

Form ADV Part 2A

Firm Brochure

JPMorgan Asset Management (UK) Limited

File No. 801-64725

60 Victoria Embankment
London, United Kingdom
EC4Y 0JP
(44)20-7742-6000

March 30, 2016

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

Additional information about JPMAM(UK) is also available on the SEC's website at www.adviserinfo.sec.gov.

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

ITEM 2

Material Changes

The material changes to JPMAM(UK)'s Form ADV Part 2A (commonly referred to as the "Brochure") since the last annual update of the Brochure dated March 30, 2015 are as follows:

- The disclosure in Item 4 ("Advisory Business") has been revised to more clearly describe the investment strategies and solutions offered by the Adviser;
- The disclosure in Item 6 ("Performance-based Fees and Side by Side Management") has been revised to more clearly describe performance-based fees and the potential conflicts of interest arising from side by side management;
- The disclosure in Item 8 ("Methods of Analysis, Investment Strategies and Risk of Loss") has been revised as follows:
 - The disclosure regarding the Adviser's Global Equities business has been revised to include a clearer description of their investment styles, solutions, and research strategies;
 - Certain risk disclosures have been revised and enhanced;
 - The disclosure in Item 11 ("Code of Ethics, Participation or Interest in Client Transactions and Personal Trading") has been revised to describe potential conflicts of interest more clearly;
- The disclosure in Item 12 ("Brokerage Practices") has been revised to more clearly describe broker selection processes, order aggregation and the Adviser's use of client commission arrangements.

Please consult the full Brochure for additional information regarding the changes described above. Capitalized terms used in this section shall have the meanings assigned to them in the main body of the Brochure. Clients may request a copy of the JPMAM(UK)'s current Brochure by contacting their client service representative or financial adviser.

ITEM 3

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ITEM 4 Advisory Business

A General Description of Advisory Firm

This Brochure relates to the investment advisory services offered by JPMorgan Asset Management (UK) Limited ("JPMAM(UK)" or the "Adviser") which is part of J.P. Morgan Asset Management ("JPMAM"). JPMAM is the marketing name for the asset management businesses of JPMorgan Chase & Co. ("JPMC"), a publicly traded company, and its affiliates worldwide.

JPMAM(UK) is wholly-owned by JPMorgan Asset Management Holdings (UK) Limited, which is a subsidiary of JPMC. JPMAM(UK) was incorporated on February 27, 1974 under the laws of England and Wales. JPMAM(UK) is registered with the SEC as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended (the "Advisers Act"). JPMAM(UK) is also authorized and regulated by the Financial Conduct Authority of the United Kingdom.

B Description of Advisory Services

JPMAM(UK) provides discretionary investment management services and products to institutional investors. In performing investment advisory services for its clients, JPMAM(UK) acts as a fiduciary. JPMAM(UK)'s fiduciary duty derives from Section 206 of the Advisers Act, and for those pension plan clients and funds that are subject to the requirements of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), JPMAM(UK) is a "covered service provider" to the plan under the ERISA Section 408(b)(2) regulations and is a fiduciary under Section 3(21) of ERISA. The fiduciary standards are established under the Advisers Act and state laws, where applicable, and include:

- Obligations to disclose all material conflicts of interests to clients;
- Obligations to disclose if JPMAM(UK), or an affiliate of JPMAM(UK), receives additional compensation from a client or a third-party as a result of JPMAM(UK)'s relationship with a client;
- JPMAM(UK) must obtain informed consent before engaging in transactions with clients for its own account, that of an affiliate, or another client when acting in an advisory capacity;
- JPMAM(UK) must treat all of its advisory clients fairly and equitably and cannot unfairly advantage one client to the disadvantage of another, over time;
- The investment decisions or recommendations made by JPMAM(UK) must be suitable and appropriate for clients and consistent with client investment objectives, goals, and restrictions placed on JPMAM(UK); and
- JPMAM(UK) must act in what it reasonably believes to be each client's best interests and in the event of a conflict of interest, must place each client's interests before JPMAM(UK)'s (and its affiliates') own interests.

JPMAM(UK)'s advisory services are offered through a variety of investment vehicles and arrangements, depending on the strategy. These include separately managed accounts (either

directly or indirectly through wrap fee programs) and pooled investment vehicles such as mutual funds or alternative investment funds.

JPMAM(UK) and its asset management affiliates support multiple investment strategies in order to meet the diverse requirements of its clients' investment needs. Below is a description of the investment strategies and solutions offered by JPMAM(UK). Major asset classes supported include equity, fixed income, cash management, currency, asset allocation, and alternative asset classes such as real estate and infrastructure, private equity and other private funds. JPMAM(UK) also offers asset allocation strategies and solutions, including fund of funds strategies.

- Domestic US Equity includes the platforms Dividend Discount Model (DDM), Fundamental and Behavioral with ranges from core, growth, value, all cap, active extension, enhanced, long/short, quantitative, behavioral, concentrated and liquid alternative equity strategies.
- International/Global Equity includes the platforms DDM, Fundamental and Behavioral and ranges from strategic beta (passive), enhanced core, style specific (Growth and Value), unconstrained/agnostic portfolios, long/short and extension strategies

Emerging Market Equity includes global core, discovery and focused strategies as well as regional and country specific strategies.

- Global Fixed Income, Currency & Commodities strategies include a full array of strategies along the risk and return continuum, including short duration, government, broad markets, sector specific, long duration, high yield (including distressed debt), and extended markets/alternatives. Currency Management services include sophisticated passive management techniques, active management of both major and emerging market currencies, and currency as an alternative investment.
- Global Liquidity strategies are short-term in nature, ranging from money market funds that seek to provide preservation of principal and liquidity to customized short-term fixed income strategies that seek to provide a high level of current income through low volatility of principal that typically have durations of one year or less.
- Multi-Asset Solutions ("MAS") develops and manages multi-asset, multi-manager and/or multi-strategy portfolio solutions. MAS manages (i) Target Date Strategies, (ii) Target Risk Strategies, (iii) Thematic/Flexible/Total Return/Liability Aware Strategies, (iv) Single Asset Strategies, - (v) Quantitative and Alternative Beta Strategies, and (vi) Passive and Enhanced Beta (Index) strategies.
- Global Real Assets offers products, services and opportunities across multiple geographies (U.S., Europe and Asia), markets (public and private) and asset and property types in the real estate, infrastructure and maritime and related asset sectors that span the risk-reward continuum.
- Private Equity manages assets in two distinct and comprehensive segments of the private equity opportunity set – venture capital and corporate finance.

C Availability of Customized Services for Individual Clients

JPMAM(UK) makes investments for clients in accordance with mutually agreed upon written investment guidelines and provides ongoing supervision of client portfolios. Investment services may be tailored for each client's specific needs and objectives, and clients may impose reasonable restrictions on investing in certain securities or types of securities. JPMAM(UK) has established procedures and controls to help ensure compliance with each account's investment guidelines.

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

D Wrap Fee Programs

JPMAM(UK) does not manage wrap fee programs.

E Assets Under Management

As of December 31, 2015, JPMAM(UK) had assets under management in the amounts set forth below:

- | | |
|---|--------------------------|
| • Assets managed on a discretionary basis (including the Dollar value of all discretionary accounts contracted with JPMAM (UK) for management) | \$323,067,278,274 |
| • Assets managed on a non-discretionary basis | \$0 |

ITEM 5
Fees and Compensation

A Advisory Fees and Compensation

The Adviser's fee schedule will vary depending on the type of account and investment strategy, and may, in certain circumstances, be subject to negotiation. Typically, the Adviser's annual investment advisory service fee is calculated as a percentage of the market value of the assets it manages, which is referred to as an annual "asset-based fee." The Adviser usually charges a minimum annual fee for managing a portfolio. To the extent permitted under the Advisers Act, the Adviser may negotiate and charge performance-based fees, as well as asset-based fees. For an additional discussion of performance-based fees, please refer to Item 6.

The annual fee schedules for the most often utilized investment strategies for equity and fixed income accounts are included in Appendix A. In certain circumstances in which the Adviser or its affiliates provide other services in addition to investment advisory services, a higher fee schedule than those shown in Appendix A may apply. Higher fees may also apply if an account's assets are below the minimum investment level indicated in the standard fee schedule. From time to time, and under agreed upon specific situations (which generally involve account size, investment strategy, account servicing requirements and material aspects of a client's overall relationship with the Adviser and its asset management affiliates), the Adviser may agree to lower advisory fees on a case by case basis.

Fee schedules are available upon request for other investment products, asset classes and strategies. Fees for such services may be higher than those for the services included in Appendix A. The prospectus of each registered fund advised or sub-advised by the Adviser sets forth the applicable fees and expenses. The offering memorandum, subscription agreement and/or other governing document of each unregistered pooled investment fund generally sets forth the applicable fees and expenses.

B Payment of Fees

Clients may select to have JPMAM(UK) bill the client for fees incurred, or the client may agree to instruct the custodian to deduct advisory fees directly from the client's account. JPMAM(UK) generally charges fees after services have been rendered, at the end of each calendar quarter, at one quarter of the applicable annual rate.

C Additional Fees and Expenses

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

Transaction Charges

Clients may pay brokerage commissions, taxes, charges and other costs related to the purchase and sale of securities for a client's account. See Item 12 for additional information regarding JPMAM(UK)'s brokerage practices.

Custody and Other Fees

Separate account clients typically establish a custody account under a separate agreement with a custodian bank, and the client will incur a separate custody fee for the custodian's services. The custodian may be an affiliate of JPMAM(UK). If a client's account is invested in mutual funds or other pooled investment funds, the client's account generally will bear its pro rata share of the expenses of the fund including custody fees.

D Prepayment of Fees

Not applicable – Advisory fees are charged in arrears and are not paid in advance.

E Additional Compensation and Conflicts of Interest

Where a separately managed account is invested in mutual funds or other pooled investment funds, JPMAM(UK) generally does not receive asset-based sales charges or service fees from the sale of the fund. Where an account is invested in a mutual fund or other pooled investment vehicle advised by JPMAM ("JPMorgan Funds" or "Affiliated Funds"), JPMAM(UK) does not receive dual level advisory fees. Typically JPMAM(UK) does not charge an account level advisory fee for account assets invested in JPMorgan Funds, so that the client's account only bears the fees and expenses of the mutual fund.

In some cases JPMAM(UK) will charge the client's account an advisory fee but will offset the fee by the amount of the advisory fees of the affiliated funds in which the account is invested. In certain cases, where the account is invested in a JPMorgan Fund or pooled investment vehicle which then

invests in another such vehicle in accordance with the investing vehicle's investment objectives and policies, fees paid to JPMAM(UK) and its affiliates by the ultimate vehicle may not be waived or offset. Depending on the type of fee arrangements with the client, the Adviser could face a conflict of interest in allocating client assets to underlying investment vehicles. For example, if a client only pays an account level advisory fee and the Adviser is responsible for the payment of advisory fees with respect to the underlying investment vehicles, then the Adviser faces a conflict of interest when allocating clients assets because it may have an incentive to invest in investment vehicles that charge lower fees. Please refer to the offering document for the pooled investment vehicles in which your account is invested for additional information and disclosure related to fees and potential conflicts of interest.

For a description of circumstances where the Adviser has relationships with affiliates or other parties that may result in indirect compensation or benefits to the Adviser or its affiliates, please see [Item 10.C](#).

ITEM 6

Performance-Based Fees and Side by Side Management

A. Performance-Based Fees

Clients of JPMAM(UK) pay various types of fees for investment advisory services. For example, institutional account fees may be determined on a fixed rate, sliding scale or incentive basis. Most client accounts are charged fees based on a percentage of assets under management, and certain accounts are also charged an incentive or performance-based fee. Generally, these performance-based fees are calculated on a share of capital gains or on capital appreciation of a client's assets. As part of the initial acceptance process, clients will work with JPMAM(UK) to determine the fee structure that best fits their specific needs. JPMAM(UK)'s fee structure is more fully described in Item 5.

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

JPMAM(UK) portfolio managers may simultaneously manage accounts that are charged performance-based fees and accounts that are charged asset-based fees. The portfolio managers of these accounts may utilize substantially similar investment strategies and may invest in substantially similar assets for both account types. This portfolio management relationship is often referred to as "side-by-side management." Accounts that pay performance-based fees reward the Adviser based on the performance in those accounts. As a result, performance-based fee arrangements may provide an incentive for portfolio managers to make investments that present a greater potential for return but also a greater risk of loss and that may be more speculative than if only asset-based fees were applied. On the other hand, the Adviser will likely have an interest in engaging in relatively safe investments when managing accounts that pay asset-based fees. The side-by-side management of accounts that pay performance-based fees and accounts that only pay a fixed-rate fee creates a conflict of interest as the portfolio manager may have an incentive to favor accounts with the potential to receive greater fees. For example, a portfolio manager will be faced with a conflict of interest when allocating scarce investment opportunities given the possibility of greater fees from accounts that pay performance-based fees as opposed to accounts that do not pay performance-based fees.

JPMAM(UK) is guided by fiduciary principles in the management of conflicts of interest. Put simply, JPMAM(UK) is expected to always act in the best interests of its clients. To address these types of conflicts, JPMAM(UK) has adopted policies, procedures and controls pursuant to which allocation

decisions may not be influenced by fee arrangements, and investment opportunities will be allocated in a manner that JPMAM(UK) believes is consistent with its obligations as an investment adviser.

To further manage these potential conflicts of interest, the Adviser has implemented an Investment Director Review ("IDR") process that monitors accounts within the same strategy to ensure performance is consistent across accounts and that no one account is favored. For additional information regarding the Adviser's review process please see Item 13.A.

ITEM 7

Type of Clients

JPMAM(UK) primarily provides investment advisory services to institutional clients, including:

- Corporations
- Defined contribution and defined benefit pension plans
- Trusts
- Charitable organizations
- Insurance companies
- Investment companies (including mutual fund companies)
- Defined contribution investment plans
- Investment consultants
- Sovereigns and central banks
- State and local governments
- Supranational organizations
- Religious organizations
- Pooled investment vehicles
- Banking institutions

JPMAM(UK) also provides investment advisory services to the Global Wealth Management ("GWM") division of J.P. Morgan Asset Management..

The Adviser generally requires a minimum account size for client accounts, which may vary based on the investment vehicle (separate account or fund), investment strategy and asset class. In addition, a larger minimum account balance may be required for certain types of accounts that require extensive administrative effort. Minimums may be waived under certain circumstances.

For certain types of investment fund offered or managed by the Adviser, U.S. investors must generally satisfy certain investor sophistication requirements, including that the client qualifies as an "accredited investor" under Rule 501(a) of Regulation D under the Securities Act of 1933, as amended, a "qualified purchaser" within the meaning of section 2(a)(51) of the Investment Company Act of 1940, as amended (the "1940 Act"), and/or a "qualified eligible person" under Rule 4.7 of the Commodity Exchange Act.

ITEM 8**Method of Analysis, Investment Strategies and Risk of Loss****8.A Method of Analysis and investment Strategies**

JPMAM's approach to investment management is driven by three key principles:

- Breadth and depth of choice – JPMAM offers expertise across every major financial asset class - equities, fixed income and cash, and also alternative asset classes like managed currency and hedge funds in order to offer investors an unrivalled choice of products covering the full risk/reward spectrum;
- Multiple investment processes – JPMAM does not believe there is one single way to deliver investment performance within equity markets. JPMAM therefore offers a range of distinct but complementary investment approaches across different markets;
- Disciplined and team-based management – JPMAM has developed proven, transparent and disciplined investment processes to manage its investment funds, which rely strictly on team-based research, stock picking, portfolio construction and risk management. While making full use of the individual strengths and insights of its investment professionals and expecting full accountability from its named fund managers, JPMAM looks to team-based management to ensure consistency of investment style at all times.

