and policies. Investment funds will be selected on the basis of, among other things, factors that the JPMPI may weigh in its discretion, such as: above-average investment histories and/or recognizable prospects, an identifiable track record and a substantial personal investment by the portfolio manager or its affiliates in the investment program. The liquidity available to RIC II’s investment in an investment fund is also an important consideration for the JPMPI. In addition, JPMPI will consider a portfolio manager’s ability to provide timely and accurate reporting and valuations of the investment fund managed by the portfolio manager. JPMPI is not limited to selecting investment funds managed by portfolio managers with past investment histories and may invest with investment funds based on an assessment of future prospects.

UCITS

JPMPI sub-advises a portion of certain sub-funds of the JPMorgan Private Bank Funds I, an umbrella investment vehicle registered in Luxembourg that qualifies as an Undertaking for Collective Investments in Transferable Securities. The specific sub-funds sub-advised by JPMPI are: Access Balanced Fund (GBP), Access Balanced Fund (EUR), Access Balanced Fund (USD), Access Conservative Fund (EUR), Access Conservative Fund (USD), and Montes Excelsis Fund.

Investment Strategy and Method of Analysis

Access Balanced Fund (GBP)

The Access Balanced Fund (GBP) will seek exposure to a balanced portfolio of equity and debt securities issued globally, primarily through investments in Undertakings for Collective Investment in Transferable Securities and other Undertakings for Collective Investment (“UCI”) and using financial derivative instruments where appropriate. It may also invest in structured products and in securities exposed to the performance of a commodities index. It may also invest directly in securities (including equity securities, debt securities, convertible bonds, and credit linked instruments), deposits with credit institutions, and money market instruments. It may also invest in financial derivative instruments to achieve its investment objective.

Access Balanced Fund (EUR)

The Access Balanced Fund (EUR) will seek exposure to a balanced portfolio of equity and debt securities issued globally, primarily through investments in Undertakings for Collective Investment in Transferable Securities and other UCIs and using financial derivative instruments where appropriate. It may also invest in structured products and in securities exposed to the performance of a commodities index. It may also invest directly in securities (including equity securities, debt securities, convertible bonds, and credit linked instruments), deposits with credit institutions, and money market instruments. It may also invest in financial derivative instruments to achieve its investment objective.

Access Balanced Fund (USD)

The Access Balanced Fund (USD) will seek exposure to a balanced portfolio of equity and debt securities issued globally, primarily through investments in Undertakings for Collective Investment in Transferable Securities and other UCIs and using financial derivative instruments where appropriate. It may also invest in structured products and in securities exposed to the performance of a commodities index. It may also invest directly in securities (including equity securities, debt securities, convertible bonds, and credit linked instruments), deposits with credit institutions, and money market instruments. It may also invest in financial derivative instruments to achieve its investment objective.

Access Conservative Fund (EUR)

The Access Conservative Fund (EUR) will seek exposure to a portfolio of debt and equity securities issued globally, primarily through Undertakings for Collective Investment in Transferable Securities and other UCIs. The intention is that the portfolio will be weighted toward debt exposure. It may also invest in structured products and in securities exposed to the performance of a commodities index. It may also invest directly in securities (including equity securities, debt securities, convertible bonds, and credit linked instruments), deposits with credit institutions, and money market instruments. It will invest in financial derivative instruments to achieve its investment objective.

Access Conservative Fund (USD)

The Access Conservative Fund (USD) will seek exposure to a portfolio of debt and equity securities issued globally, primarily through Undertakings for Collective Investment in Transferable Securities and other UCI. The intention is that the portfolio will be weighted toward debt exposure. It may also invest in structured products and in securities exposed to the performance of a commodities index. It may also invest directly in securities (including equity securities, debt securities, convertible bonds, and credit linked instruments), deposits with credit institutions, and money market instruments. It will invest in financial derivative instruments to achieve its investment objective.

Montes Excelsis Fund

The Montes Excelsis Fund will seek exposure to a portfolio of debt and equity securities issued globally, primarily through investments in Undertakings for Collective Investment in Transferable Securities and other UCIs. It will normally have exposure to debt securities, cash and cash equivalents of between 50% and 85% of its net assets and will normally have exposure to equity securities of between 15% and 45% of its net assets. Issuers of these securities may be located in any country, including emerging markets. It may also invest in structured products and in securities exposed to the performance of a commodities

index and below investment grade debt securities. It will invest in financial derivative instruments to achieve its investment objective. It may also invest in assets denominated in any currency.

FDG

FDG is a strategy that is offered on the STRATIS wrap-fee platform. JPMS clients may choose to invest based on their investment objectives and suitability.

Investment Strategy and Method of Analysis

FDG is a concentrated equity portfolio targeting a combination of current income and capital gains over a longer term horizon. The portfolio is focused on generating an attractive dividend yield from companies that have a demonstrated policy of consistent increases in the dividend paid per share. To the extent possible with the focus on current yield and dividend increases, the portfolio will try to be broadly representative of the S&P 500's sectors.

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

AIF VII Private Investors LLC

AIF VII Private Investors Offshore LP

AIF VII Private Investors (TE) LLC

Please refer to the Fund's offering memorandum for a more detailed discussion of risks.

General

An investment in Apollo VII involves a high degree of risk. There can be no assurance that Apollo VII's return objectives will be realized or that there will be any return of capital. An investor may lose part or all of its capital. **Past investment activities or results of Apollo provide no assurance of future success.**

Illiquidity; Restrictions on transfer and withdrawal; Default

An investment in Apollo VII and the Feeder Funds will be an illiquid investment that requires a long-term commitment. Interests may not be transferred or pledged without prior written consent, which may be withheld. There will be no market for the interests. Investors may not withdraw capital. A default by an investor in making a required capital contribution may result in forfeiture of all or a substantial part of the investor's investment, as well as other remedies. The investments to be made by Apollo VII also are likely to be illiquid and, if successful, may not produce a realized return for a number of years. Investors should not subscribe unless they are prepared to bear the risks of owning the investment for an extended period of time and can readily bear the consequences of partial or total loss of capital.

Dependence on key personnel

Apollo's ability to identify investments and successfully manage Apollo VII's affairs depends on the Apollo partners, and their experience, relationships and expertise. There can be no assurance that these individuals will remain in the employ of Apollo, or that they will otherwise continue to be able to carry on their current duties throughout the term of Apollo VII. In addition, certain Apollo personnel are and

will continue to be involved in the investment activities of other Apollo investment vehicles and business activities.

Potential conflicts of interest

Apollo expects that the universe of potential investments and other activities of Apollo's business could overlap with the investments and activities of the Fund and may create conflicts of interest. The Fund's Confidential Private Placement Memorandum discusses certain of these conflicts in more detail, for example, those associated with the allocation of investment opportunities among Apollo funds or other activities and interests of management that may restrict or compete with the Fund.

Possible lack of diversification

While diversification is an objective of the Fund, there is no assurance as to the degree of diversification that will actually be achieved in Apollo VII investments. Because as much as 20% of Apollo VII's aggregate committed capital may be invested in a single portfolio company, a loss with respect to such an investment could have a significant adverse impact on the results of the Fund.

Lack of control over fund policies

The management, financing and disposition policies of Apollo VII are determined by the General Partner. Although the General Partner has no present intention to do so, these policies may be changed at the discretion of the General Partner without a vote of the limited partners of Apollo VII and any such changes could be detrimental to the value of Apollo VII.

Business and market risks

The investments made by Apollo VII may involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made; changes in national or international economic and market conditions; and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks.

Competition

There is currently, and will likely continue to be, competition for investment opportunities by investment vehicles and others with investment objectives and strategies identical or similar to Apollo VII's investment objectives and strategies as well as by strategic investors, hedge funds and others. Over the past several years, many private equity funds have been formed and many such existing funds have grown substantially in size, while hedge funds have increasingly sought private equity investments, resulting in an unprecedented amount of capital available for private equity investment.

Increasing size of transactions; Co-investors

Private equity opportunities increasingly involve larger-sized investments, which involve additional risks, including the involvement of multiple co-investors, and may be more difficult to finance and exit.

Leverage

Apollo VII will typically leverage its investments with debt financing at the portfolio company level. Although Apollo will seek to use leverage in a manner it believes is prudent, the use of leverage may substantially increase the risk of loss.

Affect of change in credit markets

Apollo's recent investments have benefited from favorable borrowing conditions in the debt markets, which historically have been cyclical. Although Apollo believes that there is currently ample availability of financing for leveraged transactions by historical standards, a decrease in availability of financing (or an increase in the interest cost) for leveraged transactions would impair, potentially materially, Apollo VII's ability to consummate transactions and to make similar leveraged distributions.

Distressed securities and restructurings

Apollo VII may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience severe financial difficulties, some which may never be overcome and may cause such portfolio companies to become subject to bankruptcy proceedings.

Foreign investments

Apollo VII will be permitted to make investments in foreign countries, some of which may prove to be unstable. With any investment in a foreign country, there exists risks relating to: adverse political developments, including nationalization, confiscation without fair compensation or war; fluctuation in currency exchange rates which may affect the value of investments in foreign securities or other assets; restrictions imposed to prevent capital flight which may make it difficult or impossible to exchange or repatriate foreign currency; the laws and regulations of foreign countries which may impose restrictions that would not exist in the U.S. and may require financing and structuring alternatives that differ significantly from those customarily used in the U.S.; and the imposition by foreign countries of taxes on Apollo VII and/or its partners.

Hedging Policies/Risks

In connection with certain investments, Apollo VII may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices and currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks.

Investment in the Communications Industry

Apollo VII may include communications companies. Communications companies in the United States, Europe and other developed and emerging countries are undergoing significant changes mainly due to evolving levels of governmental regulation or deregulation as well as the rapid development of communication technologies. Competitive pressures within the communications industry are intense, and the securities of communications companies may be subject to significant price volatility. In addition, because the communications industry is subject to rapid and significant changes in technology, the companies in this industry in which Apollo VII may invest will face competition from technologies being

developed or to be developed in the future by other entities, which may make such companies' products and services obsolete.

Investments in Public Companies

Apollo VII may invest in public companies or take private Portfolio Companies public. Investments in public companies may subject Apollo VII to risks that differ in type or degree from those involved with investments in privately held companies.

AIF V Private Investors LLC

Please refer to the Fund's offering memorandum for a more detailed discussion of risks.

Foreign Investments

The fund may make investments in a number of different foreign countries, some of which may prove to be unstable. With any investment in a foreign country, there exists the risk of adverse political developments, including nationalization, confiscation without fair compensation or war. Furthermore, any fluctuation in currency exchange rates will affect the value of investments in foreign securities or other assets and any restrictions imposed to prevent capital flight may make it difficult or impossible to exchange or repatriate foreign currency.

General

An investment in the Partnership involves a high degree of risk. There can be no assurance that the Partnership's return objectives will be realized or that there will be any return of capital.

Risk Associated with Unspecified Investments

Investors will be relying on the ability of Apollo to identify, select, develop and realize investments. Even if the investments of the Partnership are successful, they may not produce a realized return to the Partners for a period of several years.

Dependence on Key Personnel

Apollo's ability to successfully manage the Partnership's affairs currently depends on the Principals, and their experience, relationships and expertise. There can be no assurance that these individuals will remain in the employment of Apollo, or that they will otherwise continue to be able to carry on their current duties throughout the term of the Partnership.