This Item 8 includes a discussion of the primary risks associated with these investment strategies. However, it is not possible to identify all of the risks associated with investing and the particular risks applicable to a client account will depend on the nature of the account, its investment strategy or strategies and the types of securities held. While the Adviser seeks to manage accounts so that risks are appropriate to the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss, and there can be no guarantee that a particular level of return will be achieved. Clients should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses. Clients should read carefully all applicable informational materials and offering/governing documents prior to retaining the Adviser to manage an account or investing in any JPMAM(UK) fund. See Item 8.B for additional information regarding investment risks.

Approach to Equities

We maintain expertise across all major developed and emerging equity markets to provide clients with the widest possible range of investment opportunities.

As far as possible, JPMAM's equity teams are located close to their relevant market, with investment hubs in London, New York, Tokyo and Hong Kong.

When investing in equity securities, the Adviser's primary method of analysis is research oriented. As part of this fundamental research process, the Adviser typically relies on:

- Research analysts whose primary focus is to research and analyze industries and companies.

- Portfolio managers who utilize the research provided by analysts and their own investment insights to buy and sell equity securities and construct portfolios.
- Stock screening procedures, using a database of equity securities that track historical earnings, forecasted earnings and earning growth rates, free cash flow, and stock price history.

The Adviser employs a disciplined approach to stock selection. Research analysts study industry trends, competitive dynamics, quality of business franchises, financial statements, valuation, and the quality and depth of management in determining whether a security represents an attractive investment. Analysts may forecast future earnings, cash flows and dividends to ascertain whether a security is under or over valued.

Global Fixed Income, Currency & Commodities

The GFICC business is multi-faceted, as to the types of instrument traded, investment strategy, and trading workflow. The discussion below reflects the multiple dimensions of GFICC.

- Many types of fixed income instruments are traded, including various types of bonds, currency, commodities, and derivative securities that reference these various instruments.
- There are two primary types of investment strategies – Value-Driven and Macro-Driven.
- There are two primary types of trading workflow – Order Driven and Liquidity Driven. Each investment strategy uses both types of trading workflows. However, the Order-Driven workflow is the only one utilized for UK managed portfolios.

Trading Workflows

The major difference between the Order Driven and the Liquidity Driven workflows is when the trade is executed in the market and when a specific order is generated in an Order Management System (“OMS”).

- In the case of Order Driven workflows, an order is raised in the portfolio management system or created directly in the OMS, checked for pre-trade compliance with client guidelines/trade limits/internal restrictions, and then, as needed, routed electronically to the appropriate OMS. Orders are then executed in line with instructions indicated on the electronic order or by oral communication directly with the respective portfolio manager. In certain instances, order instructions may be sent to the trading team via email.
- In the case of Liquidity Driven workflows, a Portfolio Manager that has been authorized to trade locates securities offerings or bids for securities to be sold based on his experience and knowledge of the accounts’ needs, authorizations, and positioning prior to the input of details into the portfolio management or Order Management Systems (OMS). Promptly after the trade has been executed with the counterparty, the Portfolio Manager will enter the appropriate accounts and allocations into the portfolio management system (or directly into the OMS). As the trades are entered into the system, the Portfolio Manager will review the automated checks for compliance with client guidelines/trade limits/internal restrictions, and – if needed – reallocate the securities before the activity is electronically transferred to the accounting systems.

- ***Value-Driven Investing***

All portfolios are managed on a team basis to incorporate a range of expertise and opinion into the investment process, which includes portfolio management, research, and risk management.

The Value-Driven Investment team incorporates a bottom-up, value-oriented approach to investment management and central to this approach is:

- Identifying securities that are priced inefficiently;
- Making sector allocation decisions based on a broad sector outlook, utilizing expected return and valuation analysis;
- Managing yield curve, with an emphasis on evaluating relative risk/reward relationships along the yield curve; and
- Managing portfolio duration used primarily as a risk control measure.

The investment process seeks to generate positive excess return through the selection of undervalued securities and spread sectors that offer incremental yield and total return in comparison to the index. A variety of quantitative methodologies are used to assess security value including total return analysis, which is used to estimate the total return for a given security over a specified time horizon. In this context, scenario analysis is conducted, which allows for analysis of each security based on different interest rate scenarios for reinvestment rates and hypothetical yields.

Although the fixed income investment process is driven largely by a bottom-up approach emphasizing security selection, close attention is paid to sector and sub-sector valuations and weightings. Sectors are analyzed and their relative attractiveness is based on an assessment of economic and industry factors, as well as supply and demand conditions. Historical spread analysis is conducted to help identify sectors that are over- or undervalued and to establish the risk/return tradeoff between sectors. Sectors are emphasized when the dynamics are attractive and when undervalued securities within the sector can be readily identified.

The Adviser carefully manages duration to control interest rate risk in fixed income portfolios and uses it sparingly as an active management tool. Duration may be adjusted periodically, in small increments, seeking to enhance returns when the market is undervalued and to protect portfolio value when the market is overvalued. The duration decision is based on the adviser's interest rate forecasts, which incorporate many factors such as the outlook for inflation, the monetary aggregates, anticipated Federal Reserve policy and the overall economic environment.

In conjunction with the economic analysis JPMAM(UK) performs with respect to duration decision, JPMAM(UK) identifies broad interest rate trends and supply and demand relationships that may influence the shape of the yield curve. As part of the investment process, JPMAM(UK) evaluates the risk/reward posture of various maturities along the yield curve in an effort to identify undervalued portions of the yield curve.

- ***Macro-Driven Investing***

Global debate forms the foundation of the Adviser's investment process, with investors across the firm contributing to their regular strategy-setting sessions. Each quarter, the Investment Strategy Team ("IST"), chaired by the Global Chief Investment Officer, meets to discuss the key factors driving the fixed income markets. At these sessions, approximately 20 of the lead portfolio managers and sector

specialists provide valuable insight into their specific sectors, debate factors likely to influence the markets over the coming quarters, and establish themes that will guide the Adviser's fixed income investment strategies.

Once investment themes have been established, the Adviser's sector specialists scan the market for investment opportunities. Each team has developed a unique approach for analyzing their sector, utilizing a combination of fundamental, quantitative and technical inputs to identify buy and sell targets. The Adviser's portfolio managers are responsible for tailoring investment strategies to each client's objectives and guidelines. Portfolio managers determine sector allocations and select securities, identified by sector specialists, which are suitable for each portfolio. Once constructed, portfolios are closely monitored by portfolio managers, sector specialists, and risk managers to ensure they comply with guidelines and that portfolio risk is appropriately managed.

- ***Quarterly Investment Theme Development***

During the quarterly IST meeting, the Adviser determines and documents a variety of macroeconomic scenarios and a set of investment themes to establish interest rate and sector portfolio expectations that will drive fixed income investments over the next quarter. Each scenario is assigned a level of probability conveying the investment team's confidence level. These scenarios and the resulting portfolio allocations are monitored weekly at individual sector and multi-sector meetings. The scenarios and investment themes do not establish portfolio positions, but serve as a framework for risk allocation, sector weightings and portfolio construction.

These scenarios and investment themes form the basis for investment strategy across all Global Fixed Income, Currency & Commodities accounts. Fluid intra-day dialogue between portfolio managers and sector specialists allows for adjustments to portfolios in response to market changes. Should major market events occur that are counter to the Adviser's investment themes, the team will convene as needed to discuss current portfolio positioning and how to readjust portfolios, if necessary.

- ***Currency Management***

The Currency Group specializes in customized solutions to the currency issues faced by clients, such as generating excess returns from the movements of exchange rates, or controlling the currency risk inherent in cross-border investments and liabilities. These solutions can be accessed via a range of investment vehicles.

The Adviser also offers a range of hedging solutions for managing currency risk using specialized portfolio management tools and technology to ensure risk management is exceptionally strong.

The Adviser's investment style for active management is multi-disciplined and diversified. The Adviser seeks to capture the primary drivers of a broad range of global currencies as consistently as possible. The approach is to build a portfolio of long/short currency positions based on their relative fundamentals, incorporating different timeframes, macro-themes and idiosyncratic views. The Adviser believes a combination of both quantitative and qualitative assessments is the best way to add value for its clients.

- ***Commodities***

The Adviser believes the combination of fundamental, quantitative and technical analysis can help avoid common problems in commodities investing and help capture excess returns versus the

benchmark. The Adviser individualizes the investment process for each commodity based on their unique characteristics:

- Sector-specific analysts develop a fundamental view on each commodity;
 - Quantitative tools help to identify the optimal investment opportunity on each commodity curve; and
 - Technical signals are used to guide implementation.
- ***Absolute Return and Opportunistic Fixed Income***

The absolute return team invests flexibly across a diverse set of fixed income strategies, taking advantage of the entire fixed income spectrum to diversify sources of return. The strategy has complete flexibility to help mitigate rate and credit risk while capitalizing on opportunities. The strategy focuses on absolute return, meaning it is benchmark agnostic and seeks to produce uncorrelated, low volatility returns across all market environments. It draws on three different strategies to diversify sources of return:

- **Beta:** Aim to maximize risk-adjusted returns through tactical shifts between fixed income sectors.
- **Alpha:** Leverage niche market expertise to uncover market opportunities for uncorrelated, low volatility sources of return.
- **Hedges:** Systematically use cash and short positions to dampen portfolio volatility and preserve capital.

Global Liquidity

The Adviser delivers two main strategies to its clients with consistent, disciplined risk management and superior client focus. The Liquidity Strategy focuses on principal preservation and liquidity, and is designed to protect client interests through a conservative investment philosophy and a strong focus on credit analysis. The Managed Reserves Strategy, which is highly customizable to individual client risk tolerances and needs, seeks to outperform the returns of a money market fund while retaining focus on preservation of principal by carefully managing interest rate and credit risk.

- ***Liquidity Strategy***

The Adviser has an integrated investment process, from strategic allocations to portfolio construction, which focuses on credit analysis. A strong credit process is at the core of the Adviser's philosophy and is a direct reflection of its conservative investment culture.

A team of more than 20 credit research analysts support the Global Liquidity business. Each analyst follows an assigned list of industries or sectors, loosely based on the corporate component of the broad market indices. Analysts are responsible for all issuers in their sectors and across all maturities and ratings categories to ensure the consistency of the analytical approach. In doing their reviews, credit analysts rely on an in-depth analysis of company, industry, and competitor information.

The Adviser does not solely rely on outside rating agencies to make its credit assessments. Analysts are responsible for independently evaluating the creditworthiness of existing holdings and potential new issues for all portfolios. The Adviser supplements proprietary information with sell-side research

and selected database services; however, this input is of secondary importance. In addition, the significant trading presence in the markets facilitates the gathering of market information by the in-house trading desk.

This assessment is supplemented by meetings with company management. The output of the credit research is two-fold; first, a documented credit analysis of each company the Adviser follows with relative value opinions, and second, for short-term instruments, the maintenance of a proprietary approved-for-purchase list. The approved-for-purchase list is an internal database accessible to portfolio managers, credit researchers and senior management. It includes a list of all counterparties with which the Adviser is comfortable adding exposure within the funds, a maximum tenor limit for those exposures, a concentration limit and a nominal dollar limit for the exposure to the counterparty across the Global Liquidity business in aggregate, and an internal credit rating. All of these distinct pieces of data are ways that the analyst can communicate their outlook for a particular issuer and their judgment of the associated risk.

Portfolio managers pick investments solely from the approved-for-purchase list, which is incorporated into the risk and control systems to ensure continuous compliance with fund guidelines. The portfolio managers have no authority to buy issues that are not on the approved-for-purchase list.

The investment process for the Liquidity Strategy involves four key stages: determining the macroeconomic outlook; assessing the credit quality of potential investments and identifying investment opportunities to construct portfolios in line with investment objectives; working closely with clients to ensure that the Adviser meets their cash flow requirements; and, finally, monitoring positions to manage risk and ensure compliance with investment guidelines.

- ***Managed Reserves Strategy***

The Adviser employs a disciplined approach that is driven by fundamental research and focuses on duration, sector allocation and security selection decisions. Duration and yield curve exposure is managed based on the Adviser's views on future interest rate levels, keeping in mind clients' cash flow requirements. The Adviser targets diversified sources of portfolio returns using internally generated fundamental, quantitative and technical research.

- *Economic Outlook*

Each month, senior investment professionals from the Managed Reserves Investment Committee ("MRIC") meet to discuss the fundamental outlook for the economy, focusing on factors such as GDP growth, unemployment and interest rates. Data from a range of internal and external economic sources are compiled and debated by the team, and a consensus view is established. This view is then translated into investment themes which guide portfolio decisions.

- *Scenario Analysis*

The portfolio management team utilizes scenario analysis tools to evaluate security and portfolio performance in different environments to help determine optimal portfolio positioning on the yield curve and across sectors.

- *Model Portfolio*

Using the results of the scenario analysis, the portfolio management team develops a model portfolio for the Managed Reserves Strategy. This portfolio includes the optimal yield curve and sector positions identified during the scenario analysis, focusing in particular on those positions that performed well across all economic scenarios. The model portfolio guides portfolio construction and is

updated bi-monthly. While this process determines broad sector allocation, it is then up to the credit analysts to perform bottom-up security selection within their sectors.

- *Portfolio Construction*

Using the model portfolio as a base, all portfolios are constructed in line with client guidelines. Individual securities are selected based on their relative value and ability to achieve client investment objectives. Rigorous credit analysis forms the foundation for security selection. Only those securities included on the approved-for-purchase list, developed by the Adviser's in-house credit research team, can be incorporated into Managed Reserves portfolios. Portfolio positions are monitored daily by the portfolio management team and reviewed monthly by the Managed Reserves Investment Policy Committee ("MRIPC"). Please note that each portfolio is highly customizable to each client's guidelines. Permissible security types, as well as maximum maturity, minimum credit quality, maximum allocation by sector, maximum duration, minimum average overall credit quality, as well as many other criteria, are customized to each individual client's requirements, and can be updated as market conditions/business cycles change.

Multi Asset Solutions ("MAS")

The Adviser develops and manages multi-asset, multi-manager and/or multi-strategy portfolio solutions to a broad range of investment. The group's investment capabilities encompass the complete spectrum from traditional to alternative asset classes globally.

The Adviser manages the following types of strategies:

- **Target Date Strategy** -- Glide-path oriented target date funds designed to maximize defined contribution participant income replacement upon retirement.
- **Target Risk Strategy** -- Asset-based benchmark oriented global multi-asset strategies designed to deliver compelling risk-adjusted excess returns over a market cycle; we manage across a range of stated benchmarks which include a variety of traditional and alternative asset classes. Active risk positions are expressed as over-and-underweights versus the benchmarks asset weights. In some cases we may hold non-benchmark exposures.
- **Thematic/Flexible/Total Return/Liability Aware Strategies** -- Start with an investment challenge such as to achieve a specific return goal, a need to outperform liabilities, generate income, provide exposure to real assets or deliver inflation protection. Additional risk objectives such as to minimize the risk of losing capital may be present as well. The group employs a holistic investment approach with a flexible portfolio construction process for these strategies, since objectives are formulated without reference to individual asset classes in which to invest or traditional asset-based benchmarks.
- **Single Asset Strategies** -- Operate separately from the group's principal investment process by focusing on a single asset class (e.g. Global Convertibles) and follow a rigorous bottom-up selection approach. Stock selection is the key driver of performance in these types of portfolios.
- **Quantitative/Alternative Beta Strategies** -- Operate separately from the group's principal investment process by relying on a model driven investment and portfolio construction process based on proprietary risk factor models. The strategies are primarily implemented through the use of financial derivative instruments and often employ structural leverage.