Limited Control over Partnership Policies

The management, financing and disposition policies of the Partnership are determined by the General Partner. Although the General Partner has no present intention to do so, these policies may be changed at the discretion of the General Partner without a vote of the limited partners of the Partnership and any such changes may be detrimental to the Partnership.

Illiquidity; Restrictions on Transfer and Withdrawal; Default

An investment in the Partnership and the conduit vehicles will be illiquid. Interests may not be transferred, pledged or otherwise encumbered without the prior written consent of the General Partner in its sole discretion. There will be no market for interests in the Partnership. A default by an investor in making a required capital contribution may result in forfeiture of all or a substantial part of the investor's investments, as well as other remedies.

Leverage

The Partnership will typically leverage its investments with debt financing at the portfolio company level. Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also substantially increase the risk of loss.

Asia Opportunity Private Investors, Ltd.

Please refer to the Fund's offering memorandum for a more detailed discussion of risks.

No Participation by Investors in Management

Investors will have no right or power to participate in the management or control of the business of the Fund and thus must depend solely upon the ability of the Administrator, the Board of Directors and the Fund Manager with respect to the management and control of the Fund. In addition, Investors will not have an opportunity to evaluate the specific investments made by the Partnership or the terms of any such investments and thus must depend solely upon the ability of the parties managing the Partnership.

Dependence on Managers of the Partnership

The Administrator, the Board of Directors and the Fund Manager will not have any control over the management of the Partnership, nor will they have an active role in the day-to-day management of investments made by the Partnership nor will they have the opportunity to approve the specific investments made by the Partnership. As a result, the returns of an investment in the Fund will primarily depend on the performance of the manager of the Partnership and could be substantially adversely affected by unfavorable performance of such manager.

Limited Liquidity of Shares

An investment in the Fund provides limited liquidity since Investors cannot withdraw their Shares. Shares are not transferable without the consent of the Board of Directors and there is no secondary market for such Shares and it is unlikely that any secondary market will develop.

Illiquidity of Investment in the Partnership

The Fund's investment in the Partnership will be illiquid. It is also expected that the underlying investments made by the Partnership will be illiquid.

Changing Market and Economic Conditions

Changing market and economic conditions and other factors, such as change in U.S. federal or state tax laws, securities laws, bankruptcy laws or accounting standards, may make the business of the Fund less profitable or unprofitable.

Delayed Schedule K-1s

It is unlikely that the Fund will be able to provide Schedule K-1s (or their equivalents) to Investors who are subject to U.S. taxes for any given fiscal year until after April 15 of the following year. Investors subject to U.S. taxes may be required to obtain extensions of the filing date for their income tax returns at the federal, state, and local level.

Minority Holding in the Partnership

The Fund's investment in the Partnership will not be significant enough to afford the Fund blocking rights with respect to certain actions and amendments to the Partnership's documentation. The Fund therefore will be dependent upon the general partner of the Partnership and to a lesser degree, the other limited partners in the Partnership with respect to such actions and amendments.

Forfeiture of Shares

The Fund's investment in the Partnership will include a commitment to meet capital calls required by the Partnership and the Fund over an extended period of time. Failure by an Investor to meet a Fund capital call could result in forfeiture by such Investor of its entire interest and capital account in the Fund.

BCOM I Private Investors Ltd

Please refer to the Fund's offering memorandum for a more detailed discussion of risks.

No Participation by Investors in Management

Investors will have no right or power to participate in the management or control of the business of the Fund and thus must depend solely upon the ability of the Administrator, the Board of Directors and the Fund Manager with respect to the management and control of the Fund. In addition, Investors will not have an opportunity to evaluate the specific investments made by Blackstone Communications Partners I, L.P. (the "Partnership") or the terms of any such investments and thus must depend solely upon the ability of the parties managing the Partnership.

Dependence on Managers of the Partnership

The Administrator, the Board of Directors and the Fund Manager will not have any control over the management of the Partnership, nor will they have an active role in the day-to-day management of

investments made by the Partnership nor will they have an opportunity to approve the specific investments made by the Partnership.

Limited Liquidity of Shares

An investment in the Fund provides limited liquidity since Investors cannot withdraw their Shares. Shares are not transferable without the consent of the Board of Directors and there is no secondary market for such Shares and it is unlikely that any secondary market will develop.

Illiquidity of Investment in the Partnership

The Fund's investment in the Partnership will be illiquid. It is also expected that the underlying investments made by the Partnership will be illiquid.

Changing Market and Economic Conditions

Changing market and economic conditions and other factors, such as changes in U.S. federal or state tax laws, securities laws, bankruptcy laws or accounting standards, may make the business of the Fund less profitable or unprofitable.

Minority Holding in the Partnership

The Fund's investment in the Partnership will not be significant enough to afford the Fund blocking rights with respect to certain actions and amendments to the Partnership's documentation. The Fund therefore will be dependent upon the general partner of the Partnership and to a lesser degree, the other limited partners in the Partnership with respect to such actions and amendments.

Forfeiture of Shares

The Fund's investment in the Partnership will include a commitment to meet capital calls required by the Partnership over an extended period of time. Failure by an Investor to meet a Fund capital call could result in forfeiture by such Investor of its entire interest and capital account in the Fund.

J.P. Morgan Corporate Finance Private Investors LLC

Please refer to the Fund's offering memorandum for a more detailed discussion of risks.

Risks of corporate finance investments

Investments made in connection with acquisition transactions are subject to a variety of special risks, including the risk that the acquiring company has paid too much for the acquired business, the risk of unforeseen liabilities, the risks associated with new or unproven management or new business strategies and the risk that the acquired business will not be successfully integrated with existing businesses or produce the expected synergies. **Illiquidity of private equity investments**

The pooled vehicles in which the Company invests are highly illiquid, long-term investments. The Company will be limited in its ability to transfer its interests in, or to withdraw from, such pooled vehicles.

Availability of investment opportunities

The market for corporate finance investments is limited and competitive. Identifying attractive investment opportunities and, in the case of pooled vehicles, the right investment managers, is difficult and involves a high degree of uncertainty. Moreover, certain pooled vehicles and direct investments are from time to time oversubscribed, and it may not be possible to make investments that have been identified as attractive opportunities. There can be no assurance that the Company will be able to invest fully its committed capital. The pooled investment vehicles in which the Company invests may face difficulties in identifying and investing in attractive corporate finance opportunities, and the Company will be dependent on the ability of the investment managers of these pooled vehicles, who will not be related to or controlled by JPMorgan Chase & Co., to locate, evaluate and select these opportunities.

Risks associated with investment outside the United States

The Company will invest in pooled vehicles that focus on markets outside the United States (“international partnerships”) and companies that have their principal executive offices outside the United States (“international companies”). These investments involve special risks. The Company also may be exposed to risks of investment outside the United States indirectly through investment in pooled vehicles that have a portion of their portfolios invested outside the United States or portfolio companies that are dependent on international markets.

Diversification risk

The Company may make only a limited number of investments and, as a consequence, the aggregate return on the Company’s investments may be substantially adversely affected by the unfavorable performance of one or a small number of the Company’s investments.

J.P. Morgan Secondary Private Equity Investors LLC

Please refer to the Fund’s offering memorandum for a more detailed discussion of risks.

Risks of Secondary Investments

The market for secondary investments in limited partnerships and other pooled investment vehicles and portfolio companies is limited and competitive. Identifying attractive investment opportunities and, in the case of pooled vehicles, favorably priced portfolios and the right investment managers, is difficult and involves a high degree of uncertainty. There can be no assurance as to the number of investment opportunities that will be made available to the Private Equity Group. Investment opportunities that do

become available will first be considered by the Private Equity Group for investment by existing private equity funds of funds managed by the Private Equity Group before being considered by the Private Equity Group for investment by the Company. Moreover, overly competitive bids may be made for certain secondary investments, and it may not be possible to acquire investments that have been identified as attractive opportunities. There can be no assurance that the Company will be able to invest fully its committed capital.

Risks of Private Equity Investments

Investments made in connection with acquisition transactions are subject to a variety of special risks, including the risk that the acquiring company has paid too much for the acquired business, the risk of unforeseen liabilities, the risks associated with new or unproved management or new business strategies and the risk that the acquired business will not be successfully integrated with existing businesses or produce the expected synergies.

Illiquidity of Private Equity Investments

The pooled vehicles in which the Company invests are highly illiquid, long-term investments. The Company will be limited in its ability to transfer its interests in, or to withdraw from, such pooled vehicles.

Availability of Investment and Disposition Opportunities

The pooled investment vehicles in which the Company invests may face difficulties in identifying, investing in, financing and disposing of attractive private equity opportunities, and the Company will be dependent on the ability of the investment managers of these pooled vehicles, who will not be related to or controlled by JPMorgan Chase & Co., to locate, evaluate, select, manage and dispose of these opportunities.

Market and Economic Risks

Investments made by the Company may be materially affected by market, economic and political conditions in the U.S. and in the non-U.S. jurisdictions in which it invests or operates, including factors affecting interest rates, the availability of credit, currency exchange rates and trade barriers. These factors are outside the control of JPMPI and JPMIM and could adversely affect the liquidity and value of the Company's investments and reduce the ability of the Company to make new investments.

Risks Associated with Investment Outside the United States

The Company will be exposed to risks of investment outside the United States through investment in pooled vehicles that have all or a portion of their portfolios invested outside the United States or that are otherwise dependent on international markets, or through investment in portfolio companies that are located outside of the United States or that are otherwise dependent on international markets. These investments involve special risks.

Diversification Risk

The Company may make only a limited number of investments and, as a consequence, the aggregate return on the Company's investments may be substantially adversely affected by the unfavorable performance of one or a small number of the Company's investments.

Limitations of historical data

Certain of the historical data on the private equity funds industry that is presented in the Memorandum is based on voluntary disclosures by private equity partnerships. Given the lack of transparency associated with the private equity funds industry generally, there can be no assurance that the reliability of such data is not compromised by the failure of partnerships voluntarily to report information, inaccurate reporting by certain partnerships, failure to incorporate the data of funds that failed over the relevant period, errors in data collection or compilation or by other factors.

J.P. Morgan Venture Capital Private Investors II Offshore Special L.P.

Please refer to the Fund's offering memorandum for a more detailed discussion of risks.

Risks of private equity investments

The private equity class of investments, including both the limited partnerships and other pooled investment vehicles (collectively, "pooled vehicles") in which the Pooled Company will invest and the venture companies in which the Direct Company and the pooled vehicles will invest, involve a high degree of business and financial risk that can result in substantial losses.

Risks of venture capital investments

The venture companies in which the Direct Company and pooled vehicles will invest may be in a conceptual or early stage of development, may not have a proven operating history, may have products that are not yet developed or ready to be marketed or that have no established market, may be operating at a loss or have significant fluctuations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or otherwise may have a weak financial condition.

Illiquidity of venture capital investments

The pooled vehicles in which the Pooled Company will invest are highly illiquid, long term investments. The Pooled Company will be limited in its ability to transfer its interests in, or to withdraw from, such pooled vehicles.

Availability of investment opportunities

The market for venture capital investments is limited and competitive. Identifying attractive investment opportunities and, in the case of pooled vehicles, the right investment managers, is difficult and involves a high degree of uncertainty. Moreover, certain pooled vehicles and venture capital investments are from time to time oversubscribed, and it may not be possible to make investments that have been identified as

attractive opportunities. There can be no assurance that the Companies will be able to invest fully their committed capital. The pooled investment vehicles in which the Pooled Company invests may face difficulties in identifying and investing in attractive venture capital opportunities, and the Pooled Company will be dependent on the ability of the investment managers of these pooled vehicles, who will not be related to or controlled by J.P. Morgan, to locate, evaluate and select these opportunities.

Risks associated with investment outside the United States

The Companies may invest up to 25 percent of their aggregate capital commitments in pooled vehicles that focus on markets outside the United States (“international partnerships”) and venture companies that have their principal executive offices outside the United States (“international companies”). These investments involve special risks. The Companies also may be exposed to risks of investment outside the United States indirectly through investment in pooled vehicles that have a portion of their portfolios invested outside the United States or venture companies that are dependent on international markets.

Diversification risk

Each Company may make only a limited number of investments and, as a consequence, the aggregate return on a Company’s investments may be substantially adversely affected by the unfavorable performance of one or a small number of the Company’s investments.

KKR 2006 Fund Private Investors LLC

KKR 2006 Fund Private Investors Offshore LP

Please refer to the Fund’s offering memorandum for a more detailed discussion of risks.

General

An investment in the Fund and/or the conduit vehicles involves a high degree of risk. There can be no assurance that the Fund’s return objectives will be realized or that there will be any return of capital. An investor may lose part or all of his capital.

Illiquid and Long-Term Investment; Restrictions on Transferability; Default; No Rights of Withdrawal

An investment in the Fund and the conduit vehicles is an illiquid investment that requires a long-term commitment, with no certainty of return. Interests may not be transferred or pledged without prior written consent, which may be withheld. There will be no market for the interests. A default by an investor in making a required capital contribution may result in forfeiture of all or a substantial part of the investor’s investment, as well as other remedies.

Availability of Suitable Investments; Limited Number of Investments

There can be no assurance that the Fund will be able to locate and complete suitable investments, or realize upon their values. The Fund may make a limited number of investments and, as a consequence, the aggregate return of the Fund may be adversely affected by the unfavorable performance of even a single investment.

Leverage

The Fund's investments are expected to include companies whose capital structures may have significant leverage. Although the General Partner will seek to use leverage in a prudent manner, the use of leverage may substantially increase the risk of loss.

No Right to Control Operations

Investors will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Fund. Investors must rely entirely on the General Partner to conduct and manage the affairs of the Fund.

Valuation

As a result of the illiquidity of the Fund's investments no assurance can be provided that any given investment can be liquidated at a price equal to the market value ascribed to such investment. The liquidating value may differ, sometimes significantly, from the interim valuations arrived at by the Fund.

Hedging

KKR 2006 may enter into swaps, forward contracts and other arrangements to seek to preserve a return on a particular investment or seek to protect against currency fluctuations. Such transactions have special risks associated with them, including the possible default by the counterparty to the transaction and the illiquidity of the instrument acquired by KKR 2006 relating thereto.

Currency Risk

The Fund's investments may be denominated in various non-U.S. currencies. However, the books of the Fund will be maintained, and capital contributions to and distributions from the Fund generally will be made, in U.S. dollars. Accordingly, changes in currencies may adversely affect the U.S. dollar value of the Fund's investments and the gains and losses realized in respect of the Fund's investments.

Non-U.S. Investment Considerations

Investments in non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to: potential price volatility in and relative illiquidity of some non-U.S. securities markets; the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements; less government supervision and regulations; potential economic, political or social instability; exchange control regulations; restrictions on non-U.S. investment and repatriation of capital (possibly requiring government approval); expropriation or confiscatory taxation; and the possible imposition of non-U.S. taxes.

Nestor 2000 Special LLC

Please refer to the Fund's offering memorandum for a more detailed discussion of risks.

- The success of the Investment Vehicle as a whole depends significantly on the Manager's ability to identify, select, develop and realize appropriate investments. There is no guarantee that suitable investments will be available or that investments will be successful.
- An investment in the Investment Vehicle involves a high degree of risk due to, among other things, the nature of the Investment Vehicle's investments, the nature of the interests in the Investment Vehicle, and potential or actual conflicts of interest.
- The prior investment vehicles formed, and prior investments made, by the Manager were much smaller than the Investment Vehicle and its proposed investments. The Manager has no experience with this size investment pool or investments.
- The assets of the Investment Vehicle will be concentrated in one industry (i.e., the Internet) and in one geographic region (i.e., Europe).
- Investments in private, start-up companies lacking diversification of products or services, having little or no operating history, and relying on a few key people, involve much greater risk than investments in larger, mature companies.
- Investments will be made in companies that are not publicly traded and such investments can be difficult to realize. In addition, the laws of certain jurisdictions may make dispositions of investments in portfolio companies difficult to effectuate.
- The business of identifying and structuring transactions is competitive and involves a high degree of uncertainty.
- Some portfolio companies may be passive foreign investment companies, resulting in potentially adverse tax consequences to U.S. investors. The Manager will seek to minimize these adverse consequences by making certain tax elections.

TL Ventures V Special Partners LLC

Please refer to the Fund's offering memorandum for a more detailed discussion of risks.

Portfolio risk

An investment in TL V involves a high degree of risk due to, among other things, the nature of TL V's investments, the nature of the interests in TL V, and potential or actual conflicts of interest. There can be no assurances that TL V's objectives will be realized or that there will be any return of capital.

Dependence on managers

The success of TL V as a whole depends significantly on the General Partner's ability to identify, select, develop and realize appropriate investments. There is no guarantee that suitable investments will be available or that investments will be successful.

Illiquidity; restrictions on transfer and withdrawal

An investment will be highly illiquid. Except in certain very limited circumstances, investors will not be permitted to transfer their interests. Investors may not withdraw nor have their interests redeemed.

Early-stage investments

Investments in private, start-up companies lacking diversification of products or services, having little or no operating history, and relying on a few key people, involve much greater risk than investments in larger, mature companies.

Liquidity and exit

Investments will be made in companies that are not publicly traded and such investments can be difficult to realize. Difficulties in effecting realizations of investments in portfolio companies will cause delays in distributions to investors.

BW Private Investors LLC

Please refer to the Fund's offering memorandum for a more detailed discussion of risks.

Lack of Operating History

The past investment performance of the Bridgewater Funds or any of their affiliates should not be construed as an indication of the future results of the Bridgewater Funds or, therefore, of the Onshore Fund.

Future Changes in Applicable Law

Bridgewater's ability to implement the Bridgewater Funds' investment programs, as well as the ability of the Onshore Fund to conduct its operations, is based on laws and regulations which are subject to change through legislative, judicial or administrative action.

Market Risk

The profitability of the Onshore Fund's investment program depends, to a great extent, upon Bridgewater's ability to correctly assess the future course of the price movements of securities and other investments held by the Bridgewater Funds.

Performance Fees

The Onshore Fund will bear a profit participation fee in Pure Alpha and a profit participation allocation in All Weather. The investment performance of each Bridgewater Fund will not be aggregated for purposes of determining the profit participation fee/allocation borne by the Onshore Fund. As a result, the Onshore Fund may bear a profit participation fee/allocation with respect to its investment in one Bridgewater Fund notwithstanding that the combined performance of the Bridgewater Funds does not result in a net profit for the Onshore Fund.

Limited Withdrawal Rights

An investment in the Onshore Fund is suitable only for certain sophisticated investors who have no need for immediate liquidity in their investment. Such an investment provides limited liquidity because the

Interests are not freely transferable. JPMPI may suspend Withdrawal rights, in whole or in part, when there exists in the opinion of JPMPI a state of affairs where disposal of the Onshore Fund's assets, or the determination of the value of a Member's Interests, would not be reasonably practicable. Such limitations on liquidity must be considered significant. JPMPI will also suspend Withdrawal rights in circumstance where the Bridgewater Funds suspend redemptions.

Operational Risk

Despite JPMPI's initial due diligence and ongoing oversight of Bridgewater, the Onshore Fund may suffer losses resulting from a failure of Bridgewater's operations, which may include continuity of business, procedural failures, weakness of operational controls and fraud.

Investment and Trading Risks

A JPM Portfolio Manager should be aware that a Member may lose all or part of its investment in the Onshore Fund. All investments risk the loss of capital. No guarantee or representation is made that the Bridgewater Funds' and the Onshore Fund's investment programs will be successful, and investment results may vary substantially over time.

Returns Dependent on Performance of the Bridgewater Funds

Substantially all of the assets of the Onshore Fund will be invested in the Bridgewater Funds. The success of the Onshore Fund depends upon the ability of Bridgewater to develop and implement investment strategies that achieve the investment objectives of the Bridgewater Funds, and, therefore, of the Onshore Fund. Subjective decisions made by Bridgewater may cause the portfolios of the Bridgewater Funds (and, therefore, the Onshore Fund) to incur losses or to miss profit opportunities on which it may otherwise have capitalized. The Onshore Fund will not have access to the portfolios of the Bridgewater Funds and, accordingly, will not be able to hedge against risks arising from such portfolios.

BW Private Investors Offshore Ltd.

Please refer to the Fund's offering memorandum for a more detailed discussion of risks.

Lack of Operating History

The past investment performance of the Bridgewater Funds or any of their affiliates should not be construed as an indication of the future results of the Bridgewater Funds or, therefore, of the Offshore Fund.

Future Changes in Applicable Law

Bridgewater's ability to implement the Bridgewater Funds' investment programs, as well as the ability of the Offshore Fund to conduct its operations, is based on laws and regulations which are subject to change through legislative, judicial or administrative action.

Absence of Regulatory Oversight

While the Offshore Fund may be considered similar to an investment company, it is not required and does not intend to register as such under the Investment Company Act, and, accordingly, the provisions of the

Investment Company Act (which may provide certain regulatory safeguards to investors) are not applicable.

Market Risk

The profitability of the Offshore Fund's investment program depends, to a great extent, upon Bridgewater's ability to correctly assess the future course of the price movements of securities and other investments held by the Bridgewater Funds. There can be no assurance that Bridgewater will be able to predict accurately these price movements. Bridgewater's strategies for moderating such risk and valuation models may produce an adverse impact on the Bridgewater Funds (and therefore, the Offshore Fund).

Performance Fees

The Offshore Fund will bear a profit participation fee in Pure Alpha and in All Weather. The investment performance of each Bridgewater Fund will not be aggregated for purposes of determining the profit participation fees borne by the Offshore Fund. As a result, the Offshore Fund may bear a profit participation fee with respect to its investment in one Bridgewater Fund notwithstanding that the combined performance of the Bridgewater Funds does not result in a net profit for the Offshore Fund.

Limited Redemption Rights

An investment in the Offshore Fund is suitable only for certain sophisticated investors who have no need for immediate liquidity in their investment. Such an investment provides limited liquidity because the Shares are not freely transferable. JPMPI may suspend Redemption rights, in whole or in part, when there exists in the opinion of JPMPI a state of affairs where disposal of the Offshore Fund's assets, or the determination of the value of a Shareholder's Shares, would not be reasonably practicable.

Misconduct or Bad Judgment

It will be difficult, if not impossible, for JPMPI to protect Shareholders from the risk of Bridgewater engaging in fraud, misrepresentations or material strategy alteration. Shareholders themselves will have no direct dealings or contractual relationships with Bridgewater or any of its affiliates.