- **Passive & Enhanced Beta (Index) Strategies** -- Also independent from the group's principal investment process, the Adviser manages passive and enhanced index strategies.

The Adviser's principal investment process constructs portfolios from the insights it generates through several differentiated proprietary research approaches, resulting in thoughtfully selected assets from an extensive global platform. The investment process starts with a Strategic Asset Allocation Framework which is based upon long-term capital market assumptions and asset allocation research. The group generates its insights from the three main areas of research: fundamental research, quantitative analysis and manager research.

- **Fundamental Research** -- The Adviser performs economic and market analysis to identify, study, and monitor investment themes, establishing high conviction macro views over an intermediate time horizon.
- **Quantitative Research** -- The Adviser develops and maintains a suite of Tactical Asset Allocation ("TAA") models. The quantitative models used by the Adviser systematically seek to capture the relative mispricings within and across global markets. This process utilizes a structured, multi-factor, risk-managed framework designed to identify uncorrelated pair-wise relative value exposures across and within asset classes.
- **Manager Research** -- The Multi-Asset Solutions Manager Research Team assesses investment team philosophies/objectives, processes, and performance to gauge alpha generation potential within each asset class, and to determine whether there is a fit for a strategy within a multi-asset portfolio. Fit includes confidence in the asset class, its contribution to diversification and the strategy's ability to achieve alpha expectations. The Multi-Asset Solutions Portfolio Management Teams may add or replace strategies if there is a relative preference for an alternative strategy that can improve portfolio results.

The insights generated by the three areas of research are then used as inputs in the various strategy and portfolio management team meetings operated by the Adviser. The strategy and portfolio management team meetings are designed to identify the product-specific investment characteristics that best reflect the group's investment insights and convictions. Directed by the respective Chief Investment Officers, and supported by tools developed by research, the group's portfolio managers construct portfolios tailored to the specific client objectives and restrictions. The portfolio managers determine the final portfolio positions and transactions, security and fund selection, as well as monitor the underlying investment.

As mentioned above, for certain clients, JPMAM(UK) may manage portfolios by allocating portfolio assets among various securities, including underlying JPMorgan funds, on a discretionary basis using one or more of its proprietary investment models. In so doing, JPMAM(UK) buys, sells, exchanges and/or transfers underlying funds based upon the investment strategy. JPMAM(UK)'s management using these models complies with the requirements of Rule 3a-4 of the 1940 Act. Rule 3a-4 provides similarly managed accounts, such as the models, with a safe harbor from the definition of an investment company. Securities in the model are usually exchanged and/or transferred without regard to a client's individual tax ramifications.

Approach to Private Equity

Private Equity

Successful private equity investing depends to a large degree on the ability to attract and develop a steady flow of quality investment opportunities, and to select investments that will provide superior

risk-adjusted returns from these opportunities. When making private equity investments, the Adviser takes a bottom-up approach designed to assess the probability of a sponsor's future success, and focuses on the track record and reputation of the principals, their investment thesis and investment strategy, the sponsor's decision making process and the sponsor's relevant past performance.

The investment selection process for partnership investments requires initial screening of new proposals, introductory meetings and extensive due diligence. After a potential investment has been initially approved, the deal team and the investment vehicle's legal counsel will work with the general partner and its counsel on the review and, when appropriate, negotiation of the partnership agreement. At this stage, areas of focus for the deal team will include management fees, distribution policy, claw-back provisions, ERISA and other legal and tax issues. After the partnership agreement and other legal documents have been reviewed and, when appropriate, successfully negotiated, the investment will be presented to the Adviser for final approval. A consensus of the senior investment professionals of the private equity group of the Adviser is required to approve an investment.

- **Direct Company Investments**

Direct investment opportunities in companies are expected primarily to be co-investments sourced through the Adviser's relationships with partnership sponsors. The Adviser's direct investment selection process is designed to capitalize on the due diligence work performed by the general partners. Although a general partner's due diligence will not be a substitute for the Adviser's own assessment of the opportunity, the Adviser will benefit from the general partner's work and expertise in the sector and thus free up time and resources for the Adviser to focus its efforts on aspects of the investment that are of particular interest or concern.

The deal team pursuing a direct investment opportunity will prepare an investment memorandum detailing the material aspects of the investment, including the company's business description, industry analysis, investment considerations, description of the transaction and features of the security being issued, management, financial analysis (historical and projected financials, return analysis, sensitivity analyses), and legal, environmental and other contingent liability analysis. Investments will be discussed and analyzed with appropriate members of the management team, and will be subject to final approval by consensus of the senior investment professionals of the private equity group of the Adviser.

The most important investment criteria for direct investments will be the projected returns, the attractiveness of the industry, the company's relative position in its industry, valuation, depth of the management team, type of security issued, and the alignment of interests with the general partner.

- The Adviser's Private Equity Distribution Management (PEDM) program is designed to manage private equity in-kind distributions with the goal of maximizing cash-to-cash returns on private equity investments. Specifically, the Adviser seeks to complete the private equity cycle with the objective of:
 - Operate maximizing returns on the sale of distributed securities, relative to distribution price;
 - Returning capital to investors as quickly as possible to maximize reinvestment opportunities for the client.

Approach to Real Assets

JPMAM's Global Real Assets group ("GRA") has been established to provide investors with exposure to Global Real Estate investment markets through commingled funds and separate accounts.

GRA employs a disciplined investment management process that encourages professionals to proactively seek value enhancement opportunities in their portfolios. While nimble in the markets, GRA is also methodical in its approach to executing transactions. Its procedures are well established and designed to ensure rigorous due diligence of each investment. It is committed to identifying transactions where it believes that it can deliver performance that meets or exceeds client expectations. GRA actively manages assets with a view to creating value while protecting against downside risk and carefully manages disposals to maximize sale proceeds and minimize seller liability.

GRA established a Global Maritime Investment business in 2010, head-quartered in London. This asset class offers clients an alternative investment, to complement its existing investment management capabilities in Private Equity, Hedge Funds, Real Estate & Infrastructure. The GRA Global Maritime Investment business benefits from JPMAM's strong, established platform, granting access to JPMAM-GRA systems, resources, and network.

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

Clients should understand that investments in securities (both income securities as well as equity securities) and other assets involve a risk of loss. Past performance of any investment strategy is not a guarantee of future results. Clients should be prepared to bear the risk of investment losses. Some investments may only be suitable for experienced investors. See below for more information regarding investment risks.

JPMAM(UK) uses a variety of investment strategies depending on the requirements of the client and the investment guidelines associated with the client's account. All strategies are subject to management risk and an account or fund may not achieve its objective if JPMAM(UK)'s expectations regarding particular securities or markets are not met. Risks for a particular strategy will be disclosed by JPMAM(UK) to the client and in the case of pooled investment funds, the risks associated with the fund's investment strategy are described in the prospectus, offering memorandum or other materials of the fund.

Listed below are principal risk factors that are often associated with certain investment strategies and types of investments. The information included in this Brochure does not include every potential risk associated with each investment strategy or applicable to a particular client account. Clients are urged to ask questions regarding risk factors applicable to a particular strategy or investment product, read all product-specific risk disclosures and determine whether a particular investment strategy or type of security is suitable for their account in light of their specific circumstances, investment objectives and financial situation.

General Market Risk. Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions.

Equity Securities Risk.

Exposure to equity securities (such as stocks) may be more volatile and carry more risks than some other forms of investment. The price of equity securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably.

These price movements may result from factors affecting individual companies, sectors or industries selected for the Fund's portfolio or the securities market as a whole, such as changes in economic or political conditions. When the value of the Fund's securities goes down, an investment in the Fund decreases in value.

Short Selling Risk. Certain strategies may engage in short selling. Client accounts will incur a loss as a result of a short sale if the price of the security sold short increases in value between the date of the short sale and the date on which the account purchases the security to replace the borrowed security. In addition, a lender may request, or market conditions may dictate, that securities sold short be returned to the lender on short notice, and the account may have to buy the securities sold short at an unfavorable price. If this occurs, any anticipated gain to the account may be reduced or eliminated or the short sale may result in a loss. The account's losses are potentially unlimited in a short sale transaction. Short sales are speculative transactions and involve special risks, including greater reliance on the Adviser's ability to accurately anticipate the future value of a security. Furthermore, taking short positions in securities results in a form of leverage which may cause the account to be more volatile.

Suspensions of Trading and Grey Market Investments. Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

Transactions may be entered into in:

- (a) a security whose listing on an exchange is suspended, or the listing of or dealings in which have been discontinued, or which is subject to an exchange announcement suspending or prohibiting dealings; or
- (b) a grey market security, which is a security for which application has been made for listing or admission to dealings on an exchange where the security's listing or admission has not yet taken place (otherwise than because the application has been rejected) and the security is not already listed or admitted to dealings on another exchange.

There may be insufficient published information on which to base a decision to buy or sell such securities.

Interest Rate Risk. Interest rates can rise as well as fall. A risk with interest rates is that the relative value of a security, especially a bond, will worsen due to an interest rate increase. This could impact negatively on other products. There are additional interest rate related risks in relation to floating rate instruments and fixed rate instruments; interest income on floating rate instruments cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of floating rate instruments at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the relevant instruments provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Changes in market interest rates have a substantially stronger impact on the prices of zero coupon bonds than on the prices of ordinary bonds because the discounted issue prices are substantially

below par. If market interest rates increase, zero coupon bonds can suffer higher price losses than other bonds having the same maturity and credit rating.

Income Securities Risk. Investments in income securities will change in value based on changes in interest rates and are subject to the risk that a counterparty will fail to make payments when due or default. If rates rise, the value of these investments drops. Certain underlying funds invest in variable and floating rate loan assignments and participations (loans) and other variable and floating rate securities. Although these instruments are generally less sensitive to interest rate changes than other fixed rate instruments, the value of floating rate loans and other securities may decline if their interest rates do not rise as quickly, or as much, as general interest rates. Given the historically low interest rate environment, risks associated with rising rates are heightened. Certain underlying funds invest in mortgage-related and asset-backed securities including so-called “sub-prime” mortgages that are subject to certain other risks including prepayment and call risks. When mortgages and other obligations are prepaid and when securities are called, an underlying fund may have to reinvest in securities with a lower yield or fail to recover additional amounts (i.e., premiums) paid for securities with higher interest rates, resulting in an unexpected capital loss and/or a decrease in the amount of dividends and yield. Mortgage-related and asset-backed securities may decline in value, face valuation difficulties, be more volatile and/or be illiquid. The risk of default for “sub-prime” mortgages is generally higher than other types of mortgage-back securities. The structure of some of these securities may be complex and there may be less available information than other types of debt securities. Some of the underlying funds invest in securities issued or guaranteed by the U.S. government or its agencies and instrumentalities (such as the Government National Mortgage Association (Ginnie Mae), the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac)). Securities, such as those issued or guaranteed by Ginnie Mae or the U.S. Treasury, that are backed by the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity. Notwithstanding that these securities are backed by the full faith and credit of the United States, circumstances could arise that would prevent the payment of principal and interest. Securities issued by U.S. government related organizations, such as Fannie Mae and Freddie Mac, are not backed by the full faith and credit of the U.S. government and no assurance can be given that the U.S. government will provide financial support.

Government Securities Risk. Some strategies invest in securities issued or guaranteed by the U.S. or other governments or their agencies and instrumentalities. With respect to securities issued or guaranteed by government-related organizations that are not backed by the full faith and credit of the those governments, there is no assurance that the government in question would provide financial support to these agencies, instrumentalities or government-sponsored enterprises if they are not obligated to do so by law.

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

Model Risk. Some strategies may include the use of various proprietary quantitative or investment models. Investments selected using models may perform differently than expected as a result of changes from the factors' historical – and predicted future - trends, and technical issues in the implementation of the models, including, for example, issues with data feeds. Moreover, the effectiveness of a model may diminish over time, including as a result of changes in the market and/or changes in the behavior of other market participants. A model's return mapping is based partially on historical data regarding particular economic factors and securities prices. The operation of a model, similar to other fundamental, active investment processes, may result in negative performance, including returns that deviate materially from historical performance, both actual and pro-forma. For a

model-driven investment process – and again similar to other, fundamental, active investment processes, there is no guarantee that the use of models will result in effective investment outcomes for clients.

Foreign Securities and Emerging Markets Risk. Strategies that invest in foreign currencies and foreign issuers are subject to additional risks including political and economic risks, greater volatility, civil conflicts and war, currency fluctuations, higher transaction costs, delayed settlement, possible foreign controls on investment, expropriation and nationalization risks, liquidity risks, and less stringent investor protection and disclosure standards of foreign markets. Events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. The risks associated with foreign securities are magnified in countries in “emerging” markets. These countries may have relatively unstable governments and less-established market economies than developed countries. Emerging markets may face greater social, economic, regulatory and political uncertainties. These risks make emerging market securities more volatile and less liquid than securities issued in more developed countries.

Derivatives Risk. Certain strategies may use derivatives. Derivatives, including forward currency contracts, futures, options and commodity-linked derivatives and swaps, may be riskier than other types of investments because they may be more sensitive to changes in economic and market conditions, and could result in losses that significantly exceed the Fund’s original investment. Many derivatives create leverage thereby causing the Fund to be more volatile than it would have been if it had not been exposed to such derivatives. Derivatives also expose the Fund to counterparty risk (the risk that the derivative counterparty will not fulfill its contractual obligations), including the credit risk of the derivative counterparty. Certain derivatives are synthetic instruments that attempt to replicate the performance of certain reference assets. With regard to such derivatives, the Fund does not have a claim on the reference assets and is subject to enhanced counterparty risk. Derivatives may not perform as expected, so the Fund may not realize the intended benefits. When used for hedging, the change in value of a derivative may not correlate as expected with the security being hedged. In addition, given their complexity, derivatives expose the Fund to risks of mispricing or improper valuation.

Equity Investment Conversion Risks. A non-equity investment directly or indirectly held by a client, such as a convertible debt obligation, may convert to an equity security. Alternatively, an account may directly or indirectly acquire equity securities in connection with a restructuring event related to one or more of its non-equity investments. The client either directly or through an investment fund may be unable to liquidate the equity investment at an advantageous time from a pricing standpoint. Furthermore, an underlying investment fund may continue to hold an investment if its manager believes it is in the best interest of the fund. Continued holding of such investments may adversely affect the portfolio.

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

High Portfolio Turnover Risk. Certain funds and accounts engage in active and frequent trading leading to increased portfolio turnover, higher transaction costs, and the possibility of increased capital gains, including short-term capital gains that may be a taxable event to clients.

Asset-Backed, Mortgage-Related and Mortgage-Backed Securities Risk. Certain strategies invest in mortgage-related and asset-backed securities including so-called “sub-prime mortgages” that are subject to certain other risks including prepayment extension and call risks. Since mortgage borrowers have the right to prepay principal in excess of scheduled payments, there is a risk that borrowers will exercise this option when interest rates are low to take advantage of lower refinancing rates. When that happens, the mortgage holder will need to reinvest the returned capital at the lower prevailing yields. This prepayment risk, as well as the risk of a bond being called, can cause capital losses. Conversely, when rates rise significantly, there is a risk that prepayments will slow to levels much lower than anticipated when the mortgage was originally purchased. In this instance, the risk that the life of the mortgage security is extended can also cause capital losses, as the mortgage holder needs to wait longer for capital to be returned and reinvested at higher prevailing yields. Mortgage-related and asset-backed securities may decline in value, face valuation difficulties, be more volatile and/or be illiquid.