Operational Risk

Despite JPMPI's initial due diligence and ongoing oversight of Bridgewater, the Offshore Fund may suffer losses resulting from a failure of Bridgewater's operations, which may include continuity of business, procedural failures, weakness of operational controls and fraud.

Investment and Trading Risks

A JPM Portfolio Manager should be aware that a Shareholder may lose all or part of its investment in the Offshore Fund. All investments risk the loss of capital. No guarantee or representation is made that the Bridgewater Funds' and the Offshore Fund's investment programs will be successful, and investment results may vary substantially over time.

Additional Expenses and Transaction Costs

The Offshore Fund will incur expenses and transaction costs in addition to its pro rata share of expenses incurred by the Bridgewater Funds. Such costs and expenses will reduce the Offshore Fund's performance relative to the Bridgewater Funds.

Returns Dependent on Performance of the Bridgewater Funds

Substantially all of the assets of the Offshore Fund will be invested in the Bridgewater Funds. The success of the Offshore Fund depends upon the ability of Bridgewater to develop and implement investment strategies that achieve the investment objectives of the Bridgewater Funds, and, therefore, of the Offshore Fund. Subjective decisions made by Bridgewater may cause the portfolios of the Bridgewater Funds (and, therefore, the Offshore Fund) to incur losses or to miss profit opportunities on which it may otherwise have capitalized. The Offshore Fund will not have access to the portfolios of the Bridgewater Funds and, accordingly, will not be able to hedge against risks arising from such portfolios.

JPMorgan Leveraged Loans LLC

J.P. Morgan Leveraged Loans Ltd.

J.P. Morgan Leveraged Loans Master Fund LP

Please refer to the Fund's offering memorandum for a more detailed discussion of risks.

Investment and Trading Risks

An investment in the JPMorgan Leveraged Loans LLC (the "Feeder Fund"), including the Feeder Fund's investment as an investor in the J.P. Morgan Leveraged Loans Master Fund LP (the "Fund"), involves a high degree of risk, including the risk that the entire amount invested may be lost. The Feeder Fund and the Fund will invest in and trade securities and other financial instruments using strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of financial markets and the risk of loss from counterparty defaults.

Limited Liquidity of Interests

The Feeder Fund is intended for long-term investors who can accept the risks associated with investing primarily in securities that involve a high degree of financial risk and are potentially illiquid. There is no public market for interests in the Feeder Fund, and no such market is expected to develop in the future.

Risk Control Framework

The J.P. Morgan Credit Team (the "Team") has implemented a risk control process to help the Feeder Fund and the Fund manage their risk exposure. The Manager will also implement a risk control process with respect to any investments made by the Offshore Feeder Fund other than in the Fund.

Portfolio Valuation

Valuations of the Feeder Fund's and the Fund's portfolios, which will affect the amount of the management fee, may involve uncertainties and judgment determinations. Third-party pricing information may at times not be available regarding certain of the Feeder Fund's or the Fund's securities and other assets. A disruption in the secondary markets for the Feeder Fund's or Fund's investments may limit the ability of the Team or the Manager, as the case may be, to obtain accurate market quotations for

purposes of valuing the Feeder Fund's and Fund's investments and calculating the net asset value of the Feeder Fund's and Fund's investments.

Special Investments

The Feeder Fund and the Fund may invest in certain investments that are subject to legal or contractual restrictions on transferability or subject to other special considerations (such as a lack of a liquid market) that restrict or limit the ability of the Feeder Fund or the Fund, as the case may be, to dispose of such investment or make it difficult to value such investment ("Special Investments"). Special Investments may represent up to 20% (or such higher percentage as may be agreed by the investor and the relevant Feeder Fund) of the aggregate balances of an investor's capital account and special investment account, measured as of the first day of the accounting period during which any Special Investment is made.

General Economic Conditions; Highly Volatile Markets

Various sectors of the global financial markets have been experiencing an extended period of adverse conditions following serious disruptions in the U.S. residential mortgage market. Recently, market uncertainty in the United States has increased dramatically, and adverse market conditions have expanded to other markets. These conditions have resulted in reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency.

Investments in Bank Loans and Other Debt Instruments

The Feeder Fund and the Fund intend to invest substantially all of their capital in fixed-income instruments. These instruments may pay fixed, variable or floating rates of interest. Fixed income instruments are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (*i.e.*, market risk).

High Yield Debt

The Feeder Fund and the Fund intend primarily to invest in instruments that are rated below investment-grade by one or more nationally recognized statistical rating organizations (or are unrated but of comparable credit quality to obligations rated below investment-grade), and have greater credit and liquidity risk than more highly rated debt obligations. The lower rating of high yield debt reflects a greater possibility that adverse changes in the financial condition of the obligor or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both may impair the ability of the obligor to make payment of principal and interest.

Diversification Risk

Although the Fund intends to hold a diversified portfolio in accordance with its investment guidelines, the Fund may, in the discretion of the Team, invest in a limited number of investments. Investments made by the Feeder Fund outside the Fund are not subject to any diversification or concentration limits. A consequence of a limited number of investments is that the aggregate returns realized by the Feeder Fund may be substantially affected by the unfavorable performance of a small number of such investments.

Direct Investments and Differing Performance of the Feeder Fund

In addition to investing in the Fund, the Feeder Fund is expected to make certain direct investments. Although the Feeder Fund is permitted to make direct investments outside the Fund, including certain investments that it may purchase from the Feeder Fund for an arm's length price, it is not expected to do so.

J.P. Morgan – BlackRock Opportunistic RMBS LLC

J.P. Morgan – BlackRock Opportunistic RMBS Ltd.

J.P.Morgan – BlackRock Opportunistic RMBS Master Fund LP

Please refer to the Fund's offering memorandum for a more detailed discussion of risks.

Limited Operating History

There can be no assurance that the Sub-Advisor's investment team (the "Investment Team") will be successful in managing the investments of the Fund.

Reliance on the Members of the Investment Team

The success of the Fund will depend in large part upon the skill and expertise of the principals of the Investment Team. Although the general partner of the Fund believes that the success of the Fund is not dependent upon any one member of the Investment Team, there can be no assurance that any of the members of the Investment Team will continue to be associated with the Sub-Advisor.

Risks Associated with Mortgage-Related Securities

The Fund plans to invest primarily in pools or tranches of multi-issuer non-agency RMBS and, in certain circumstances, in Non-Agency RMBS relating to a single issuer or a handful of issuers, which involves a high degree of concentrated risk with no certainty of any return of capital. The Fund may also invest in stripped mortgage securities issued by federal agencies or private originators. Securities issued by certain federal agencies are not backed by the full faith and credit of the United States government and are supported only by the credit of the issuer.

Investments in Fixed-Income Securities

The Fund intends to invest substantially all of its capital in fixed-income instruments. These instruments may pay fixed, variable or floating rates of interest. Fixed-income instruments are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

General Economic Conditions; Highly Volatile Markets

Various sectors of the global financial markets have been experiencing an extended period of adverse conditions following serious disruptions in the U.S. residential mortgage market. Recently, market uncertainty in the United States has increased dramatically, and adverse market conditions have expanded

to other markets. These conditions have resulted in reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. These difficult global credit market conditions have adversely affected the market values of equity, fixed-income and other securities and these circumstances may continue or even deteriorate further. The short- and long-term impact of these events is uncertain, but could have a material effect on general economic conditions, consumer and business confidence and market liquidity. Investments made by the Fund are expected to be sensitive to the performance of the overall economy.

Debt-Oriented Real Estate Investment Risks Generally

Deterioration of real estate fundamentals may negatively impact the operating results or financial health of the issuers or portfolio entities underlying the non-agency RMBS pools and therefore may negatively impact the performance of the Fund's investments. Such changes in fundamentals could involve fluctuations as a result of general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in environmental and zoning laws, casualty or condemnation losses, environmental liability, regulatory limitations on rents, changes in neighborhood values, changes in the appeal of properties to tenants, the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, natural disasters, increase in interest rates and other factors that are beyond the control of the general partner of the Fund, Advisor and Sub-Advisor.

Fraud

Of paramount concern in purchasing debt securities is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying a debt security or may adversely affect the likelihood that a lien on such collateral has been properly created and perfected. The Fund will rely upon the accuracy and completeness of representations made by borrowers, but cannot guarantee such accuracy or completeness.

Concentration Risk

To the extent the Sub-Advisor concentrates the Fund's investments in a particular issuer, the Fund's portfolio may become more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular issuer, or the loan servicers, trustee(s) or other counterparties associated therewith. To the extent any such entity defaults in respect of its obligations relating to the non-agency RMBS, the performance of the Fund may be adversely affected.

Difficulty in U.S. Residential Mortgage Market

Recently, the residential mortgage market in the United States has experienced a variety of difficulties and changed economic conditions that may materially and adversely affect the performance and market value of mortgage-related securities. Housing prices and appraisal values in many states have declined or stopped appreciating after extended periods of significant appreciation. This decline has resulted in increases in delinquencies and losses on residential mortgage loans. Many adjustable rate mortgage loans offered a low fixed rate for an initial period with the interest rate eventually adjusting to an index based on the prevailing market rate of interest. The interest rate on many such mortgages has recently started to

adjust to such higher prevailing market rate. This increase in interest rates has resulted, and may continue to result, in higher delinquency rates as some homeowners have purchased homes that turn out to be too expensive for them.

Structural Risks of Mortgage-Related Securities

The Fund may invest a portion of its assets in mortgage-related securities that are subordinate in right of payment and rank junior to other securities that are secured by or represent an ownership interest in the same pool of assets. In addition, many of the related transactions have structural features that divert payments of interest and/or principal to more senior classes when the delinquency or loss experience of the pool exceeds certain levels.

JPMorgan Winton Managed Futures LLC

Please refer to the Fund's offering memorandum for a more detailed discussion of risks.

Overall investment risk

Fund performance may be volatile and an investor could lose some or all of his investment. A Fund investment is very speculative and involves a high degree of risk and is not suitable for all investors. Further an investment in the Fund may be subject to limited withdrawal privileges, restrictions on transfer and lack of a secondary market. The investment strategy may include non US assets and may employ leverage and shorting strategies. The existence of the incentive fee may create incentive for Winton Capital Management Limited ("WCM") to take greater risks than it ordinarily would without such fees.

Futures trading

The Fund will invest primarily in futures and options thereon. Futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the trader.

Dependence on WCM

The success of the Fund depends upon the ability of WCM to develop and implement investment strategies that achieve the Fund's investment objectives. Note that there can be no assurance that the Fund will achieve its investment objectives and investment results may vary over time.

No operating history

The Fund is newly organized and thus has no operating history. There can be no assurance that the Fund will achieve its investment objective. The Fund's investment program should be evaluated on the basis that there can be no assurance that it will be successful. Investors may sustain a total loss of their investment.

Currency exchange risk

Certain of the investments of the Fund may be in currencies other than U.S. dollars. Accordingly, adverse exchange rate fluctuations may cause the value of the investments of the Fund to diminish.

Short sales

The Fund may engage in short selling. In selling short, the Fund bears the risk of an increase in the value of the instrument sold short above the price at which it was sold. Such an increase could lead to a substantial loss.

Illiquid markets

The success or failure of the Fund will depend upon the ability of WCM to trade profitably in the Markets. However, in some circumstances these Markets can be illiquid making it difficult to acquire or dispose of contracts at the prices quoted on the various exchanges or at normal bid/offer spreads quoted off exchange. These and other factors mean that, as with other investments, there can be no assurance that trading in the Markets will be profitable.

Failure of clearing brokers

Because the clearing brokers may, at times, be the sole counterparties with respect to a significant portion of the Fund's assets, the Fund has credit risk to the clearing brokers. A clearing broker that is a futures commission merchant registered with the CFTC is required by CFTC regulations to segregate from its own assets, and for the sole benefit of its commodity customers (including the Fund), all assets held by it in respect of CFTC exchange traded futures and options contracts, including an amount equal to the net unrealized gain on all such open contracts.

Creditworthiness of counterparties

Over the counter markets ("OTC"), such as those in which the Fund may trade forward contracts, are principals markets where the counterparty to the Fund's trade is likely to be an international commercial business, bank, or brokerage company. OTC contracts are not transacted pursuant to exchange rules and, except in limited circumstances, do not have the benefits afforded by a clearing house which steps in to take the other side of each trade.

JPMorgan Access Balanced Fund

JPMorgan Access Growth Fund

Please refer to the Fund's prospectus for a more detailed discussion of risks.

International securities

The Funds invest in international securities, which involve a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns.

Bonds

The Funds also invest in bonds, which are subject to interest rate risks. Bond prices generally fall when interest rates rise.

Derivatives

The Funds may also use derivatives as a tool in the management of Fund assets. The use of derivatives for hedging, risk management or to increase income or gain may not be successful and could result in losses. Derivatives also expose the Funds to the credit risk of the derivative counterparty.

Real Estate

The Funds invest in real estate, which is subject to declines in the value of real estate, risks related to general and economic conditions, changes in the value of the underlying property owned by the trust and defaults by borrower.

Structured Investments

The Funds may also invest in structured investments which may involve a high degree of risk, and may be appropriate investments only for sophisticated investors who are capable of understanding and assuming the risks involved.

Short Selling

The Funds may participate in short selling, which involves certain risks, including additional costs associated with covering short positions and a possibility of unlimited loss on certain short sale positions.

High Yield

The Funds invest in high yield securities rated below investment grade. Although these securities tend to provide higher yields than higher rated securities, there is a greater risk that the Funds' share price will decline.

Portfolio Turnover

Portfolio turnover may vary greatly from year to year, as well as within a particular year. High rates of portfolio turnover may result in short-term capital gain that will generally be taxable to shareholders as ordinary income.

Additional Fees

There may be additional fees or expenses associated with investing in a Fund of Funds strategy.

J.P. Morgan Access Multi-Strategy Fund, LLC

Please refer to the Fund's offering memorandum for a more detailed discussion of risks.

General

The value of the Fund's total net assets may be expected to fluctuate in response to fluctuations in the value of the hedge funds (the "Investment Funds") and other investments in which the Fund invests.

Discussed below are the investments the Investment Manager and Sub-Advisor anticipate will generally be made by Investment Funds and the principal risks that the Investment Manager and Sub-Advisor believe are associated with those investments. To the extent the Fund makes such investment directly, the same risks would apply. These risks will, in turn, have an effect on the Fund.

Concentration of Investments; Non-diversified Portfolios

Investment Funds may target or concentrate their investments in particular markets, sectors, or industries. Investment Funds also may be considered to be non-diversified and invest without limit in a single issuer. As a result of any such concentration of investments or non-diversified portfolios, the portfolios of such Investment Funds are subject to greater volatility than if they had non-concentrated and diversified portfolios. Those Investment Funds that concentrate their investments in a specific industry or sector may be subject to additional risks with respect to those investments, which risks may include, but not be limited to, rapid obsolescence of technology, sensitivity to regulatory changes, minimal barriers to entry, and sensitivity to overall market swings.

Risks of Fund of Hedge Funds Structure

The Investment Funds will not be registered as investment companies under the 1940 Act. The Fund, as an investor in these Investment Funds, will not have the benefit of the protections afforded by the 1940 Act to investors in registered investment companies. Although the Investment Manager and/or Sub-Advisor will receive information from each Investment Fund regarding its investment performance and investment strategy, the Investment Manager or Sub-Advisor may have little or no means of independently verifying this information. An Investment Fund may use proprietary investment strategies that are not fully disclosed to the Investment Manager or Sub-Advisor, which may involve risks under some market conditions that are not anticipated by the Investment Manager or Sub-Advisor.

Valuation

As the Investment Manager, Sub-Advisor and the Board of Directors anticipate that market prices will not be readily available for most Investment Funds in which the Fund invests, the Fund's valuation procedures provide that the fair value of the Fund's investments in Investment Funds ordinarily will be the value determined for each Investment Fund in accordance with the Investment Fund's valuation policies and provided to the Fund by the Investment Fund's Portfolio Manager or administrator. Although the Investment Manager and/or Sub-Advisor will review the valuation procedures used by the Portfolio Managers, the Investment Manager, Sub-Advisor and the Board of Directors will have little or no means of independently verifying valuations of the Investment Funds provided to the Fund.

Fees and Expenses of Investment Funds

By investing in the Investment Funds indirectly through the Fund, an investor bears a portion of the Management Fee, the Administration Fee, the Special Member's Performance Allocation and other expenses of the Fund, and also indirectly bears a portion of the asset-based fees, performance allocations and other expenses borne by the Fund as an investor in the Investment Funds. An investor in the Fund meeting the eligibility conditions imposed by the Investment Funds, including minimum initial investment requirements that may be substantially higher than those imposed by the Fund, could invest directly in the Investment Funds.

Control over Portfolio Managers

The Investment Manager and/or Sub-Advisor will invest in Investment Funds that the Investment Manager and/or Sub-Advisor believe will generally, and in the aggregate, be managed consistent with the Fund's investment objective and strategy. The Investment Manager and Sub-Advisor do not control the Portfolio Managers of these Investment Funds, however, and there can be no assurances that a Portfolio Manager will manage its Investment Funds in a manner consistent with the Fund's investment objective and strategy.

Investments in Non-Voting Securities

Investment Funds may, consistent with applicable law, elect not to disclose the contents of their portfolios. This lack of transparency may make it difficult for the Investment Manager and/or Sub-Advisor to monitor whether holdings of the Investment Funds cause the Fund to be above specified levels of ownership in certain asset classes. To avoid adverse regulatory consequences in such a case, the Fund may need to hold its interest in an Investment Fund in non-voting form. Additionally, for regulatory reasons, the Fund may need to limit the amount of voting securities it holds in any particular Investment Fund, and may as a result hold substantial amounts of non-voting securities in a particular Investment Fund.

Potential Significant Effect of the Performance of a Limited Number of Investments

The Investment Manager and Sub-Advisor expect that the Fund will participate in multiple investments. The Fund may, however, make investments in a limited number of Investment Funds and Investment Funds may make investments in a limited number of portfolio companies. In either instance, these limited number of investments may have a significant effect on the performance of the Fund.

J.P. Morgan Access Multi-Strategy Fund II

Please refer to the RIC II's offering memorandum for a more detailed discussion of risks.

General

The value of the Fund's total net assets may be expected to fluctuate in response to fluctuations in the value of the hedge funds (the "Investment Funds") and other investments in which the Fund invests. Discussed below are the investments the Investment Manager and Sub-Advisor anticipate will generally be made by Investment Funds and the principal risks that the Investment Manager and Sub-Advisor believe are associated with those investments. To the extent the Fund makes such investment directly, the same risks would apply. These risks will, in turn, have an effect on the Fund.

Concentration of Investments; Non-diversified Portfolios

Investment Funds may target or concentrate their investments in particular markets, sectors, or industries. Investment Funds also may be considered to be non-diversified and invest without limit in a single issuer. As a result of any such concentration of investments or non-diversified portfolios, the portfolios of such Investment Funds are subject to greater volatility than if they had non-concentrated and diversified portfolios. Those Investment Funds that concentrate their investments in a specific industry or sector may

be subject to additional risks with respect to those investments, which risks may include, but not be limited to, rapid obsolescence of technology, sensitivity to regulatory changes, minimal barriers to entry, and sensitivity to overall market swings.

Risks of Fund of Hedge Funds Structure

The Investment Funds will not be registered as investment companies under the 1940 Act. The Fund, as an investor in these Investment Funds, will not have the benefit of the protections afforded by the 1940 Act to investors in registered investment companies. Although the Investment Manager and/or Sub-Advisor will receive information from each Investment Fund regarding its investment performance and investment strategy, the Investment Manager or Sub-Advisor may have little or no means of independently verifying this information. An Investment Fund may use proprietary investment strategies that are not fully disclosed to the Investment Manager or Sub-Advisor, which may involve risks under some market conditions that are not anticipated by the Investment Manager or Sub-Advisor. The performance of the Fund depends on the success of the Investment Manager or Sub-Advisor in selecting Investment Funds for investment by the Fund and the allocation and reallocation of Fund assets among those Investment Funds. Past results of Portfolio Managers selected by the Investment Manager and/or Sub-Advisor are not necessarily indicative of future performance. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

Valuation

As the Investment Manager, Sub-Advisor and the Board of Directors anticipate that market prices will not be readily available for most Investment Funds in which the Fund invests, the Fund's valuation procedures provide that the fair value of the Fund's investments in Investment Funds ordinarily will be the value determined for each Investment Fund in accordance with the Investment Fund's valuation policies and provided to the Fund by the Investment Fund's Portfolio Manager or administrator. Although the Investment Manager and/or Sub-Advisor will review the valuation procedures used by the Portfolio Managers, the Investment Manager, Sub-Advisor and the Board of Directors will have little or no means of independently verifying valuations of the Investment Funds provided to the Fund. In calculating its net asset value, although the Fund will review other relevant factors, the Fund will rely significantly on values of Investment Funds that are reported by the Investment Funds themselves. The Fund does not have information about the securities in which the Investment Funds invest or their valuation.

Fees and Expenses of Investment Funds

By investing in the Investment Funds indirectly through the Fund, an investor bears a portion of the Management Fee, the Administration Fee, the Special Member's Performance Allocation and other expenses of the Fund, and also indirectly bears a portion of the asset-based fees, performance allocations and other expenses borne by the Fund as an investor in the Investment Funds. An investor in the Fund meeting the eligibility conditions imposed by the Investment Funds, including minimum initial investment requirements that may be substantially higher than those imposed by the Fund, could invest directly in the Investment Funds.

Control over Portfolio Managers

The Investment Manager and/or Sub-Advisor will invest in Investment Funds that the Investment Manager and/or Sub-Advisor believe will generally, and in the aggregate, be managed consistent with the Fund's investment objective and strategy. The Investment Manager and Sub-Advisor do not control the Portfolio Managers of these Investment Funds, however, and there can be no assurances that a Portfolio Manager will manage its Investment Funds in a manner consistent with the Fund's investment objective and strategy.