Smaller Companies Risk. Certain strategies invest in securities of smaller companies. Investments in smaller, companies may be riskier than investments in larger, more established companies. Securities of smaller companies tend to be less liquid than securities of larger companies. In addition, small companies may be more vulnerable to economic, market and industry changes. Because economic events have a greater impact on smaller companies, there may be greater and more frequent changes in their stock price. This may cause unexpected and frequent decreases in the value of an account's investments. Finally, emerging companies in certain sectors may not be profitable and may not realize profits in the foreseeable future.

Currency Risk. Changes in foreign currency exchange rates may affect the value of portfolio securities and devaluation of a currency by a country's government or banking authority also will have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets.

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

Geographic and Sector Focus Risk. Certain strategies and funds concentrate their investments in a region, small group of countries, an industry or economic sector and as a result the value of the portfolio may be subject to greater volatility than a more geographically or sector diversified portfolio. Investments in issuers within the same country, state, geographic region, industry or economic sector, which may experience adverse economic, business, political or other concern may impact the value of the investments more so than if its investments were not so concentrated. Also, concentrated investments may result in adverse securities markets, exchange rates or economic events which may occur in that country, region, industry or economic sector. A change in the value of a single investment within the account may affect the overall value of the account and may experience greater losses than an account that holds more diversified investments.

Exchange Traded Fund Risk. Certain strategies and funds make use of ETFs. ETFs use an indexing approach and may be affected by a general decline in market segments or asset classes relating to its underlying index. Each ETF invests in securities and instruments included in, or representative of, its underlying index regardless of the investment merits of the underlying index. ETFs generally will not be able to duplicate exactly the performance of the underlying indexes they seek to track. Although ETFs are generally listed on securities exchanges, there can be no assurances that an active trading market for such ETFs will be maintained. In addition, secondary market trading in ETFs may be halted by a national securities exchange because of market conditions or for other reasons.

Index Funds Risk. Index funds are not actively managed and are designed to track the performance and holdings of a specified index. Securities may be purchased, held and sold by an index fund or an account following an index strategy at times when an actively managed fund would not do so. There is also the risk that the underlying performance of an index fund may deviate from the performance of the index.

Growth Investing Risk. Growth investing attempts to identify companies that the Adviser believes will experience rapid earnings growth relative to value or other types of stocks. Growth stocks may trade at higher multiples of current earnings compared to value or other stocks, leading to inflated prices and thus potentially greater declines in value.

Value Investing Risk. Value investing attempts to identify companies that are undervalued according to the Adviser's estimate of their true worth. A value stock may decrease in price or may not increase in price as anticipated by the Adviser if other investors fail to recognize the company's value or the factors that the Adviser believes will cause the stock price to increase do not occur.

Real Estate Risk. There are certain risks associated with the development, construction and/or ownership of real estate and the real estate industry in general, including: the burdens of ownership of real property; local, national and international economic conditions; the supply and demand for properties; the financial condition of tenants, buyers and sellers of properties; changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable; changes in environmental laws and regulations, planning laws, fiscal and monetary policies and other governmental rules; environmental claims arising with respect to properties acquired with undisclosed or unknown environmental problems or with respect to which inadequate reserves have been established; changes in real property tax rates; changes in energy prices; negative developments in the economy that depress travel activity; uninsured casualties; *force majeure* acts, terrorist events, under-insured or uninsurable losses; and other factors which are beyond the reasonable control of the applicable investment fund or its investment adviser. In addition, as recent experience during the financial crisis has demonstrated, real estate assets are subject to long-term cyclical trends that give rise to significant volatility in values.

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

Real Estate Securities Risk. The value of real estate securities in general, and Real Estate Investment Trusts ("REITs") in particular, are subject to the same risks as direct investments in real estate and mortgages, and their value will be influenced by many factors including the value of the underlying properties or the underlying loans or interests. The underlying loans may be subject to the risks of default or of prepayments that occur later or earlier than expected and such loans may also include so-called "subprime" mortgages, commercial mortgage-backed securities, etc. The value of these securities will rise and fall in response to many factors, including economic conditions, the

demand for rental property, interest rates and, with respect to REITs, the management skill and creditworthiness of the issuer. In particular, the value of these securities may decline when interest rates rise and will also be affected by the real estate market and by the management of the underlying properties. REITs may be more volatile and/or more illiquid than other types of equity securities.

Maritime Risk. An investment in Maritime strategies is subject to certain risks associated with the ownership of maritime and maritime-related assets and the shipping industry in general, including: the burdens of ownership of maritime and maritime-related assets; local, national and international economic and political conditions; developments in international trade and changes in seaborne and other transportation patterns; changes in the tourism and holiday travel market; the financial condition of charterers, pool operators, buyers and sellers of maritime-related assets; changes in interest rates and the availability of debt financing which may render the sale or refinancing of maritime and maritime-related assets difficult or impracticable; changes in environmental laws and regulations; changes in governmental rules and fiscal and monetary policies; environmental claims arising in respect of maritime and maritime-related assets acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established; environmental accidents, contamination or pollution; changes in tax policies and rates; changes in energy and commodities prices including bunker prices; negative developments in the economy that depress global trade and transportation activity; business interruptions caused by mechanical error; exposure to emerging markets and politically unstable regions and countries; embargoes and strikes; port and canal closures; cargo and property losses or damage; accidents caused by human error; uninsured casualties; maritime disasters including collisions, groundings or capsizing or incidents relating to design failures of a vessel; natural disasters, weather patterns, storms, and climate changes; the risk of an explosion, fire or flooding; force majeure acts; political unrest or the interference of government agencies or political bodies, armed conflicts and war; acts of piracy; terrorist events; acts of God; under-insured or uninsurable losses; epidemics and widespread transmission of communicable diseases; and other factors which are beyond the reasonable control of the Fund and the Operator. The nature, timing and degree of changes in shipping industry conditions are unpredictable. In addition, as recent experience has demonstrated, maritime and maritime-related assets are subject to long-term cyclical trends that give rise to significant volatility in values in terms of charter rates, profitability and, consequently, vessel values. The time lag in the shipping industry between orders and deliveries heighten this cyclicity.

In addition, significant contraction in demand for imported commodities such as iron ore, coal, crude oil and manufactured goods, as a result of economic downturns or changes in government policies in certain regional markets, could depress vessel freight rates, as well as the general demand for vessels. A decline in demand for, and the level of consumption of, refined petroleum products could cause demand for tank vessel capacity and charter rates to decline. The future demand for carriers and related charter rates will be dependent upon continued demand for imported commodities, economic seasonal and regional changes in demand, and changes to the capacity of the world fleet. A decline in demand for commodities and finished goods transported in maritime carriers or an increase in supply of vessels could cause a significant decline in charter rates. The supply of shipping capacity is also a function of the delivery of new vessels and the number of older vessels scrapped, in lay-up, converted to other uses, reactivated or removed from active service. Supply may also be affected by maritime transportation and other types of governmental regulation, including that of international authorities.

Many of these factors could cause fluctuations in charter hire and pooling rates or operating expenses, causing the value of the Investments to decline and negatively affect the Fund's returns. The value of the Investments may fluctuate significantly due to these factors and may be significantly diminished in the event of a sudden downward market for maritime and maritime-related assets. The returns available from Investments depend on the amount of income earned and capital appreciation generated by the relevant underlying vessels, as well as expenses incurred in

connection therewith. The types of operating expenses to which the Fund may be exposed and which may be subject to increase beyond current estimates include labor, repairs and maintenance costs, the costs of periodic dry-docking of vessels and insurance premia. If maritime and maritime-related assets do not generate income sufficient to meet operating expenses, including amounts owed under any third-party borrowings and capital expenditures, the Fund's returns will be adversely affected. In addition, the cost of complying with governmental or international laws and regulations and the cost and availability of third-party borrowings may also affect the market value of and returns from the Investments. The Fund's returns would be adversely affected if a significant number of charterers were unable to pay their charter rates or if vessels could not be chartered or pooled on favorable terms. Certain significant fixed expenditures associated with purchasing maritime and maritime-related assets (such as third-party borrowings, taxes and maintenance costs) may stay the same or increase even when circumstances cause a reduction in returns from maritime and maritime-related assets.

Private Equity Specific Risks. The structure of private equity investment vehicles presents certain risks, apart from the portfolios of investments, of which investors should be aware.

Long-term commitment required

A commitment is a long-term investment. The expected term of each investment vehicle can be up to fifteen years. The investment vehicles may draw down the capital commitments of investors at any time during their term. There will be a substantial period of time during which investors may be obligated to provide capital without receiving any return and regardless of the performance of the investment vehicles. Investors should be willing to hold their interests until the liquidation of the investment vehicles.

Lack of control by investors

Investors will not have the ability to select, veto or cause the sale or other disposition of any investments by the investment vehicles or to determine the timing of any takedown, distribution or liquidation of the investment vehicles.

Illiquidity; Restrictions on transfer and withdrawal

An investment in the investment vehicles will be highly illiquid. Except in certain very limited circumstances investors will not be permitted to transfer their interests without the prior written consent of the Board of Managers of the relevant investment vehicle, which may be granted or withheld in its sole discretion. The transferability of interests in the investment vehicles also will be subject to certain restrictions contained in the substantive documents and restrictions on resale imposed under applicable securities laws.

Market and economic risks - Investments may be materially affected by market, economic and political conditions in the United States 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 the Adviser and could adversely affect the liquidity and value of the investments and reduce the ability to make new investments.

Penalty for default

An investor that defaults in any payment with respect to its capital commitment to an investment vehicle will be subject to substantial penalties, including for each event of default a reduction in its interest in such investment vehicle corresponding to a reduction in its capital contributions (but not below zero) by an amount equal to 25 percent of its capital commitment.

Diversification risk

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

Risks of corporate finance and venture capital investments

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

Venture companies 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.

Companies may face significant fluctuations in operating results, may need to engage in acquisitions or divestitures of assets in order to compete successfully or survive financially, may be operating at a loss, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or otherwise may have a weak financial condition.

Companies may be highly leveraged and, as a consequence, subject to restrictive financial and operating covenants. The leverage may impair the ability of these companies to finance their future operations and capital needs. As a result, these companies may lack the flexibility to respond to changing business and economic conditions, or to take advantage of business opportunities.

Companies may face intense competition, including competition from companies with far greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a larger number of qualified managerial and technical personnel.

Credit Risk. Credit risk is the risk of loss caused by borrowers, bond obligors, guarantors, or counterparties failing to fulfill their obligations or the risk of such parties' credit quality deteriorating. Exposure to the credit risk of one or more reference entities is particularly relevant to any credit linked product such as credit linked notes, and the potential losses which may be sustained, and the frequency and likelihood of such losses occurring, when investing in credit links products may be substantially greater than when investing in an obligation of the reference entity itself.

Money Market Risk. A money-market instrument is a borrowing of cash for a period, generally no longer than six months, but occasionally up to one year, in which the lender takes a deposit from the money markets in order to lend (or advance) it to the borrower. Unlike in an overdraft, the borrower must specify the exact amount and the period for which he wishes to borrow. Like other debt instruments, money-market instruments may be exposed to the major risk types, in particular credit and interest rate risk.

Funds Risk. There are many different types of collective investment schemes. Generally, a collective investment scheme will involve an arrangement that enables a number of investors to 'pool' their assets and have these professionally managed by an independent manager. Investments may

typically include gilts, bonds and quoted equities, but depending on the type of scheme, may go wider into derivatives, real estate or any other asset. There may be risks on the underlying assets held by the scheme and investors are advised, therefore, to check whether the scheme holds a number of different assets, thus spreading its risk. Subject to this, investment in such schemes may reduce risk by spreading the investor's investment more widely than may have been possible if he or she was to invest in the assets directly.

The reduction in risk may be achieved because the wide range of investments held in a collective investment scheme can reduce the effect that a change in the value of any one investment may have on the overall performance of the portfolio. Although, therefore, seen as a way to spread risks, the portfolio price can fall as well as rise and, depending on the investment decisions made, a collective investment scheme may be exposed to many different major risk types.

The valuation of a collective investment scheme is generally controlled by the relevant fund manager or the investment adviser (as the case may be) of the collective investment scheme. Valuations are performed in accordance with the terms and conditions governing the collective investment scheme. Such valuations may be based upon the unaudited financial records of the collective investment scheme and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset values of the collective investment schemes and accounts. The collective investment scheme may hold a significant number of investments which are illiquid or otherwise not actively traded and in respect of which reliable prices may be difficult to obtain. In consequence, the relevant fund manager or the investment adviser may vary certain quotations for such investments held by the collective investment scheme in order to reflect its judgment as to the fair value thereof. Therefore, valuations may be subject to subsequent adjustments upward or downward. Uncertainties as to the valuation of the collective investment scheme assets and/or accounts may have an adverse effect on the net asset value of the relevant collective investment scheme where such judgments regarding valuations prove to be incorrect.

A collective investment scheme and any collective investment scheme components in which it may invest may utilize (inter alia) strategies such as short-selling, leverage, securities lending and borrowing, investment in sub-investment grade or non-readily realizable investments, uncovered options transactions, options and futures transactions and foreign exchange transactions and the use of concentrated portfolios, each of which could, in certain circumstances, magnify adverse market developments and losses. Collective investment schemes, and any collective investment scheme components in which it may invest, may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for positions therein to be opened or liquidated. The performance of each collective investment scheme and any collective investment scheme component in which it may invest is dependent on the performance of the collective investment scheme managers in selecting collective investment scheme components and the management of the relevant component in respect of the collective investment scheme components.

In addition, the opportunities to realize an investment in a collective investment scheme is often limited in accordance with the terms and conditions applicable to the scheme and subject to long periods of advance notice (during which the price at which interests may be redeemed may fluctuate or move against you). There may be no secondary market in the collective investment scheme and therefore an investment in such a scheme may be (highly) illiquid.

Short Selling Risk.

Certain strategies may engage in short selling. Client accounts will incur a loss as a result of a short sale if the price of the security sold short increases in value between the date of the short sale and the date on which the account purchases the security to replace the borrowed security. In addition, a lender may request, or market conditions may dictate, that securities sold short be returned to the

lender on short notice, and the account may have to buy the securities sold short at an unfavorable price. If this occurs, any anticipated gain to the account may be reduced or eliminated or the short sale may result in a loss. The account's losses are potentially unlimited in a short sale transaction. Short sales are speculative transactions and involve special risks, including greater reliance on the Adviser's ability to accurately anticipate the future value of a security. Furthermore, taking short positions in securities results in a form of leverage which may cause the account to be more volatile.

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

Regulatory Risk. Pending and ongoing regulatory reform may have a significant impact on JPMAM(UK)'s investment advisory business. On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") was signed into law in the United States. Dodd-Frank is expansive in scope and requires the adoption of extensive regulations and numerous regulatory decisions in order to be implemented fully. Dodd-Frank may significantly change JPMAM(UK)'s operating environment and the financial markets in general in unpredictable ways. It is not possible to predict the ultimate effects that Dodd-Frank, or subsequent regulations and decisions, will have upon JPMAM(UK)'s business and operations. Provisions of Dodd-Frank referred to as the Volcker Rule restrict the ability of a "banking entity" (including JPMC and its affiliates and subsidiaries, including JPMAM(UK)) to acquire or retain an equity, partnership or other ownership interest in, or sponsor, a "covered fund" (which is defined to include certain pooled investment vehicles) and prohibits certain transactions between such fund and JPMC and its affiliates. Among other things, the Volcker Rule generally prohibits covered funds from engaging in transactions that would cause a banking entity or its affiliates to have credit exposure to a covered fund managed by its affiliates, that would involve or result in a material conflict of interest between the banking entity and its clients, customers or counterparties, or that would result, directly or indirectly, in a material exposure by the banking entity to high-risk assets or high-risk trading strategies. These restrictions could materially adversely affect accounts that are, or are invested in, covered funds, including because the restrictions could limit a covered fund from obtaining seed capital, loans or other commercial benefits from JPMAM(UK). As a result, the Volcker Rule impacts the method by which JPMAM(UK) seeds, invests in and operates its private investment funds, including private equity funds and hedge funds. The impact of the Volcker Rule on liquidity and pricing in the broader financial markets is unknown at this time.