Investments in Non-Voting Securities

Investment Funds may, consistent with applicable law, elect not to disclose the contents of their portfolios. This lack of transparency may make it difficult for the Investment Manager and/or Sub-Advisor to monitor whether holdings of the Investment Funds cause the Fund to be above specified levels of ownership in certain asset classes. To avoid adverse regulatory consequences in such a case, the Fund may need to hold its interest in an Investment Fund in non-voting form. Additionally, for regulatory reasons, the Fund may need to limit the amount of voting securities it holds in any particular Investment Fund, and may as a result hold substantial amounts of non-voting securities in a particular Investment Fund. To limit its voting interest in certain Investment Funds, the Fund may enter into contractual arrangements under which the Fund irrevocably waives its rights (if any) to vote its interest in an Investment Fund. The Fund will not receive any consideration in return for entering into a voting waiver arrangement. Other investment funds or accounts managed by the Investment Manager and/or Sub-Advisor may also waive their voting rights in a particular Investment Fund. These voting waiver arrangements may increase the ability of the Fund to invest in certain Investment Funds. However, to the extent the Fund holds non-voting securities of an Investment Fund, it will not be able to vote on matters that require the approval of the investors in the Investment Fund. This restriction could diminish the influence of the Fund in an Investment Fund and adversely affect its investment in the Investment Fund, which could result in an unpredictable and potentially adverse effect on Shareholders.

Potential Significant Effect of the Performance of a Limited Number of Investments

The Investment Manager and Sub-Advisor expect that the Fund will participate in multiple investments. The Fund may, however, make investments in a limited number of Investment Funds and Investment Funds may make investments in a limited number of portfolio companies. In either instance, these limited number of investments may have a significant effect on the performance of the Fund.

UCITS

Please refer to the Fund's offering memorandum for a more detailed discussion of risks.

Limited Liquidity and Restrictions on Redemptions and Transfers of Shares

To date, there is no market for the Shares and no secondary market is expected to develop to provide Shareholders with liquidity of investment except through redemption. The Fund does not intend to apply for the listing of certain Classes of Shares on a stock exchange. Shares of the Fund may only be redeemed pursuant to the terms and conditions provided under "The Shares - Redemption of Shares" and any such redemptions will be limited to Valuation Days as specified above. The Shareholders' ability to redeem their Shares may also be limited by the Fund's decision to suspend the valuation of its Shares, or to carry

forward large redemptions requests. In addition, the transfer or disposition of Shares is subject to the Fund's approval and Shares can only be transferred to certain transferees as described herein above as set out in the section entitled "The Shares" in the Prospectus. Such restrictions on the transferability of Shares may further limit their liquidity.

Effects of Redemptions

Large redemptions of Shares within a limited period of time could require the applicable Sub-Fund to liquidate positions more rapidly than would otherwise be desirable, adversely affecting the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time over which redemptions occur, the resulting reduction in a Sub-Fund's net asset value could make it more difficult for the Investment Manager or applicable Sub-Fund Investment Manager to generate profits or recover losses. Redemption proceeds paid by a Sub-Fund to a redeeming Shareholder may be less than the net asset value of such Shares at the time a redemption request is made due to fluctuations in the net asset value between the date of the request and the applicable Valuation Day.

Dependence on the Investment Manager

All allocation or investment decisions with respect to each Sub-Fund's assets will be made by the applicable Investment Manager and Shareholders will not have the ability to take part in the day-to-day management or investment operations of a Sub-Fund. As a result, the success of each Sub-Fund will depend largely upon the abilities of the applicable Investment Manager and their respective personnel, and there can be no assurance that the applicable Investment Manager or their personnel will remain willing or able to provide advice to and trade on behalf of the Sub-Fund or that their trading will be profitable in the future. If a Sub-Fund were to lose the services of the applicable Investment Manager, the Fund and/or the relevant Sub-Fund might have to be liquidated.

Performance Fee

The applicable Investment Manager may be entitled to a Performance Fee based on the appreciation of the portfolio of a Sub-Fund. The Performance Fee may create an incentive for the applicable Investment Manager to make riskier and more speculative investments and trades than if no Performance Fee were charged. In addition, the performance fee may be calculated on the basis of unrealised appreciation of a Sub-Fund's portfolio, which may result in a non-refundable overpayment if the relevant unrealised assets are not subsequently realised as expected.

Institutional Risk

All assets of each Sub-Fund will be held under the custody or supervision of the Custodian. The Custodian is authorised to use correspondent banks and nominees, which may include affiliates of the applicable Investment Manager. The institutions, including brokerage firms and banks, with which a Sub-Fund (directly or indirectly) does business, or to which portfolio securities have been entrusted for custodial purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the applicable Sub-Fund. Each Sub-Fund intends to limit its securities transactions to well-capitalised and established banks and brokerage firms in an effort to mitigate such risks.

Legal Restrictions on Portfolio Investments

Each Sub-Fund is subject to regulations in Luxembourg and its direct and indirect portfolio investments may be subject to regulations (including tax and exchange control regulations) in other countries. A Sub-Fund may also be subject to regulations in countries where its Shares may be registered for distribution. J.P. Morgan Investment Management Inc. and J.P. Morgan Private Investments Inc. are subject to regulation by, and are registered with, the United States Securities and Exchange Commission as an investment adviser, and the United States Commodity Futures Trading Commission as a commodity trading advisor. In addition, as affiliates of a U.S. bank holding company, the Fund and its Investment Managers may be subject to certain United States federal banking laws and regulations. In view of the legal requirements applicable to the Fund and the Investment Managers, the Fund and each of its Sub-Funds (and their Subsidiaries, if any) may at times need to limit, for other than investment reasons, the amount of assets invested in a particular financial instrument or issuer. Each Investment Manager may be subject to other regulatory or legal requirements limiting the Fund's or a particular Sub-Fund's ability to invest in certain assets. Such actions may affect the performance of the Sub-Funds. In addition, possible changes to the laws and regulations governing permissible activities of the Fund, the applicable Investment Manager and their affiliates could restrict or prevent the Fund or the applicable Investment Manager from continuing to pursue a Sub-Fund's investment objectives or operate in the manner currently contemplated. In addition, the Underlying Funds may be subject to similar restrictions.

Possible Adverse Tax Consequences

No assurance may be given that the manner in which the Fund or any of its Sub-Funds will be managed and operated, or that the composition of its direct and indirect portfolio investments, will not result in possible adverse tax consequences for any particular Shareholder or group of Shareholders. The Fund does not intend to provide the Shareholders with information regarding the percentage ownership of the relevant Sub-Fund's Shares held by residents of any country. The Fund's books and records could be audited by the tax authorities of countries where the Fund will be managed and operated, or where a portion of its direct and indirect portfolio investments are made, or where a particular Shareholder or group of Shareholders reside. Any such audits could subject the Fund to tax, interest and penalties, as well as incremental accounting and legal expenses. Should the Fund be required to incur additional taxes or expenses as a result of the capital contributions made by any Shareholder, or become subject to any record-keeping or reporting obligations as a result of permitting any person to remain or be admitted as a Shareholder of a Sub-Fund, the Fund will, if the amounts so justify, attempt to seek reimbursement of the costs of such taxes, expenses or obligations from such person. Potential investors should note that the tax treatment of the Fund and of their interest in the Fund may change due to changes in applicable tax legislation or regulation.

Reserve for Liabilities

Under certain circumstances, a Sub-Fund may find it necessary, upon redemption by a Shareholder, to set up a reserve for contingent or future liabilities or valuation difficulties and withhold a certain portion of that Shareholder's net redemption proceeds. This could happen, for example, if the Fund, a Sub-Fund, any Underlying Fund or any issuer of securities held in a Sub-Fund's portfolio were involved in a dispute regarding the value of its assets, in litigation, or subject to a tax audit at the time the redemption request is accepted.

Future Returns

No assurance can be given that the strategies employed by the applicable Investment Manager in the past to achieve attractive returns will continue to be successful or that the return on a Sub-Fund's investments will be similar to that achieved by the applicable Investment Manager in the past.

Currency Hedged Share Classes

Investors should be aware that, whilst the intention will be to hedge the value of the net assets in the Reference Currency of the Sub-Fund into the Reference Currency of the Currency Hedged Share Class or hedge the currency exposure of certain (but not necessarily all) assets of the relevant Sub-Fund into the Reference Currency of the Currency Hedged Share Class, the currency hedging process may not give a precise hedge. Furthermore, there is no guarantee that the hedging will be totally successful. Investors in the Currency Hedged Share Classes may have exposure to currencies other than the currency of their Share Class and may also be exposed to the risks associated with the instruments used in the hedging process.

FDG

Equities Securities Risk

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 the portfolio or the securities market as a whole, such as changes in economic or political conditions. When the value of portfolio's securities goes down, your investment in the portfolio decreases in value.

Key Personnel Risk

If one or more key individuals become unavailable to the investment adviser, including the portfolio manager, who is 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

The portfolio may have more volatility and is considered to have more risk than a portfolio that invests in securities of a greater number of issuers because changes in the value of a single issuer's security may have a more significant effect, either negative or positive on the portfolio's net asset value ("NAV"). To the extent that the portfolio invests its assets in the securities of fewer issuers, the portfolio is subject to greater risk of loss if any of those securities become impaired.

C. Risks Associated With Particular Types of Securities

Please see response to question to Item 8 b.

ITEM 9

Disciplinary Information

A. Criminal or Civil Proceedings

None

B. Administrative Proceedings Before Regulatory Authorities

None

C. Self Regulatory Organization (SRO) Proceedings

None

ITEM 10

Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status

JPMPI has management persons who are registered with FINRA as representatives of an affiliated broker-dealer.

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

JPMPI is registered as a commodity pool operator with the United States Commodities Futures Trading Commission (“CFTC”) and relies on CFTC Rule 4.14, exemption from registration as a commodity trading advisor. Further, JPMPI operates its commodity pools under three separate exemptions; CFTC Rules 4.7 (exemption from certain part 4 requirements), 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).

C. Material Relationships or Arrangement with Industry Participants

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

JPMorgan Distribution Services, Inc. is the distributor for the JPMorgan Access Balanced Fund, and JPMorgan Access Growth Fund.

JPMS may serve as a placement agent for the Private Funds and Registered Investment Companies. Additionally, JPMS may serve as placement agent for securities purchased by one or more of the Private Funds and/or its Registered Investment Companies. Certain directors and officers of JPMPI are also officers of 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 serves as sub-advisor to four registered investment companies sponsored by affiliated registered investment advisers.

(i) JPMIM is under common control with JPMPI and has a separate investment advisory agreement to provide advisory services to certain Advisory Clients and (ii) JPMPI has separate agreement(s) with affiliated or unaffiliated managers to provide investment advisory services to the certain Hedge Funds or Private Equity Funds.

(3) other investment adviser or financial planner

JPMPI is under common control with JPMIM and Highbridge Capital Management (“HCM”). JPMPI has separate investment advisory agreements to provide advisory and sub-advisory services to certain private funds and registered investment companies, respectively. Additionally, JPMPI maintains separate agreements with HCM and unaffiliated managers to provide investment advisory services to certain Hedge Funds or Private Equity Funds.

For Hedge Funds and Private Equity Funds, JPMPI identifies certain investment strategies and retains either affiliated or unaffiliated sub-advisers to implement such investment strategies through direct investments or investments in other funds. Several of the affiliated and unaffiliated sub-advisers, including but not limited to, JPMIM and Winton Capital Management Limited (“Winton Capital”), are registered with the CFTC as a Commodities Trading Adviser and Commodity Pool Operator. JPMPI relies on the services of those affiliated and unaffiliated sub-advisers to trade futures for a portion of certain Hedge Fund’s accounts.

From time to time, JPMPI or its related persons may act as a general partner of a limited partnership, or managing member of a limited liability company to which JPMPI serves as an advisor. JPMPI and related persons may solicit JPMPI’s clients to invest in such limited partnerships or limited liability companies, for which JPMPI or a related person may receive compensation.