The Volcker Rule became effective on July 21, 2012, and the final regulations became effective on April 1, 2014, subject to a conformance period. Other than with respect to certain "legacy" investments in and relationships with covered funds and foreign funds that were in place prior to December 31, 2013 ("legacy covered funds"), all of a banking entity's activities, investments and transactions with or involving a covered fund (other than an investment in or a relationship with a legacy covered fund) must be in conformance with the Volcker Rule after July 21, 2015. On December 18, 2014, the Board of Governors of the Federal Reserve System (the "Federal Reserve") granted an extension of the conformance period with respect to legacy covered funds until July 21, 2016, and indicated that it would likely grant a final further extension of the conformance period for legacy covered funds until July 21, 2017.

Under the Bank Holding Company Act ("BHCA"), if JPMAM(UK) were deemed to "control" a JPMAM(UK)-managed pooled investment vehicle, this may result in restrictions on transactions and relationships between the JPMAM(UK)-managed pooled investment vehicle and JPMorgan Chase

Bank (“JPMCB”), as well as restrictions on the investments and transactions by, and the operations of, the JPMAM(UK)-managed pooled investment vehicle.

In addition, JPMAM(UK) and/or its funds could become designated as a systemically important financial institution (“SIFI”) and become subject to direct supervision by the Federal Reserve. If JPMAM(UK) were designated a SIFI, it could be subject to enhanced prudential, supervisory and other requirements, such as risk-based capital requirements; leverage limits; liquidity requirements; resolution plan and credit exposure report requirements; concentration limits; a contingent capital requirement; enhanced public disclosures; short-term debt limits; and overall risk management requirements. Further, final regulations adopted under Dodd-Frank, relating to regulation of swaps and derivatives, will impact the manner by which JPMAM(UK) and JPMAM(UK)-advised funds and accounts use and trade swaps and other derivatives, and may increase the costs of derivatives trading. Similarly, JPMAM(UK)’s management of funds and accounts that use and trade swaps and derivatives may be adversely impacted by recently adopted changes to the Commodity Futures Trading Commission regulations. Other jurisdictions outside the United States in which JPMAM(UK) operates are also in the process of devising or considering more pervasive regulation of many elements of the financial services industry, which could have a similar impact on JPMAM(UK) and the broader markets.

Similarly, foreign regulators have recently passed and will continue to pass legislation and changes that may affect certain clients, including the European Commission Directive on Alternative Investment Fund Managers (“AIFMD”), which has imposed certain requirements and restrictions on third party managers to which JPMAM(UK) allocates client assets. The Adviser may take certain actions to limit its authority in respect of client accounts in order to reduce the impact of regulatory restrictions on the Adviser or its clients.

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

C Risks Associated With Particular Types of Securities

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

ITEM 9 Disciplinary Information

A. Criminal or Civil Proceedings

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

B. Administrative Proceedings Before Regulatory Authorities

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

C. Self-Regulatory Organization (SRO) Proceedings

The Adviser has no material SRO disciplinary proceedings to report.

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

No information to report.

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

The Adviser is an Exempt Commodity Trading Advisor and does not require registration with the U.S. Commodity Futures Trading Commission ("CFTC") or the National Futures Association (the "NFA"). The NFA and CFTC each administer a comparable regulatory system covering futures contracts, swaps and various other financial instruments in which certain clients and pooled vehicles may invest.

C Material Relationships or Arrangements with Industry Participants

The Adviser is part of a large financial services firm. In connection with providing investment advisory services to its clients, the Adviser from time to time uses or recommends its own products and services or those of its affiliates or other related persons. For example, in selecting actively managed underlying funds for the JPMorgan Funds' registered funds of funds, the Adviser limits its selection to mutual funds in the JPMorgan family of mutual funds. The Adviser does not consider or canvass the universe of unaffiliated investment companies available, even though there may be unaffiliated investment companies that may be more appropriate for the JPMorgan Fund of Funds or that have superior returns. The Adviser's affiliates providing services to the JPMorgan Funds benefit from additional fees when a JPMorgan Fund is included as an underlying fund in a JPMorgan Fund of Funds.

The Adviser also manages accounts on behalf of affiliated entities of JPMAM(UK), which creates conflicts of interest related to the Adviser's determination to use, suggest, or recommend the services of such entities. The particular services involved will depend on the types of services offered by the affiliate.

Broker-Dealers

Subject to applicable law and regulation, and with client consent, JPMAM(UK) may from time to time effect client transactions through affiliated broker-dealers including J.P. Morgan Securities Ltd. All trades however, are subject to best execution and broker performance is subject to continuous review. JPMAM(UK) may also utilize J.P. Morgan Securities Ltd for derivative clearing purposes.

Investment Companies or Other Pooled Investment Vehicles

JPMAM(UK) serves as adviser and sub-adviser, respectively, to various exchange traded funds, open and closed-ended investment management companies sponsored by JPMAM(UK) or its affiliates. JPMAM(UK) or its affiliates also serve as adviser or sub adviser to various U.S private investment companies and numerous registered and unregistered investment companies and pooled funds organized or formed under the laws of various countries.

For certain accounts, JPMAM(UK) may invest client assets on a discretionary basis in any of the funds referred to above. In all cases, purchases of internal funds will always be subject to client guideline and restrictions. In certain circumstances, when required by applicable law or by agreement with the client, JPMAM(UK) may waive its investment advisory fee with respect to assets so invested.

Partnerships and Limited Liability Companies

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

In addition, certain portfolio managers or employees of the Adviser currently serve and are expected to serve as directors of certain portfolio companies in which client assets (such as private funds) managed by the Adviser invest and, in that capacity, will be required to make decisions that they consider to be in the best interests of the portfolio company. In certain circumstances, such as in situations involving bankruptcy or near insolvency of the portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of the Adviser's clients. Accordingly, in these situations, conflicts of interest will likely arise between an individual's duties as a member of the investment team or officer or employee of the Adviser and such individual's duties as a director of the portfolio company. Additionally, the Adviser or its related persons may enter into transactions with a portfolio company (for example, a property lease), which may create a conflict of interest. While it is generally expected that any such transaction would be on arm's length terms, it is possible that the portfolio company may pay higher fees or receive fewer benefits in the transaction than it would if the counterparty to the transaction were an entity other than JPMC, which will ultimately impact the client portfolios' performance and returns. The Adviser will be guided when appropriate by more specific policies and procedures in relation to such conflicts and consistent with its overall obligations as a fiduciary to its clients.

Recommendations and Investments Related to Affiliates

For certain accounts and on a discretionary basis with client consent, the Adviser invests client assets in funds that are advised by the Adviser, including the JPMorgan Funds. In general, client assets invested in these funds will be excluded from the calculation of investment management fees payable to the Adviser. In addition, with the consent of the client, free cash balances are generally invested in shares of an affiliated money market fund. In such cases, clients are advised that the value of the money market fund shares will be included in determining both the Adviser's investment management fee, and the Adviser's management fee as adviser to the affiliated money market fund.

The Adviser recommends its affiliated investment advisers to clients, and with client consent, the Adviser invests client assets in funds managed by its affiliates. These affiliated investment advisers include Bear Stearns Asset Management Inc., Highbridge Capital Management LLC, JF International Management Inc., J.P. Morgan Alternative Asset Management Inc., JPMorgan Asset Management (Canada) Inc., JPMorgan Asset Management (UK) Limited, and Security Capital Research &

Management Inc. The Adviser faces a conflict of interest between making allocations and reallocations in the interest of its clients and making such allocations and reallocations in the interest of such affiliated investment advisers. In order to avoid a number of conflicts of interest in such scenarios, the Adviser generally does not charge dual level fees as described in [Item 5.E](#). Additional conflicts are addressed in [Item 11B](#).

Insurance Companies

JPMAM(UK) acts as adviser, sub-adviser and/or marketing agent for a series of unit-linked pooled funds of JPMorgan Life Limited, a United Kingdom insurance company.

Pricing and Trading Platforms

JPMAM(UK) works closely with its United States based investment advisory affiliates JPMorgan Chase Bank N.A., and J.P. Morgan Investment Management Inc ("JPMIM"). JPMIM is registered with the SEC as an investment adviser, and CFTC and the NFA as a Commodity Trading Advisor and Commodity Pool Operator. JPMAM(UK) provides investment management services to clients of affiliated investment advisers, and/or related persons, who share JPMAM(UK)'s portfolio and/or trading platform.

Currently, Emerging market debt securities may be valued using market quotations provided by Emerging Market Research ("EMR"), a pricing product supplied by JPMSI, a related person of JPMAM(UK). EMR is an industry standard for end of day price evaluations used by buy side firms. All institutional clients of JPMSI are provided access to this product at no charge and the prices reflected are the same prices used to price the securities that comprise the JPMorgan Emerging Markets Bond Indices. Generally, an independent pricing source is used wherever possible for readily priced assets. Affiliated pricing sources for non readily priced assets may be considered subject to appropriate due diligence. Appropriate governance Forums and committee structures are utilized for approval of all pricing sources.

JPMC and its affiliates own interests in electronic communication networks and alternative trading systems (collectively "ECNs"), although these interests are not significant enough to cause the ECNs to be designated as an affiliate of the Adviser. The Adviser will only execute a trade through an ECN that is a related person where the Adviser reasonably believes it to be in the best interests of clients and the requirements of applicable law have been satisfied. In addition, the Adviser may execute foreign currency transactions using ECNs in which an affiliate may have an equity interest. As discussed in further detail in [Item 12](#), the Adviser strives to ensure that transactions with affiliates and related persons are subject to the Adviser's duty of achieving best execution for its clients.

Participating Affiliates

JF Asset Management Limited and JPMorgan Asset Management (Japan) Limited, JPMorgan Asset Management (Singapore) Limited, being wholly owned subsidiaries of JPMorgan Chase & Co., are "Participating Affiliates" (as that term has been defined by the Division of Investment Management of the Securities and Exchange Commission in various no-action letters) of JPMAM(UK) by providing investment advice through JPMAM(UK) to JPMAM(UK)'s US clients. The Participating Affiliates are not registered as investment advisers under the Investment Advisers Act.

Outside Counsel Engagement

JPMC and its affiliates have entered into arrangements with service providers that include fee discounts for services rendered to JPMC and its affiliates. For example, certain law firms retained by JPMC or one or more of its affiliates discount their legal fees based upon the type and volume of services provided to JPMC or its affiliates. The cost of legal services paid by the Adviser's clients is separately negotiated and is not included in the negotiation or calculation of the JPMC rate and, as a

result, the fees that are charged to the clients typically reflect higher billing rates. In the event that legal services are provided jointly to JPMC or its affiliates and a client with respect to a particular matter, the client and JPMC will each bear their pro-rata share of the cost of such services which may reflect the JPMC discount or a higher rate, depending on the facts and circumstances of the particular engagement.

D Material Conflicts of Interest Relating to Other Investment Advisers

JPMAM(UK) does not recommend or select unaffiliated investment advisers for its clients, and does not have other business relationships with other investment advisers that create a material conflict of interest.

ITEM 11

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

A Code of Ethics

The JPMC Code of Conduct (the "Code of Conduct") is a collection of rules and policy statements intended to assist JPMC employees and directors in making decisions about their conduct in relation to the firm's business. The Code of Conduct applies to all JPMC employees (including employees of JPMAM(UK)) and all employees are required to comply with its terms as a condition of continued employment. In addition, JPMAM(UK) employees must adhere to the JPMAM Code of Ethics (the "Code of Ethics"), which establishes more stringent standards than the Code of Conduct and reflects the fiduciary obligations of JPMAM(UK) and its supervised persons. JPMAM(UK) and its registered investment advisory affiliates have adopted the Code of Ethics pursuant to Rule 204A-1 under the Advisers Act. A copy of the Code of Ethics is available free of charge to any client upon request.

Code of Ethics

The Code of Ethics requires that JPMAM(UK)'s employees and other supervised persons place the interests of clients before their own personal interests at all times and avoid any actual or potential conflict of interest. All real or potential conflicts of interest must be disclosed to the Compliance Department, including those in which the employee may have been placed inadvertently due to either business or personal relationships with customers, suppliers, business associates, or competitors of JPMC, or with other JPMC employees. Certain transactions or activities may be restricted by the Code of Conduct, the Code of Ethics or Compliance policies. The Code of Ethics contains policies and procedures relating to:

- Personal trading policies, including reporting and pre-clearance requirements for certain personnel of the Adviser;
- Confidentiality obligations to clients set forth in the JPMC Privacy Policy; and
- Employee conflicts of interest, including policies relating to restrictions on trading in securities of clients and suppliers, gifts and entertainment, political and charitable contributions and outside business activities.

In general, the personal trading rules under the Code of Ethics require that accounts of employees and associated persons be maintained with a designated broker and that all trades in reportable securities for such accounts are pre-cleared and monitored by compliance personnel. The Code of

Ethics also prohibits certain types of trading activity, such as short-term and speculative trades. Employees of JPMAM(UK) generally must obtain approval prior to engaging in all security transactions, including those in private placements. In addition, certain employees of JPMAM(UK) are not permitted to buy or sell securities issued by JPMC in certain periods throughout the year prior to and following announcement of quarterly earnings. Certain "Access Persons" (generally defined as persons with access to nonpublic information regarding JPMAM(UK)'s recommendations to clients or purchases or sales of securities for client accounts and advised funds) are prohibited from executing personal trades in a security or similar instrument five business days (typically seven calendar days) before and after a client or fund managed by that access person transacts in that security or similar instrument.

Information Barrier Policies

As part of a large financial services company, the Adviser may have access to material non-public information ("MNPI") about JPMC, its clients and other companies that conduct business with JPMC. The Adviser's system of information barriers is designed to restrict the flow of MNPI, maintain its fiduciary duties and protect the integrity of the Adviser's investment processes. The Adviser relies on its information barriers to preserve confidential information, mitigate potential conflicts and comply with applicable laws and regulations.

The Adviser's information barriers serve to prevent the inappropriate flow of MNPI and confidential information to and from the Adviser, to other public and private JPMC lines of business, and between the Adviser's sub lines of business. The Adviser's barriers include written policies and procedures to limit the sharing of such information on a need to know basis only and include various physical, technical and procedural controls to safeguard such information.

From time to time, the Adviser and its employees may acquire MNPI from non-JPMC sources. Pursuant to JPMC's barrier and safeguarding policies, when such information is obtained, the Adviser and its employees are prohibited from using the information to buy or sell securities until the information has been publicly disclosed or is no longer deemed material.

Under certain circumstances, the Adviser may conclude that transactions in a particular security need to be restricted and therefore, the security may be placed on a "restricted list" or "banned list". While the security is on the restricted list or banned list, the Adviser typically prohibits purchases, sales or other transactions in the security. The reasons for placing a security on the restricted list or banned list include, but are not limited to: (i) preventing the Adviser from exceeding regulatory investment limitations with respect to the securities of companies in certain regulated industries, such as insurance companies and public utilities; (ii) avoiding a concentration in any particular issues; (iii) buttressing an information barrier by preventing the appearance of impropriety in connection with trading decisions or recommendations; and (iv) preventing the use or appearance of the use of inside information.

These information barrier policies and safeguards restrict the Adviser's ability to access certain information, which, if known to the Adviser, could cause the Adviser to seek to dispose of, retain or increase interests in investments held by clients or acquire certain positions on behalf of its clients, or other information that may be relevant to the management of client assets, while other advisers, including affiliated advisers, have broad access to information and trade differently from the Adviser potentially based on such information not available to the Adviser.

JPMC is a global financial services firm that provides a variety of services for, and advice to, many types of clients. While providing such services, some divisions of JPMC, such as investment banking and JPMAM(UK)'s private equity business, routinely have access to confidential information, some or all of which may be material, non-public information, (i.e., "inside information"). In order to prevent the flow of inside information from a so-called "insider" area to a "public" area of JPMC, JPMC has

established informational barriers that seek to prohibit anyone in an insider area from communicating any non-public information, however obtained, to anyone in a public area. In order to prevent the inadvertent flow of such information, employees in insider areas are generally physically segregated from employees in public areas. Furthermore, JPMAM(UK) safeguards the investment research and analysis on which its investment decisions are based to prevent "front running" (i.e., the misuse of such information prior to the execution of a trade on behalf of clients). However, subject to certain constraints, employees of JPMAM(UK) generally may discuss "best practices" or topics of a general, non-confidential nature with employees of JPMAM(UK) as well as other parts of JPMC.

From time to time, JPMAM(UK) and its employees may acquire MNPI from non-JPMC sources. However the inside information may be obtained, in compliance with JPMC's information sharing policies and insider trading policy, JPMAM(UK) and its employees are prohibited from using such information to buy or sell securities until such information has been disclosed to the public or is no longer material.

B Securities in Which JPMAM(UK) or a Related Person Has a Material Financial Interest

From time to time the Adviser recommends, purchases, or sells securities for client accounts in which it, or related persons, has a financial interest. As an example, the Adviser can select, on a discretionary basis, funds in which the Adviser acts as the investment manager, including funds that may hold illiquid securities or funds to which it or related persons have provided seed capital. In certain circumstances, the Adviser's related persons issue recommendations on securities held by the Adviser's client portfolios that are contrary to investment activities of the Adviser. Additionally, employees of the Adviser or its related persons may hold the same or similar securities as client portfolios, and from time to time may recommend such securities for purchase or sale in clients' portfolios in the normal course of business. Similarly, employees or related persons of the Adviser who maintain private equity interests may hold the same or similar interest as client portfolios. Furthermore, the Adviser and its related persons may invest in a private fund on behalf of their clients, and thereby hold a significant portion of the interests in such private fund. This may give rise to certain conflicts. For instance, preferential terms may be granted to JPMC clients as a result of the aggregate size of the commitments by all of such JPMC clients to a private fund, and the Adviser and its related persons could have an incentive not to withdraw an investment from any such private fund when they might otherwise wish to do so for a client in order to preserve the preferential terms for all of their clients. The Adviser has established governance protocols (including approvals by committee and control groups), informational barriers and has adopted various policies and safeguards in order to address conflicts of interest that may arise from such activities. In addition, the Adviser has mechanisms in place to assess its management of conflicts of interest, to monitor and test such mechanisms as well as training employees.

When permitted by applicable law and the Adviser's policy, the Adviser, acting on behalf of its advisory accounts, from time to time enters into transactions in securities and other instruments with or through JPMC and its affiliates and related persons, and causes accounts to engage in principal transactions, cross transactions, and agency cross transactions. There are inherent or potential conflicts of interest or regulatory issues relating to these transactions which could limit the Adviser's decision to engage in these transactions for accounts. The Adviser faces a conflict of interest when it engages in a principal or agency transaction on behalf of its clients, because such transactions result in additional compensation to JPMC. The Adviser has developed policies and procedures which address such conflicts of interest, and any principal, cross or agency cross transaction will be effected in accordance with fiduciary requirements, applicable law, and internal policy.

In addition, in some instances a security to be sold by one client account may independently be considered appropriate for purchase by another client account. In such cases, JPMAM(UK) may cause the security to be "crossed" or transferred directly between the relevant accounts at an independently determined market price and without incurring brokerage commissions, although

customary custodian fees and transfer fees may be incurred (no part of which will be received by JPMAM(UK)). No such transactions will be effected unless JPMAM(UK) determines that the transaction is in the best interest of each client account and permitted by applicable law.

Principal Transactions

In a “principal transaction,” the Adviser, acting on behalf its advisory accounts, buys a security from, or sells a security to, the account of a client via the Adviser’s own account without using a brokerage firm to facilitate the trade. The Adviser may, from time to time, and subject to applicable laws and internal policy, engage in a principal transaction with a client if the Adviser reasonably believes that the transaction will be in the best interests of the client. Section 206(3) of the Adviser’s Act requires that the Adviser obtain consent prior to entering into a principal transaction with a client. Accordingly, the Adviser will notify the client that the trade will be conducted on a principal basis with the Adviser or a related person and obtain the client’s consent prior to the completion of the transaction. Before entering into a principal transaction with the Adviser or a related person, the Adviser will attempt to obtain competitive quotes from non-related persons that the Adviser reasonably believes are in a position to quote favorable prices for the transaction.

If permitted by law, authorized by the client in writing and in the client’s best interest, the Adviser or its related persons may on occasion, lend securities held in a client’s account to a related person, subject to applicable law and the disclosure and consent policies described above.

Cross and Agency Cross Transactions

A “cross transaction” occurs when the Adviser arranges a transaction between different advisory clients where they buy and sell securities or other instruments from, or to each other. For example, in some instances a security to be sold by one client account may independently be considered appropriate for purchase by another client account. In such cases, the Adviser may, but is not required, to cause the security to be “crossed” or transferred directly between the relevant accounts at an independently determined market price and without incurring brokerage commissions, although customary custodian fees and transfer fees may be incurred, no part of which will be received by the Adviser. The Adviser faces potentially conflicting duties of loyalties and responsibilities to the parties in such transactions. No such transactions will be effected unless the Adviser determines that the transaction is in the best interest of each client account and permitted by applicable law. Where a registered investment company participates in a cross trade, the Adviser will comply with procedures adopted pursuant to Rule 17a-7 under the 1940 Act and related regulatory authority.

Futures Execution and/or Clearing

The Adviser’s related persons may provide futures execution and/or clearing services for a fee. For certain institutional accounts, the Adviser or a related person may execute client-directed orders through a related person on an agency basis. In these cases, the Adviser or related person acts in a fiduciary capacity, and the other related person will receive normal consideration for services rendered. Please see [Item 12.A.3](#) for additional information regarding conflicts of interest associated with directed brokerage.

Potential Conflicts Related to JPMAM(UK)’s Activities

The Adviser may invest in direct private equity offerings which involve an advisory affiliate and/or related person who are participants in the offering. Although clients of the Adviser may participate in the same offering at the same purchase price as the Adviser, advisory affiliates and/or related persons may sell prior to, and at a higher price than the Adviser’s clients. Similarly, the Adviser may

participate in such offerings at a higher price than advisory affiliates and/or related persons that may already hold an equity position in the issuer. Such investments may provide a return of capital for an existing investment by a related person. In order to address potential conflicts of interest arising from such activities, the Adviser has created a process for direct investing which includes a requirement to pre-clear direct investments with the Conflicts Office. The Conflicts Office was established by JPMC to review business activities in order to avoid or manage any actual or perceived conflicts of interests and/or reputational risks. The Conflicts Office works closely with JPMAM Legal, Compliance and senior business heads to address any such conflicts.

In the ordinary course of business, and subject to compliance with applicable regulations, the Adviser or related persons provide the initial funding necessary to establish new funds for the purpose of developing new investment strategies and products. These "seeded" funds may be in the form of registered investment companies, private funds such as partnerships, limited liability companies and may invest in the same securities as other client accounts. Such investments will be redeemed from time to time as permitted by the governing documentation of such funds and applicable regulations. A large redemption of shares by the Adviser could result in the fund selling securities when it otherwise would not have done so, accelerating the realization of capital gains and increasing transaction costs. A large redemption could significantly reduce the assets of a fund, causing a higher expense ratio and decreased liquidity. From time to time, the Adviser uses derivatives to hedge all or a portion of these seed capital investments. As a result of the infusion of seed capital from the Adviser or related person, the Adviser may be precluded from buying or selling certain securities, including, but not limited to, IPOs. These funds and accounts may, and frequently do, invest in the same securities as client accounts. The Adviser's policy is to treat such accounts in the same manner as client accounts for purposes of trading allocation.

The Adviser or related person, from time to time, makes a proprietary investment in U.S. or non-U.S. pooled investment vehicles that may also include client assets managed by the Adviser or another unaffiliated entity. As a result of such investment, the Adviser may receive representation on the pooled investment's board of directors, advisory committee or another similar group, and may participate in general operating activities. Additionally, certain of the Adviser's employees are permitted to invest in these pooled vehicles managed by the Adviser and they may benefit from the investment performance of those funds and accounts. In order to manage conflicts of interest that arise in connection with such activities, the Adviser requires all employees to report their participation to the board of directors, advisory committee or other similar committees to the JPMC corporate secretary and the JPMAM Compliance Department. In addition, employees' investments in private placements must be pre-cleared. The JPMAM Compliance Department is responsible for reviewing these pre-clearance requests and monitoring the activities of employees holding such positions for conformity with JPMAM(UK) policies.

The Volcker Rule may prohibit or limit the ability of the Adviser and its affiliates to engage in certain of these activities in the future. Among other things, the Volcker Rule generally prohibits pooled investment vehicles from engaging in transactions that would cause a banking entity or its affiliates to have credit exposure to a pooled investment vehicle managed by its affiliates, that would involve or result in a material conflict of interest between the banking entity and its clients, customers or counterparties, or that would result, directly or indirectly, in a material exposure by the banking entity to high-risk assets or high-risk trading strategies. These restrictions could materially adversely affect accounts that are, or are invested in, pooled investment vehicles, because the restrictions could limit a pooled investment vehicle from obtaining seed capital, loans or other commercial benefits from the Adviser.

If permitted by a client's investment objectives, and subject to compliance with applicable law, regulations and exemptions, the Adviser will purchase securities for client accounts during an underwriting or other offering of such securities in which a broker-dealer affiliate of the Adviser acts as

a manager, co-manager, underwriter or placement agent. The Adviser's affiliate typically receives a benefit in the form of management, underwriting or other fees. Affiliates of the Adviser may also act in other capacities in such offerings and the affiliate will receive a fee, compensation, or other benefit for such services.

From time to time, JPMAM(UK) or its affiliates may engage in transactions that may be deemed investments in an affiliate. For example, JPMAM(UK) may purchase on behalf of its clients securities offered by a company in which JPMAM(UK) is a current investor, or in which an employee and/or an affiliate of JPMAM(UK) may serve as a director, officer or in another similar capacity. Depending on the percentage of the issuer company's securities held by JPMAM(UK), and the type of investment vehicle holding the securities, JPMAM(UK) or its affiliate may become an affiliate of the issuer company. Such transactions may cause JPMAM(UK) or its affiliates to receive a direct or indirect benefit (e.g., JPMAM(UK) may receive advisory fees on the portion of client holdings invested in such affiliated issuers).

Purchases involving affiliated broker-dealers, or other affiliates of the Adviser, must comply with the Advisers Act, the 1940 Act, any other applicable laws (such as ERISA with respect to employee benefit plan clients), and any prohibited transaction exemptions.

In addition, the Adviser may, subject to applicable law, participate in structured fixed income offerings of securities in which a related person acting on behalf of an issuer serves as trustee, depositor, originator, service agent or other service provider, and receives fees for such service. The related person may act as the originator of loans or receivables for the structured fixed income offerings in which the Adviser may invest for clients. Participation in such offerings may directly or indirectly relieve obligations of a related person.

Such relationships may at times indirectly preclude the Adviser from engaging in certain transactions on behalf of its clients and may constrain the investment flexibility of client portfolios. For example, when The Adviser's affiliate is the sole underwriter of an initial or secondary offering, the Adviser's clients could not purchase in the offering. In such case the number of securities and counterparties available to the Adviser's clients will be fewer than are available to clients of advisers that are not affiliated with major broker dealers. . In addition, clients' direct or indirect investments in the securities, secured loans or other obligations of companies affiliated with JPMC or in which the Adviser or its related persons have an equity, debt or other interest may result in other clients of the Adviser, the Adviser or its related persons being relieved of obligations. The purchase, holding and sale of investments by the Adviser on behalf of its clients may enhance the profitability of JPMC's own investments in and its activities with respect to such companies.

From time to time and subject to applicable law, the Adviser may invest in fixed income or equity instruments or other securities that represent a direct or indirect interest in securities of JPMC or its affiliates, including JPMC stock. The Adviser will receive advisory fees on the portion of client holdings invested in such instruments or other securities and may be entitled to vote or otherwise exercise rights and take actions with respect to such instruments or other securities on behalf of its clients. Generally, such activity occurs when a client account includes an index or enhanced index strategy that targets the returns of certain indices in which JPMC securities are a key component. The Adviser has implemented guidelines for rebalancing a client's portfolio when it involves the purchase or sale of the securities of the Adviser or one of its affiliates and minimizes the level of investment in securities of the Adviser and its affiliates. In addition, the Adviser utilizes a third party proxy voting firm to vote shares of the securities of the Adviser or one of its affiliates that are held in a client account.

When permitted by applicable law and a client's investment guidelines, and when considered by the Adviser to be in the client's best interest, the Adviser may invest the assets of the client in various

collective investment vehicles and other securities investment vehicles with respect to which the Adviser or its affiliates may receive compensation for advisory, administration, trust or other services. When required by law, client consent will be obtained with respect to these investments. Also, the Adviser may waive all or part of its investment advisory fee with respect to assets invested in the fund or investment vehicle.

Certain portfolio managers of the Adviser that manage funds-of-funds have access to the holdings and may have knowledge of future investment strategies and techniques of certain underlying funds because they are portfolio managers of separately managed accounts following similar strategies as a fund-of-funds. They therefore face conflicts of interest in the timing and amount of allocations to an underlying fund, as well as in the choice of an underlying fund.

As part of a global financial services firm, the Adviser may be precluded from effecting or recommending transactions in certain client portfolios as a result of applicable law and/or other conflicts of interest. As a result, client portfolios managed by the Adviser may be precluded from acquiring, or disposing of, certain securities or instruments from time to time. This includes, but is not limited to, the securities issued by JPMC. However, with respect to voting proxies on behalf of the Adviser's clients, the Adviser, as a fiduciary, will vote proxies independently and in the best interests of its clients, as described in [Item 17](#). In addition, potential conflicts of interest also exist when JPMC maintains certain overall investment limitations on positions in securities or other financial instruments due to, among other things, investment restrictions imposed upon JPMC by law, regulation, contract or internal policies. These limitations have precluded and, in the future could preclude, certain clients from purchasing particular securities or financial instruments, even if the securities or financial instruments would otherwise meet the investment objectives of such clients. For example, there are limits on the aggregate amount of investments by affiliated investors in certain types of securities that may not be exceeded without additional regulatory or corporate consent. There are also limits on the writing of options by an investment fund that could be triggered based on the number of options written by the Adviser on behalf of other investment advisory clients. If certain aggregate ownership thresholds are reached or certain transactions are undertaken, the ability of a client to purchase or dispose of investments, or exercise rights or undertake business transactions, will be restricted.