(4) banking or thrift institution

JPMPI is a wholly-owned subsidiary of JPMorgan Chase & Co. In addition, certain of the directors and officers of JPMPI are also officers of JPMorgan Chase Bank, N.A.

D. Material Conflicts of Interest Relating to Other Investment Advisers
RICs

JPMPI is a sub-adviser to J.P. Morgan Investment Management, Inc. (“JPMIM”), a registered investment adviser to the RICs. JPMPI provides investment management services to certain JPMIM clients.

In addition, JPMPI is part of a large financial services firm. In connection with providing investment advisory services to its clients, JPMPI may use the products or services of its affiliates or other related persons, as described below.

JPMPI and/or its affiliates may receive more compensation with respect to certain accounts with similar investment objectives with the RICs (“Similar Accounts”) than that received with respect to the RICs or may receive compensation based in part on the performance of certain Similar 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. In addition, JPMPI or its affiliates could be viewed as having a conflict of interest to the extent that JPMPI or an affiliate as a proprietary investment in Similar Accounts, the portfolio managers have personal investments in Similar Accounts or the Similar Accounts are investment options in JPMPI’s or its affiliates’ employee benefit plans. 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 offering to increase JPMPI's and its affiliates' overall allocation of securities in that offering. A potential conflict of interest also may be perceived to 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. If JPMPI or its affiliates manage accounts that engage in short sales of securities of the type in which the RICs invest, JPMPI or its affiliates could be seen as harming the performance of the RICs for the benefit of the accounts engaging in short sales if the short sales cause the market value of the securities to fall.

As an internal policy matter, JPMPI or its affiliates may from time to time maintain certain overall investment limitations on the securities positions or positions in other financial instruments JPMPI or its affiliates will take on behalf of its various clients due to, among other things, liquidity concerns and regulatory restrictions. Such policies may preclude the RICs from purchasing particular securities or financial instruments, even if such securities or financial instruments would otherwise meet the RICs' objectives.

Fees earned by JPMPI for managing certain accounts may vary, particularly because for multiple accounts, JPMPI is paid based upon the performance results for those accounts. In addition, some of the portfolio managers have personal investments in other accounts. This could create a conflict of interest because the portfolio managers could have an incentive to favor certain accounts over others, resulting in other accounts outperforming the Fund. JPMPI believes that such conflicts are mitigated in part because the Fund will be investing predominantly in mutual funds and structured notes, the prices of which are fixed at the close of the trading day for all investors. With respect to other securities, JPMPI utilizes JPMIM's trading desk and systems in order to participate in JPMIM's policies designed to achieve fair and equitable allocation of investment opportunities. JPMPI also has policies and procedures that seek to manage conflicts and monitors a variety of areas, including compliance with fund guidelines, review of allocation decisions and compliance with its Code of Ethics and JPMC's Code of Conduct.

STRATIS

STRATIS is a wrap fee program offered by JPMS, an entity under common control with JPMPI. JPMPI is being treated on an arms-length basis and is subject to the same selection and review processes as the other portfolio managers that are offered on STRATIS.

JPMPI may have a conflict of interest by participating in the STRATIS program. In conducting reviews of JPMPI and FDG and in identifying JPMPI and FDG to specific clients, JPMS and JPMPI will receive

greater aggregate compensation than if the client selected an unaffiliated STRATIS portfolio manager. Because the persons responsible for the initial and periodic review of portfolio managers and their investment strategies for inclusion into STRATIS and the advisory representatives of JPMS who identify specific managers and strategies to clients do not receive any direct financial benefit from the investment of STRATIS assets with JPMPI instead of other STRATIS portfolio managers, JPMPI believes that this conflict is mitigated.

ITEM 11

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

A. Code of Ethics

JPMPI has adopted a Code of Ethics and has implemented policies and procedures to detect certain violations thereof. The JPMPI Code of Ethics sets forth standards of conduct, requires compliance with federal securities laws and addresses personal trading by advisory personnel. JPMPI has determined that the procedures, reporting and recordkeeping requirements set forth in the Code of Ethics are reasonably necessary to prevent supervised persons from violating the provisions of the Code of Ethics. All JPMC personnel (including JPMPI supervised personnel) are also required to comply with the provisions of the JPMC Code of Conduct.

A copy of the Code of Ethics will be provided to any client or prospective client upon request.

B. Securities That You or a Related Person Has a Material Financial Interest

Not Applicable

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

Not Applicable

D. Conflicts of Interest Created by Contemporaneous Trading

Not Applicable

ITEM 12

Brokerage Practices

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

In connection with portfolio transactions, the overriding objective is to obtain the best execution of purchase and sales orders. In making this determination, JPMPI and its advisory affiliate, JPMIM considers a number of factors including, but not limited to: the price per unit of the security, the broker's execution capabilities, the commissions charged, the broker's reliability for prompt, accurate confirmations and on-time delivery of securities, the broker-dealer firm's financial condition, the broker's ability to provide access to public offerings, as well as the quality of research services provided. As permitted by Section 28(e) of the Securities Exchange Act, JPMPI and its advisory affiliate, JPMIM may cause the Funds to pay a broker-dealer which provides brokerage and research services to JPMPI and its advisory affiliate, JPMIM, or the Funds and/or other accounts for which JPMPI and its advisory affiliate, JPMIM exercises investment discretion an amount of commission for effecting a securities transaction for a Fund in excess of the amount other broker-dealers would have charged for the transaction if JPMPI and its advisory affiliate, JPMIM determines in good faith that the greater commission is reasonable in relation to the value of the brokerage and research services provided by the executing broker-dealer viewed in terms of either a particular transaction or JPMPI and its advisory affiliate, JPMIM's overall responsibilities to accounts over which it exercises investment discretion. Not all such services are useful or of value in advising the Funds. JPMPI and its advisory affiliate, JPMIM reports to the Board of Trustees regarding overall commissions paid by the Funds and their reasonableness in relation to the benefits to the Funds. In accordance with Section 28(e) of the Securities Exchange Act and consistent with applicable SEC guidance and interpretation, the term "brokerage and research services" includes (i) advice as to the value of securities; (ii) the advisability of investing in, purchasing or selling securities; (iii) the availability of securities or of purchasers or sellers of securities; (iv) furnishing analyses and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy and the performance of accounts; and (v) effecting securities transactions and performing functions incidental thereto (such as clearance, settlement, and custody) or required by rule or regulation in connection with such transactions.

Brokerage Activities - Advisory Affiliate

Global Counterparty Review Process

One part of obtaining best execution is minimizing counterparty risk. JPMPI and its affiliate, JPMIM's Risk Management & Control Group is responsible for:

- (1) setting risk policies and procedures worldwide;

- (2) monitoring implementation of these policies and procedures;
- (3) reviewing and approving all proposed trading counterparties;
- (4) setting credit limits for certain activities with an approved counterparty; and
- (5) monitoring credit exposures to counterparties.

The Risk Management & Control Group communicates the list of approved counterparties to the trading desks globally.

To make its counterparty assessments, the Risk Management & Control Group relies heavily on proprietary research performed by JPMPI and its affiliates, JPMIM's global team of credit and research analysts. Monitoring credit exposures is an ongoing responsibility. Limits are adjusted as counterparty circumstances change.

1. Research and Other Soft Dollar Benefits.

The primary objective of JPMPI and its affiliate, JPMIM, in broker-dealer selection is to comply with its duty to obtain best execution of orders for its clients. "Best execution" does not mean the lowest commission and involves a number of factors. One of the factors includes the quality and availability of useful research and execution-related products and other services that a broker can provide. Many broker-dealers provide JPMPI and its affiliate, JPMIM, with access to statistical information and proprietary research in connection with executing trades, which is offered without charge and without any requirement to engage in any specific business or transaction. With respect to fixed income transactions, JPMPI and its affiliate, JPMIM, does not have any soft dollar arrangements with broker-dealers and does not direct client trades to particular broker-dealers in exchange for research or other soft dollar benefits. With respect to effecting brokerage transactions for investments in U.S. equity securities, JPMPI and its affiliate, JPMIM, participates in soft dollar arrangements with selected broker-dealers in order to obtain third party research, market data services, and proprietary broker-dealer research. These soft dollar arrangements are structured as Client Commission Arrangements ("CCAs"). CCAs are agreements between JPMPI and its affiliate, JPMIM, and the broker in which the executing broker allocates a portion of brokerage commissions to a pool of "credits" that JPMPI and its affiliate, JPMIM, may use to pay for eligible brokerage and research services. Most often the research obtained with CCA credits is third party research, however, JPMPI and its affiliate, JPMIM, may allocate a portion of CCA credits to the value that it assigns to proprietary research, where the broker does not assign a hard dollar value to the research it provides, but rather bundles the cost of such research into the commission structure. Clients that do not participate in the soft dollar program pay the same commission rate as all other accounts, however no portion of their commissions are credited to the soft dollar pool at the executing broker-dealer.

When JPMPI and its affiliate, JPMIM, uses client brokerage commissions to obtain research or other services, JPMPI and JPMIM receive a benefit because it does not have to produce or pay for the research, products, or services. JPMPI and JPMIM may have an incentive to select a broker-dealer in order to obtain research, products or other services rather than to obtain the lowest price for execution. JPMPI's and JPMIM's practice is to establish CCAs only with those broker-dealers with whom it has established

strong trading relationships, with whom it has negotiated favorable terms, and who have demonstrated a commitment to providing best execution.

Under JPMPI and JPMIM's soft dollar policy, the services obtained must fall within the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) requires that research services obtained with client brokerage commissions provide lawful and appropriate assistance in the performance of the investment decision-making process, and the amount of client commissions paid must be reasonable in light of the value of products or services provided by the broker-dealer.

For "mixed use" services (i.e., the services constitutes both eligible research or brokerage service and ineligible services), JPMPI and JPMIM will make a reasonable allocation between the research and non-research cost of the service according to the users and/or service, so that only the portion that assists in eligible research and brokerage service may be obtained using CCA credits and the portion which provides other assistance is paid for JPMPI and JPMIM.

While JPMPI and JPMIM generally seeks the most favorable price in placing its orders, an account may not always pay the lowest price available, but generally orders are executed within a competitive range. JPMPI and JPMIM may select brokers who charge a higher commission than other brokers, if JPMPI and JPMIM determine in good faith that the commission is reasonable in relation to the brokerage and research services the broker provides. Additionally, while adhering to its duties of good faith and best execution, JPMPI's and JPMIM's equity group regularly reviews the soft dollar benefits it receives from each of its broker-dealers and establishes a target amount to spend on services from each broker-dealer.

The types of research services that JPMPI and JPMIM receive with client brokerage commissions include:

- Research as to the value of securities;
- The advisability of investing in, purchasing, or selling securities;
- The availability of securities or purchasers or sellers of securities;
- Analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; and
- Market data, stock quotes, last sale process, and trading volumes.

Research services are received electronically and also in the form of seminars, written reports, telephone contacts, and personal meetings with sell side security analysts, economists and senior issuer representatives.

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

The research obtained from CCA credits is used to benefit all of the JPMPI's and JPMIM's clients and is not used only for the client accounts that generated the credits and is not allocated to client accounts proportionately to the credits the accounts generate. JPMPI and JPMIM may share research reports, including those that have been obtained as soft dollar benefits, with advisory affiliates and related persons, including offshore affiliated advisers.

2. Brokerage for Client Referrals.

JPMPI may compensate, and may continue to compensate, affiliated and non-affiliated persons for client referrals in accordance with Rule 206(4)-3 under the Advisers Act. The compensation to be paid will generally consist of a cash payment computed as a percentage of JPMPI's advisory fee, although other methods of computation may be used.

3. Directed Brokerage.

JPMPI does not participate in directed brokerage.

B. Order Aggregation

It is JPMPI's policy that no client for whom JPMPI has investment decision responsibility shall receive preferential treatment over any other client. In allocating securities among clients, it is JPMPI's policy that all clients should be treated fairly and that, to the extent possible, all clients should receive equivalent treatment. **For the avoidance of doubt, orders made on behalf of privately offered funds are never aggregated with an order made on behalf of a fund that is registered under the Investment Company Act of 1940, as amended.**

Aggregation of Orders

From time to time, if permitted to do so, it may be appropriate for JPMPI to aggregate client orders for the purchase or sale of securities. JPMPI will generally follow the guidelines set forth below in aggregating client orders for securities, including any orders placed for private investment vehicles:

- no investment advisory client will be favored over any other investment advisory client;
- each client that participates in an aggregated order will participate at the execution price of that order and transaction costs will be shared pro rata based on each client's participation in the transaction, to the extent they can not be allocated directly.

ITEM 13

Review of Accounts

A. Frequency and Nature of Review of Client Accounts or Financial Plans
Review of Accounts

JPMPI's portfolio managers (Executive Directors or Managing Directors) are responsible for the continuous review of the Private Fund and RIC accounts under their supervision. Working with the global strategic asset allocation and the policy guidelines set by product heads reflecting the recommendations of the strategy groups and addressing the client's objectives, the portfolio managers decide which securities to buy and sell and the timing of these transactions.

JPMPI's investment groups conduct account/peer reviews of its portfolio managers' accounts. Such a review is directed at examining compliance with guidelines, clients' investment objectives and account guidelines, and JPMPI and its affiliate's current investment processes and practices. An account/peer review is formal in nature and is conducted by a committee which consists of portfolio managers and senior employees from other appropriate business areas. Each account is reviewed at least once per calendar year.

As an additional tool to aid in portfolio compliance monitoring in North America, Europe and Singapore, JPMPI and its affiliates maintain a portfolio compliance monitoring system which is used in conjunction with its proprietary investment management systems. This portfolio compliance monitoring system assesses the underlying positions for accounts after the nightly system processing is completed and provides independent post-facto daily review of positions data against various rules-based compliance tests, covering client specific guidelines and restrictions, as well as product and regulatory requirements.

For FDG, it is the responsibility of JPMS to review client accounts on an ongoing basis. For more information, please see the JPMS Form ADV Part 2A Appendix 1 (Wrap Fee Program Brochure).

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

Portfolio Managers of Private Funds and the RICs may review a client account based on market conditions and their outlook. Legal and Compliance may review an account on more than a periodic basis to review it against certain investment restrictions or regulatory developments.

C. Content and Frequency of Account Reports to Clients

JPMPI provides annual reports to investors in Private Funds containing the Advisory Client's (i) audited balance sheet for the most recent fiscal year, (ii) audited income statement for such fiscal year and (iii) a statement of capital for such fiscal year. JPMPI's obligations in these respects are more fully specified in each of the limited partnership and limited liability company agreements.

All clients receive, at least quarterly, a statement of the assets held in their account(s) that contains a complete description of each asset together with cost and current market values. Many clients receive

these statements monthly. Also, all clients receive a monthly statement of transactions, detailing all activity within their accounts. Upon request, performance reports are sent quarterly to clients on their account(s). JPMPI and its affiliates generally meet with each client on an annual basis to review investment strategy, performance and administrative matters.

ITEM 14

Client Referrals and Other Compensation

A. Economic Benefits for Providing Services to Clients

Not Applicable

B. Compensation to Non-Supervised Persons for Client Referrals

Not Applicable

ITEM 15

Custody

A. Custody of Client Assets

1. General Rule

If JPMPI has custody over its advisory clients' (Private Funds') assets (*i.e.*, funds or securities), Rule 206(4)-2 under the Advisers Act requires that such clients' assets be maintained with a qualified custodian. The qualified custodian must hold the funds or securities in an account either under the client's name or under JPMPI's name, as agent or trustee for its clients. If the interests in a Fund are not certificated, but are recorded only on the books of the Fund, JPMPI may satisfy this requirement by keeping the originally signed subscription agreement for such Fund interest with a qualified custodian.

"Qualified custodians" include banks and savings associations and registered broker-dealers and, for advisers who offer advice regarding futures, registered futures commission merchants. JPMCB and JPMS are both qualified custodians.

JPMPI will be deemed to have "custody" of client assets, and therefore must comply with the custody rule, when it holds, directly or indirectly, client funds or securities or has any authority to obtain possession of them. This includes the ability to deduct fees from or otherwise manage the money in the Fund's accounts. JPMPI will likely be deemed to have custody of the assets of all of its advisory clients.

To the extent that JPMPI has custody of advisory client assets, JPMCB currently serves as JPMPI's qualified custodian. The Chief Financial Officer will review and approve the status of any proposed new custodian and its arrangements before client funds or securities are transferred thereto.

JPMPI has elected to provide audited financials to its fund investors within 180 days of its fiscal year end.

JPMS retains custody of client assets in the STRATIS program.

2. Account Statements

Subject to certain exceptions, Rule 206(4)-2 under the Advisers Act generally provides that advisory clients must receive quarterly account statements if JPMPI maintains custody over their assets. If JPMPI does not provide these quarterly statements to such clients, then it must have a reasonable belief that JPMCB, as qualified custodian, so provides them. If such clients do not receive account statements directly from JPMCB, as qualified custodian, then JPMPI must send them to such clients and also undergo an annual surprise examination by an independent public accountant to verify the assets of such clients.

The foregoing account statement delivery requirement does not apply to clients that are pooled investment vehicles if they (i) are audited at least annually; and (ii) distribute their audited financial statements prepared in accordance with generally accepted accounting principles to all investors in the Fund within 120 days of the end of its fiscal year (180 days for funds of funds). JPMPI may also have JPMCB, as qualified custodian, send the quarterly account statements directly to advisory clients. The Chief Financial Officer will confirm that audits will be performed in a timely manner and will require any custodians who send quarterly account statements to also send copies thereof to JPMPI.

ITEM 16

Investment Discretion

JPMPI accepts discretionary authority to manage securities accounts on behalf of the Private Funds that are clients. Clients place limits on this discretionary authority via the investment advisory agreement between JPMPI and the client, as well as the prospectus/offering memorandum which sets forth the investment parameters for JPMPI.

The investment advisory agreement grants JPMPI the authority to manage securities accounts on behalf of clients. The prospectus/offering memorandum details, and places limits, on the investment strategies that JPMPI will pursue for the client. Before JPMPI assumes this authority, the investment advisory agreement must be executed by JPMPI and the client, and the prospectus/offering memorandum must be distributed to the client.

With respect to the RICs, JPMPI accepts discretionary investment authority to manage securities through a sub-advisory agreement with JPMIM, which grants JPMPI the authority to manage accounts on behalf of clients. The prospectus/offering memorandum details, and places limits, on the investment strategies that JPMPI will pursue for the client.

JPMPI also accepts discretionary authority to manage securities on behalf of the individual clients through the STRATIS program. JPMPI exercises its discretionary authority through a Separate Account Program Agreement between JPMPI and JPMS, and clients execute a Client Agreement with JPMS to participate in the STRATIS program and select FDG as a strategy.

With respect to the UCITS, JPMPI accepts discretionary management authority to manage certain securities through a sub-advisory agreement with JPMorgan Chase Bank, N.A. London Branch, which grants JPMPI the authority to manage accounts on behalf of the UCITS.

ITEM 17

Voting Client Securities

A. Policies and Procedures Relating to Voting Client Securities

If JPMPI has been appointed as discretionary investment manager for a client, the agreement between JPMPI and the client will usually grant JPMPI the authority to vote the proxies of the securities held in the client's portfolio. As a fiduciary, JPMPI must act in the best interest of the client including with respect to proxy voting activities. To ensure that the proxies are voted in the best interests of its clients, J.P. Morgan Asset Management ("JPMAM") has adopted detailed proxy voting procedures ("Procedures") pursuant to Rule 206(4)-6 under the Advisers Act that incorporate detailed proxy guidelines ("Guidelines") for voting proxies on specific types of issues.

Most routine proxy matters will be voted in accordance with the Guidelines, which have been developed with the objective of encouraging corporate action that enhances shareholder value. Because proxy proposals and individual company facts and circumstances may vary, JPMAM may not always vote proxies in accordance with the Guidelines.

JPMAM has retained an independent proxy voting services to vote in situations where a material conflict may exist. This includes voting any JPMC securities and shares of JPMorgan mutual funds held in any JPMAM client accounts.

In situations in which the Guidelines recommend a case-by-case analysis or where a vote contrary to the independent proxy voting services recommendation is considered appropriate, the Procedures require a certification and review process to be completed by appropriate investment professionals. That process is designed to identify actual or potential material conflicts of interest and ensure that the proxy vote is cast in the best interests of clients.

To oversee and monitor the proxy-voting process, JPMAM has established a proxy committee and appointed a proxy administrator in each global location where proxies are voted. The proxy committee is composed of a representative of the Proxy Administrator, senior business officers of JPMAM and representatives of each of the Legal, Compliance and Risk Management Departments. The proxy committee will meet periodically to review general proxy-voting matters, review and approve the Guidelines annually, and provide advice and recommendations on general proxy-voting matters as well as on specific voting issues.

In order to maintain the integrity and independence of JPMPI's investment processes and decisions, including proxy voting decisions, and to protect JPMPI's decisions from influences that could lead to a vote other than in the clients' best interests, JPMC (including JPMPI) adopted a Safeguard Policy, and established formal informational barriers designed to restrict the flow of information from JPMC's securities, lending, investment banking and other divisions to JPMAM investment professionals. Material conflicts of interest are further avoided by voting in accordance with JPMAM's predetermined

Guidelines. Examples of material conflicts of interest that could arise include without limitation circumstances in which: (i) management of a JPMPI client or prospective client, distributor or prospective distributor of its investment management products, or critical vendor, is soliciting proxies and failure to vote in favor of management may harm JPMPI's relationship with such company and materially impact JPMPI's business; or (ii) a personal relationship between a JPMPI officer and management of a company or other proponent of a proxy proposal could impact JPMAM's voting decisions.

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

- Removing certain JPMAM personnel from the proxy voting process;
- "walling off" personnel with knowledge of the conflict to ensure that such personnel do not influence the relevant proxy vote;
- Voting in accordance with the applicable Guidelines, if any, if the applicable of the Guidelines would objectively result in the casting of a proxy vote in a predetermined manner; or
- Deferring the vote to the Independent Voting Service, if any, that will vote in accordance with its own recommendation.

The resolution of all potential and actual material conflict issues will be documented in order to demonstrate that JPMPI acted in the best interests of its clients.

Clients may obtain a copy of JPMAM's Proxy Voting Procedures and information about how JPMAM voted the client's proxies by contacting their client service representative or financial advisor.

B. Policies and Procedures Relating to Voting Client Securities
Not Applicable

ITEM 18

Financial Information

A. Balance Sheet

Not Applicable

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

None

C. Bankruptcy Filings

None