Certain portfolio managers of the Adviser may manage multiple client accounts or investment vehicles, but these portfolio managers or employees of the Adviser are not required to devote all or any specific portion of their working time to the affairs of any specific clients and conflicts of interest from time to time do arise in allocating management time, services or functions among such clients, including clients that may have the same or similar type of investment strategies. The Adviser addresses this conflict by disclosing it to clients.

C Investing in Securities that JPMAM(UK) or a Related Person Recommends to Clients

The Adviser or one of its related persons may, for its own account, buy or sell securities or other instruments that the Adviser has recommended to clients or purchased or sold for its clients. In addition, JPMC or the Adviser's related persons may provide financial, consulting, investment banking, advisory, brokerage (including prime brokerage) and other services to, and receive customary compensation from, an entity which is the issuer of an equity or debt security held by clients, such as private funds managed by the Adviser or the portfolio companies in which such private funds invest. When the Adviser invests the assets of private funds in such equity or debt securities, such investments generally benefit JPMC or the Adviser's related persons that provide services to such issuers. In addition, in providing such services, JPMC or the Adviser's related persons may act in a manner that is directly detrimental to the Adviser's clients. Any fees or other compensation received by JPMC in connection with such activities will not be shared with the Adviser's clients. Such compensation could include financial advisory fees, monitoring fees, adviser

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

Furthermore, although the private funds' investments in such instruments benefit JPMC and other related persons, the activities of the JPMC and related persons are generally carried out independent of the Adviser's clients' investments and may be directly detrimental to the Adviser's clients' interests. The Adviser has established informational barriers and has adopted various policies and safeguards in order to address conflicts of interest that may arise from such activities. For additional information regarding such informational barriers, policies and safeguards, please see [Item 11.A](#).

D Conflicts of Interest Created by Contemporaneous Trading

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

The Adviser and/or its affiliates ("JPMorgan Chase") perform investment services, including rendering investment advice, to varied clients. The Adviser, JPMorgan Chase and its or their directors, officers, agents, and/or employees and/or JPMorgan Chase may render similar or differing investment advisory services to clients and may give advice or exercise investment responsibility and take such other action with respect to any of its other clients that differs from the advice given or the timing or nature of action taken with respect to another client or group of clients. It is the Adviser's policy, to the extent practicable, to allocate, within its reasonable discretion, investment opportunities among clients over a period of time on a fair and equitable basis. One or more of the Adviser's other client accounts may at any time hold, acquire, increase, decrease, dispose, or otherwise deal with positions in investments in which another client account may have an interest from time-to-time.

The Adviser, JPMorgan Chase, and any of its or their directors, partners, officers, agents or employees, may also buy, sell, or trade securities for their own accounts or the proprietary accounts of the Adviser and/or JPMorgan Chase. The Adviser and/or JPMorgan Chase, within their discretion, may make different investment decisions and other actions with respect to their own proprietary accounts than those made for client accounts, including the timing or nature of such investment decisions or actions. Further, the Adviser is not required to purchase or sell for any client account securities that it, JPMorgan Chase, and any of its or their employees, principals, or agents may purchase or sell for their own accounts or the proprietary accounts of the Adviser, or JPMorgan Chase or its clients.

The potential for conflicts of interest exists when JPMAM(UK)'s portfolio managers manage accounts with similar investment objectives and strategies. Potential conflicts may include, for example, conflicts in the allocation of investment opportunities for similar accounts.

Responsibility for managing JPMAM(UK)'s client portfolios is organized according to investment strategies within asset classes. Generally, client portfolios with similar strategies are managed by

portfolio managers in the same portfolio management group using the same objectives, approach and philosophy. Therefore, portfolio holdings, relative position sizes and industry and sector exposures tend to be similar across similar portfolios.

JPMAM(UK) may receive more compensation with respect to certain similar accounts or may receive compensation based in part on the performance of some of its similar accounts. Potential conflicts of interest may arise with the allocation of securities transactions and allocation of limited investment opportunities, particularly for accounts that allow for the use of leverage. In certain instances portfolio managers may manage accounts with less restrictive investment guidelines allowing for the use of leverage. In such accounts the portfolio manager generally will allocate securities based on the account's market value inclusive of the desired leverage, causing a potential conflict of interest. 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 JPMAM(UK) may have an incentive to allocate securities that are expected to increase in value to favored accounts. New issue offerings, in particular, are frequently of limited availability. 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 JPMAM(UK) manages accounts that engage in short sales of securities of the type in which similar accounts invest, JPMAM(UK) could be seen as harming the performance of one account for the benefit of the accounts engaging in short sales if the short sales cause the market value of the securities to fall.

JPMAM(UK) has established policies and procedures designed to manage the conflicts described above. JPMAM(UK) has allocation and order aggregation practices in place designed to achieve fair and equitable allocation and execution of investment opportunities among its client accounts over time and designed to comply with the securities laws and other applicable regulations. See Item 12.B. for a description of these practices. JPMAM(UK) monitors a variety of areas, including compliance with account guidelines, review of IPO and new issue allocation decisions, compliance with the Code of Ethics, and a review of any material discrepancy in the performance of similar accounts.

From time to time, JPMAM(UK) may have clients who, through the normal course of the investment process, may own different classes of securities by the same issuer. Consequently, in the event of default or bankruptcy by the issuer, JPMAM(UK) may be involved in negotiations on behalf of holders of different classes of securities. As such, JPMAM(UK) will continue to act in the best interest of its clients, irrespective of the client's holdings and ability to recoup the value of their original investment.

Potential conflicts of interest may also arise as a result of the Adviser's current policy to endeavor to manage its clients' portfolios so that the various requirements and liabilities imposed pursuant to Section 16 of the Securities Exchange Act of 1934 ("Section 16" and the "Exchange Act", respectively) are not triggered. Section 16 applies, inter alia, to "beneficial owners" of 10% or more of any security subject to reporting under the Exchange Act. In addition to certain reporting requirements, Section 16 also imposes on such "beneficial owner" disgorgement requirement of "short-swing" profits deriving from purchase and sale or sale and purchase of the security, executed within a six-month period. The Adviser may be deemed to be a "beneficial owner" of securities held by its advisory clients. Consequently, and given the potential ownership level of the various Adviser's accounts and funds managed for its clients, the Adviser may limit the amount of, or alter the timing, of purchases of securities, in order not to trigger the foregoing requirements. That means that certain contemplated transactions that otherwise would have been consummated by the Adviser on behalf of its clients may not take place, may be limited in their size or may be delayed.

Allocations of aggregated trades, particularly trade orders that were only partially completed due to limited availability (as is frequently the case in new issue offerings), could raise a potential conflict of interest because the Adviser has an incentive to allocate such securities to favored accounts. For example, the Adviser may receive more compensation from one account than it does from a similar account or may receive compensation based in part on the performance of one account, but not a similar account, which could incentivize the Adviser to allocate opportunities of limited availability to the account that generates more compensation for the Adviser. . In addition, it may be perceived as a conflict of interest when activity in one account closely correlates with the activity in a similar account, such as when a purchase by one account increases the value of the same securities previously purchased by another account, or when a sale in one account lowers the sale price received in a sale by a second account. If the Adviser manages accounts that engage in short sales of securities in which similar accounts invest, the Adviser could be seen as harming the performance of one account for the benefit of the account engaging in short sales if the short sales cause the market value of the securities to fall. Also, there may be certain private funds managed by the Adviser or related persons that hold exclusivity rights to certain investments and therefore, other clients may be prohibited from pursuing such investment opportunities and may find that their ability to participate in any particular opportunity may be substantially limited. The Adviser also faces conflicts of interest when the amount of an investment opportunity available to a private fund exceeds the amount the private fund is able to invest and the Adviser decides to offer co-investment opportunities to other clients, including any strategic investors that have a significant financial and business relationship with the Adviser. The Adviser may have an incentive to offer such co-investment opportunities to such parties in order to maintain its existing relationship with such parties or to influence such parties' decision to participate in other financial or business relationships. In certain instances, the Adviser may cause a private fund to fund on behalf of certain co-investors with a view to selling down a portion of such investment to the co-investors at a later time. The private fund may not receive compensation for such activities and if the potential co-investors breach their covenant to purchase such investment, the private fund may have an allocation to an investment that is larger than originally anticipated. In addition, it may be perceived as a conflict of interest when activity in one account closely correlates with the activity in a similar account, such as when a purchase by one account dilutes or increases the value of the same securities previously purchased by another account, or when a sale in one account lowers the sale price received in a sale by a second account. If the Adviser manages accounts that engage in short sales of securities in which similar accounts invest, the Adviser could be seen as harming the performance of one account for the benefit of the account engaging in short sales if the short sales cause the market value of the securities to fall.

The Adviser from time to time utilizes the services of affiliated pricing vendors for assistance with the pricing of certain securities. For additional information regarding affiliated pricing vendors, see [Item 10.C](#). In addition, securities for which market quotations are not readily available, or are deemed to be unreliable, are fair valued in accordance with established policies and procedures. Fair value situations could include, but are not limited to:

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

There is an inherent conflict of interest where the Adviser or its affiliate values securities or assets in client accounts or provides any assistance in connection with such valuation and the Adviser is

receiving a fee based on the value of such assets. Overvaluing certain positions held by clients will inflate the value of the client assets as well as the performance record of such client accounts which would likely increase the fees payable to the Adviser. With respect to certain private equity strategies, the valuation of investments may also affect the ability of the Adviser to raise successor funds. As a result, there may be circumstances where the Adviser is incentivized to determine valuations that are higher than the actual fair value of investments.

In addition, the Adviser may value identical assets differently in different private funds due to, among others, different valuation guidelines applicable to such private funds or different third party pricing vendors. Also, it should be recognized that certain units within JPMC may assign a different value to identical assets than the Adviser because these units may have certain information regarding valuation techniques and models or other information relevant to the valuation of a specific asset or category of assets, which they do not share with the Adviser. The various lines of business within the Adviser typically will be guided by specific policies and requirements with respect to valuation of client holdings. Such policies may include valuations that are provided by third parties, when appropriate, as well as comprehensive internal valuation methodologies.

ITEM 12

Brokerage Practices

A Factors Considered in Selecting or Recommending Broker – Dealers for Client Transactions

The Adviser selects brokers for the execution of transactions for client accounts in accordance with its best execution policies and procedures. In making a decision about best execution, the Adviser considers a number of factors including, but not limited to, the:

- Price per unit of the security;
- Broker's execution capabilities;
- Commissions charged;
- Broker's reliability for prompt, accurate confirmations and on-time delivery of securities;
- Broker's financial condition; and
- Broker's ability to provide access to public offerings.

For those markets and instruments where commissions are paid, JPMAM(UK) must arrange commissions in such a way as not to discriminate unfairly between execution venues. Importantly, JPMAM(UK)'s portfolio managers have no discretion to direct trades to particular brokers in order to generate commissions to pay for advisory services. JPMAM(UK) periodically evaluates general industry practices with respect to commission levels and rates charged by brokerage firms. Additionally, JPMAM(UK) periodically evaluates general industry practices with respect to commission levels and fees charged by brokerage firms, which allows JPMAM(UK) to take advantage of the competitive environment in negotiating commission rates that are considered fair and reasonable for its clients. There is a standard rate of commission for all brokers within each market with special terms negotiated for certain orders. Negotiated commissions take into account the difficulty involved in

execution, the time taken to conclude a transaction, the extent of the broker's commitment, if any, of its own capital and the amount of capital involved in a transaction. While JPMAM(UK) generally seeks the most favorable price in placing its orders, an account may not necessarily pay the lowest price available. In accordance with applicable law, JPMAM(UK) may select brokers who charge a commission in excess of that charged by other brokers, if JPMAM(UK) determines in good faith that the commission to be charged is reasonable in relation to the brokerage services provided to JPMAM(UK).

One part of obtaining best execution is minimizing counterparty risk. The Adviser's Risk Management Department is responsible for:

- Setting risk policies and procedures worldwide;
- Monitoring implementation of these policies and procedures; and
- Reviewing and approving all proposed trading counterparties;

In an effort to monitor and minimize counterparty risk, the Risk Management Department communicates the list of approved counterparties to the trading desks globally and relies heavily on proprietary research performed by the Adviser's global team of credit and research analysts to make its counterparty assessments. Monitoring credit exposures is an ongoing responsibility, and the Adviser adjusts limitations on exposure to counterparties as circumstances change.

1. Research and Other Soft Dollar Benefits

JPMAM(UK) has in place a global policy on the use of equity trading commissions which describes how JPMAM(UK) manages the use of equity trading commissions arising from the execution of transactions on behalf of its clients. This may sometimes be referred to as a 'soft dollar policy'.

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

The commission charges often incurred on equity transactions are passed directly to the clients' accounts which are party to the transactions. JPMAM(UK) only uses commission charged by brokers to purchase goods or services that are directly related to the execution of trades or amounts to the provision of research. JPMAM(UK) must identify the circumstances in which commissions can be used to pay for execution and research goods and services, and that such usage complies with all applicable regulatory requirements.

With respect to fixed income transactions, JPMAM(UK) 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 trading equity security transactions, JPMAM(UK) may make payments for research either via a portion of the commission paid to the executing broker, or subject to client participation via payment adjustments made through client commission sharing arrangements (CCSA). CCSA are managed by the investor support teams and therefore are fully separated from the best execution and investment management decisions.

Where CCSA broker agreements are in place, a portion of the commission paid to the executing broker is set aside to be used as part of a commission sharing arrangement. Payments for research

received from brokers other than the executing broker and/or independent research providers may then be instructed using any commissions accumulated via this commission sharing arrangement. CCSAs are not dependent upon placing specific volumes of business with individual brokers and commission rates are the same for all equivalent trades with brokers, irrespective of client or broker CCSA participation.

JPMAM(UK) only enters into CCSA where it assists in the provision of investment management services and where JPMAM(UK) is satisfied that the transactions generating CCSA credits are in strict compliance with the regulatory requirements including best execution. JPMAM(UK) believes such arrangements are useful in its investment decision-making process by, among other things, ensuring access to a variety of high quality research-that JPMAM(UK) might not otherwise be provided absent such arrangements.

JPMAM(UK)'s policy is that its client's equity trading commissions may only be used to pay for execution and research. In order to be considered goods and services permitted to be paid using client commissions, the following definitions must be met:

Execution: Goods and services would be considered part of execution if they are linked to the arranging and conclusion of a specific investment transaction(s) and they are provided between the time of the decision and the time of the transaction(s). Consequently, for example, post trade analysis does not constitute execution.

Research: Goods and services would only be considered eligible for payment using client commissions if the research is:

- capable of adding value to the investment decision by providing new insights that inform the investment decision, and
- representing original thought in the critical and careful consideration of new and existing facts, and
- intellectually rigorous and does not merely state what is commonplace or self-evident, and
- presenting the investment manager with meaningful conclusions based on the analysis or manipulation of data, and
- assisting GIM in the provision of services to its clients.

JPMAM(UK) will not use client commissions to purchase data or quotation services, or computer hardware/software, even though these may be permitted in some jurisdictions.

Research related goods and services include, but are not limited to, advice regarding the purchase, sale, value and availability of securities; and analyses and reports concerning issuers, industries, securities, markets, economic factors and trends, portfolio strategy and the analysis of accounts. Research may be provided via written reports, electronic systems, telephone calls or in person meetings.

When JPMAM(UK) uses client brokerage commissions to obtain research, JPMAM(UK) receives a benefit because it does not have to produce or pay for the research itself. As a result, JPMAM(UK) may have an incentive to select a particular broker-dealer in order to obtain the research from that broker-dealer, rather than to obtain the lowest price for execution. Procedures and controls are in place to monitor executions and the use of research.

The use of client commissions to pay for research services obtained must fall within the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a safe harbor that protects a money manager from liability for a breach of fiduciary duty solely because it pays more than the lowest available commission rate. Section 28(e) requires that the research services obtained with client brokerage commissions provide lawful and appropriate assistance in the

decision-making process, and that the amount of the client commission is reasonable in relation to the value of the products or services provided by the broker-dealer.

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

The research obtained via soft dollars is used to benefit all of JPMAM(UK)'s clients, not only for the client accounts that generated the credits. Additionally, the research is not allocated to client accounts proportionately to the credits the accounts generate. Also, JPMAM(UK) may share research reports, including those that have been obtained as soft dollar benefits, with advisory affiliates and related persons, including offshore affiliated advisers.

With respect to pension plan clients subject to ERISA, soft dollar benefits received by JPMAM(UK) constitute "indirect compensation" under the ERISA Section 408(b)(2) regulations. The decision as to the type of trade, and therefore the amount of the soft dollar benefits, if any, that are obtained in connection with the plan's account are always in accordance with our best execution policy and therefore cannot be estimated in advance. If applicable, soft dollar amounts will be disclosed to the plan each year for purposes of Form 5500 Schedule C reporting.

2. Brokerage for Client Referrals

JPMAM(UK) does not select broker-dealers in order to receive client referrals. The factors used by JPMAM(UK) in selecting broker-dealers in order to execute trades are described in Item 12.A.

3. Directed Brokerage

Under certain conditions, JPMAM(UK) may accept written direction from a client to direct brokerage commissions from that client's account to a specific broker(s) in return for services provided by the broker to the client. Due to JPMAM(UK)'s overall objective in effecting client transactions consistent with its duty to achieve best execution, JPMAM(UK) generally will accept direction only with respect to a limited percentage of certain clients' overall trades on a "best efforts" basis. Consequently, JPMAM(UK) generally will not enter client orders with a directed broker when a pending order with a different broker will be providing a better execution. Under most circumstances, JPMAM(UK) will aggregate the client's order with the open order and place the combined order with the broker providing best execution. Where client orders are directed, clients may experience sequencing delays in order to meet directed brokerage requests, which may impact JPMAM(UK)'s ability to achieve best execution on behalf of such clients. Clients may forgo benefits, such as volume discounts, that JPMAM(UK) may have obtained for its non-directed accounts in a combined order.

B Order Aggregation

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

brokerage and soft dollar/commission sharing activities. Indications of interest for new issue securities will be aggregated for clients of JPMAM(UK) and appropriate clients of advisory affiliates and related persons, who will receive a fair and equitable allocation of securities in accordance with JPMAM(UK)'s allocation policy.

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

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

JPMAM(UK) has allocation practices in place that are designed to reasonably promote fair and equitable allocations of investment opportunities among its client accounts over time and to promote compliance with applicable regulatory requirements. Such practices are designed to reasonably ensure that accounts are treated in a fair and equitable manner. In general, orders involving the same investment opportunity are aggregated throughout each trading day, consistent with JPMAM(UK)'s obligation to obtain best execution for its clients. Partially completed orders will generally be allocated among participating accounts on a pro-rated average price basis.

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

The similarity of guidelines and objectives for many accounts in combination with thin markets, price volatility or lack of liquidity in the market may require that a block order be filled in multiple executions extending over several days. To promote fair and equitable allocation over time each account is allocated shares on a pro-rata basis to their original order. In certain circumstances the partial fills of the order could result in a client receiving an allocation that is too small to justify fixed transaction costs and custody costs associated with being included in the transaction. In these circumstances the traders may exclude small orders until such time as 50% of the total order is complete. At this stage the small orders will be executed. Under this process smaller orders will lag in the early part of the order but will be 100% filled before the completion of the total order. In certain circumstances the trader may override the individual amounts which would be automatically allocated to each account.

Examples of these circumstances are where a limit order applies, or to avoid a mismatch with a contingent trade. JPMAM(UK)'s policy regarding securities allocations requires portfolio managers to

use reasonable judgment consistent with fiduciary duties to clients in making any non-pro rata allocations that are in the best interest of the affected clients. Trade allocations are reviewed by compliance on a post trade basis to ensure fair treatment and consistent application.

ITEM 13

Review of Accounts

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

JPMAM(UK)'s portfolio managers are responsible for the continuous review of the 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.

By way of oversight, each of JPMAM(UK)'s investment groups conducts periodic reviews of its portfolio managers' accounts. As an additional tool to aid portfolio compliance monitoring, JPMAM(UK) maintains 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 and provides a daily review of positions data against various rules-based compliance tests applicable to client specific guidelines and restrictions, and product and regulatory requirements.

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

JPMAM(UK) may trigger a non-periodic review of an account as a result of client inquiry/complaints, dealing error or issues identified by Compliance or Investment Directors.

C Content and Frequency of Account Reports to Clients

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). JPMAM(UK) generally meets 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

JPMAM(UK) does not received economic benefits from others for providing investment advice or other advisory services to JPMAM(UK)'s clients.

B Compensation to Non-Supervised Persons for Client Referrals

JPMAM(UK) has compensated, 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 paid generally consists of a cash payment computed as a percentage of JPMAM(UK)'s advisory fee, although other methods of computation may be used.

ITEM 15**Custody**

For certain accounts, and subject to the relevant regulatory authorization, the Adviser is deemed to have custody of the client's assets because it, or a related person, holds client funds or securities either directly or indirectly. Clients will receive account statements at least quarterly directly from their broker-dealer, bank or other qualified custodian. Upon receipt, clients should carefully review the statements. Clients will also receive Statements of Assets from the Adviser on a monthly basis. Clients are urged to compare these statements with those received from their qualified custodian. If there is a significant difference in the information provided, clients should contact JPMAM(UK) immediately.

ITEM 16**Investment Discretion**

As described in Item 4.B, JPMAM(UK) provides discretionary investment management services. When JPMAM(UK) accepts discretionary authority to manage the securities and other assets of client accounts, JPMAM(UK)'s authority is set forth in an investment advisory, investment management or other written agreement with the client. JPMAM(UK)'s discretionary authority is subject to the provisions of the agreement with the client, including the objectives and investment guidelines the client establishes for the account.

ITEM 17**Voting Client Securities****A Policies and Procedures Relating to Voting Client Securities**

JPMAM(UK) may be granted by its clients the authority to vote the proxies of the securities held in client portfolios. To ensure that the proxies are voted in the best interests of its clients, JPMAM(UK) 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.

Pursuant to the Procedures, 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. For proxy matters that are not covered by the Guidelines (including

matters that require a case-by-case determination) or where a vote contrary to the Guidelines is considered appropriate, the Procedures require a certification and review process to be completed before the vote is cast. 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.

JPMAM(UK) has a proprietary Corporate Governance team who, with assistance from an independent proxy voting service, ensure that all proxy materials are processed in a timely fashion; vote all proposals that are clearly covered in the JPMorgan Asset Management Proxy Voting Procedures and Guidelines; provide JPMAM with a comprehensive analysis of each proxy proposal; and provide JPMAM with recommendations on how to vote each proxy proposal based on JPMorgan Asset Management Proxy Voting Procedures and Guidelines. It should be noted that JPMAM(UK) scrutinizes every proxy on a case-by-case basis. The investment analyst or portfolio manager always has the discretion to override the policy should individual circumstances dictate.

Responsibility for the formulation of voting policy in each region rests with the regional proxy committees, whose role is to review corporate governance policy and practice in respect of investee companies in each region and to provide a focal point for corporate governance issues. Each committee is composed of senior analysts, portfolio managers and corporate governance specialists. Representatives of legal and compliance have a standing invitation to attend, and can also be called upon whenever there is a compliance dimension to issues under discussion. Committees meet at least quarterly, or more frequently as circumstances dictate. Each regional proxy committee reports, in turn, to a global proxy committee, chaired by the Global Head of Equity, which has overall responsibility for our approach to governance issues worldwide, and for ensuring that regional policies comply with the firm's global governance principles.

In order to maintain the integrity and independence of JPMAM(UK)'s investment processes and decisions, including proxy voting decisions, and to protect JPMAM(UK)'s decisions from influences that could lead to a vote other than in the clients' best interests, JPMC (including JPMAM(UK)) 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(UK)'s investment professionals. Material conflicts of interest are further avoided by voting in accordance with JPMAM(UK)'s predetermined Guidelines. Examples of material conflicts of interest that could arise include, without limitation, circumstances in which: (i) management of a client or prospective client, distributor or prospective distributor of its investment management products, or critical vendor, is soliciting proxies and failure to vote in favor of management may harm JPMAM(UK)'s relationship with such company and materially impact JPMAM(UK)'s business; or (ii) a personal relationship between an officer of JPMAM(UK) and management of a company or other proponent of a proxy proposal could impact JPMAM(UK)'s voting decisions.

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

- Removing certain 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 application 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, which 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 JPMAM(UK) acted in the best interests of its clients.

A copy of JPMAM(UK)'s proxy voting procedures and guidelines are available upon request.

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

Some clients do not grant proxy voting authority to JPMAM(UK), in which case the right to vote client securities is retained by the client or other designated person. In such situations the client will generally receive proxies or other solicitations from the client's custodian or transfer agent. Clients may contact JPMAM(UK) if they have a question on a particular proxy voting matter or solicitation; however, the Adviser will not recommend how to vote where the Adviser does not have authority to do so.

ITEM 18

Financial Information

A Balance Sheet

Pursuant to SEC instructions, JPMAM(UK) is not required to include its balance sheet as part of this brochure.

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

Not applicable – JPMAM(UK) is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

C Bankruptcy Filings

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

APPENDIX A

Account Fees

<u>Currency Overlay</u>	Assets Under Management	Fee as a % of Assets
First	\$50,000,000	0.30%
Next	\$150,000,000	0.20%
Next	\$balance	0.10%
Minimum Investment: USD 100 million		

<u>Global Govt Core Fixed Income</u>	Assets Under Management	Fee as a % of Assets
First		
Next	\$50,000,000	0.25%
Next	\$50,000,000	0.20%
Next	\$balance	0.15%
Minimum Investment: USD 75 million		

<u>Global Aggregate Fixed Income</u>	Assets Under Management	Fee as a % of Assets
First		
Next	\$50,000,000	0.25%
Next	\$50,000,000	0.20%
Next	\$balance	0.15%
Minimum Investment: USD 75 million		

<u>European Equities (Higher Alpha)</u>	Assets Under Management	Fee as a % of Assets
First	\$75,000,000	1.00%
Next	\$150,000,000	0.95%
Next	\$balance	0.90%
Minimum Investment: USD 50 million		

<u>European Equities (Core)</u>	Assets Under Management	Fee as a % of Assets
First	\$75,000,000	0.45%
Next	\$150,000,000	0.40%
Next	\$balance	0.35%
Minimum investment: USD 50 million		

<u>Global Emerging Market Diversifiedⁱ</u>	Assets Under Management	Fee as a % of Assets
First	\$100,000,000	0.65%
Next	\$100,000,000	0.60%
	\$balance	0.55%
Minimum Investment: USD 100 million		

<u>Global Emerging Markets Equity Focus</u>	Assets Under Management	Fee as a % of Assets
First	\$100,000,000	0.75%
Next	\$100,000,000	0.70%
Next	\$balance	0.65%

Minimum Investment: USD 10 million

<u>Global Opportunities</u>	Assets Under Management	Fee as a % of Assets
First	\$50,000,000	0.60%
Next	\$50,000,000	0.50%
Next	\$balance	0.40%

Minimum Investment: USD 50 million

<u>Global Dividend/Equity Income</u>	Assets Under Management	Fee as a % of Assets
First	\$50,000,000	0.60%
Next	\$50,000,000	0.50%
Next	\$balance	0.40%

Minimum Investment: USD 50 million

<u>Global Dynamic/Intrepid</u>	Assets Under Management	Fee as a % of Assets
First	\$100,000,000	0.75%
Next	\$100,000,000	0.65%
Next	\$balance	0.50%

Minimum Investment: USD 100 million

<u>Global Focus</u>	Assets Under Management	Fee as a % of Assets
First	\$100,000,000	0.75%
Next	\$balance	0.65%

Minimum Investment: USD 100 million

<u>Global Unconstrained</u>	Assets Under Management	Fee as a % of Assets
First	\$100,000,000	0.65%
Next	\$100,000,000	0.60%
Next	\$balance	0.50%

Minimum Investment: USD 50 million

<u>Global Select Equity Plus</u>	Assets Under Management	Fee as a % of Assets
First	\$50,000,000	0.70%
Next	\$50,000,000	0.60%
Next	\$balance	0.50%

Minimum Investment: USD 50 million

<u>Global Financials</u>	Assets Under Management	Fee as a % of Assets
First	\$50,000,000	0.60%
Next	\$balance	0.50%

Minimum Investment: USD 100 million

<u>Global Healthcare</u>	Assets Under Management	Fee as a % of Assets
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First	\$50,000,000	0.60%
Next	\$balance	0.50%

Minimum Investment: USD 100 million

<u>Global Natural Resources</u>	Assets Under Management	Fee as a % of Assets
First		
Next		
Next	\$balance	0.85%

Minimum Investment: USD 100 million

<u>Global Developing Trends</u>	Assets Under Management	Fee as a % of Assets
First	\$50,000,000	0.60%
Next	\$50,000,000	0.50%
Next	\$balance	0.40%

Minimum Investment: USD 50 million

<u>Global Consumer Trends</u>	Assets Under Management	Fee as a % of Assets
First	\$50,000,000	0.60%
Next	\$50,000,000	0.50%
Next	\$balance	0.40%

Minimum Investment: USD 50 million

<u>International REI 100 Equity</u>	Assets Under Management	Fee as a % of Assets
First	\$50,000,000	0.225%
Next	\$balance	0.20%

Minimum Investment: USD 50 million

<u>International REI 200 Equity</u>	Assets Under Management	Fee as a % of Assets
First	\$50,000,000	0.30%
Next	\$balance	0.275%

Minimum Investment: USD 50 million

<u>GMAG - Global Balanced</u>	Assets Under Management	Fee as a % of Assets
Minimum Investment: USD 100 million	\$100,000,000 and over	0.75%

<u>GMAG - Convertible</u>	Assets Under Management	Fee as a % of Assets
Minimum Investment: USD 100 million	\$100,000,000 and over	0.75%

<u>GMAG – Income (Multi Asset)</u>	Assets Under Management	Fee as a % of Assets
Minimum Investment: USD 100 million (Fund of funds mandate only)	\$100,000,000 and over	0.60%

<u>GMAG – Total Return (Multi Asset)</u>	Assets Under Management	Fee as a % of Assets
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Minimum Investment: USD 100 million		0.6%
	\$100,000,000 and over	

<u>GMAG Alternative Beta</u>	Assets Under Management	Fee as a % of assets
Minimum Investment: USD 500 million	\$500,000,000 and over	0.75%

<u>Liquidity</u>	Assets Under Management	Fee as a % of Assets
	\$0 - 100,000,000	0.15%
	\$100 - 199,000,000	0.12%
	\$200 - 399,000,000	0.10%
	\$400 - 749,000,000	0.08%
	\$750 - 999,000,000	0.07%
	Over \$1,000,000,000	0.06%
Minimum Investment USD 100million		