

Item 1
Cover Page

FORM ADV, PART 2A
J.P. MORGAN SECURITIES DEFINED CONTRIBUTION PLAN
CONSULTING SERVICES PROGRAM BROCHURE

J.P. MORGAN SECURITIES LLC
SEC File No. 801-3702

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Additional information about J.P. Morgan Securities LLC also is available on the SEC’s website at <https://adviserinfo.sec.gov/>. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

INVESTMENT AND INSURANCE PRODUCTS ARE:

- NOT FDIC INSURED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY
- NOT A DEPOSIT OR OTHER OBLIGATION OF, OR GUARANTEED BY, JPMORGAN CHASE BANK, N.A. OR ANY OF ITS AFFILIATES • SUBJECT TO INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED

ITEM 2 – MATERIAL CHANGES

This section describes the material and other changes to the Brochure since the last amendment dated February 13, 2020.

Item 4 – Advisory Business

This item was updated to add:

- Hyperlinks for clients to electronically access this Brochure
- Periodic Review of Plan Investment Options Performance to both “DC Plan Advisor Services” and “DC Plan Manager Services”
- Participant Communications and Investment Policy Statements under “Limitations on DC Services”

Item 5 – Fees and Compensation

- This item was updated to provide additional detail regarding “Financial Advisors Compensation”.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

- This item was updated to include a description of general market risk, data and information risks, cyber security risk and tracking index in “Risks Associated with Certain Investments in the Program”.

Item 9 – Disciplinary Information

- This item was updated to reflect that on March 9, 2020, JPMS entered into an agreed order with the Kentucky Department of Financial Institutions. JPMS consented to the entry of the order that alleged that JPMS failed to disclose conflicts of interest arising from preferences for J.P. Morgan-managed mutual funds.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- This item has been expanded to include additional conflicts of interest disclosures relating to certain asset managers owning a large percentage of J.P. Morgan in “Securities in Which JPMS or a Related Person Has a Material Financial Interest”

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ITEM 4 – ADVISORY BUSINESS

J.P. Morgan Securities LLC (“**JPMS**” or the “**Firm**”) is a wholly-owned subsidiary of JPMorgan Chase & Co. (“**J.P. Morgan**”), a publicly-held financial services holding company. J.P. Morgan and its affiliates (together “**JPMorgan**”) are engaged in a large number of financial businesses worldwide, including banking, asset management, securities brokerage, and investment advisory services. JPMS is registered as a broker-dealer and investment adviser with the U.S. Securities and Exchange Commission (“**SEC**”) and is a member of the Financial Industry Regulatory Authority (“**FINRA**”). JPMS’s investment advisory services include sponsoring a variety of wrap fee programs and providing certain consulting services to defined contribution plan sponsors. JPMS offers investment advisory services through three separate sales channels: Chase Wealth Management (“**CWM**”), J.P. Morgan Securities, and You Invest.

This investment advisory brochure (“**Brochure**”) provides information about the Defined Contribution Plan Consulting Services Program (the “**Program**”) JPMS offers through J.P. Morgan Securities and Chase Wealth Management. Information about other investment advisory services that JPMS provides is contained in separate brochures, which can be obtained at the SEC’s website at www.adviserinfo.sec.gov. For purposes of this Brochure, “**Client**” or “**Plan**” refers to the defined contribution plan sponsor and plan, respectively, as named in the Client Agreement (as defined below).

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

Within the Program, JPMS offers two types of investment advisory offerings: (1) non-discretionary advisory services, whereby JPMS provides investment advice to Plans as a “fiduciary” as defined in Section 3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), such services being referred to below as “**DC Plan Advisor Services**”; and (2) discretionary investment management services, whereby JPMS will act as a “fiduciary” as defined in Section 3(21)(A)(i) of ERISA and an “investment manager” as that term is defined in Section 3(38) of ERISA (“**Investment Manager**”), such services being referred to below as “**DC Plan Manager Services**.”

DC Plan Manager Services or DC Plan Advisor Services are available through J.P. Morgan Securities whose clients can access the Form ADV Part 2A Brochure at <https://www.jpmmorgan.com/securities/securities/adv>.

DC Plan Manager Services are also offered to CWM clients. CWM clients can access the Form ADV Part 2A Brochure at <http://www.chase.com/managed-account-disclosures>.

JPMS also offers additional services to Clients (collectively, “**Plan-Related Services**”). These include (1) searches for recordkeeping platform providers (each, a “**Recordkeeper**”); (2) coordination of and/or delivery of participant education; and (3) a review of Recordkeeper features, services, and non-investment related fees. JPMS does not act as an investment adviser or a fiduciary in providing Program Services or Plan-Related Services. DC Plan Advisor Services, DC Plan Manager Services and Plan-Related Services are collectively referred to herein as “**DC Services**,” and are described in more detail below.

The specific DC Services being provided will be agreed to by the Client and JPMS in the J.P. Morgan Securities Defined Contribution Plan Consulting Services Program Client Agreement (the “**Client Agreement**”). JPMS provides DC Services only for the Plan specifically referenced in the Client Agreement, and not for any other clients, assets, or accounts, unless otherwise separately agreed to by JPMS in writing. JPMS’s relationship with Clients becomes effective as detailed in the applicable Client Agreement. Any preliminary discussions that take place before the Client Agreement is effective are not intended, and should not be relied upon, as investment or other fiduciary advice.

A. DC Plan Advisor Services

When providing DC Plan Advisor Services, JPMS will acknowledge in the applicable Client Agreement its status as a “fiduciary” under Section 3(21)(A)(ii) of ERISA for any “investment advice” (as that term is defined by ERISA) JPMS provides under the Client Agreement with respect to Plans that are subject to ERISA. **The Client**

retains and exercises final decision-making authority and responsibility for all matters concerning the Plan as well as implementation of any investment advice resulting from the DC Plan Advisor Services provided pursuant to the Client Agreement. JPMS and its financial advisors (each, a “**Financial Advisor**”) will not (1) manage or exercise any investment discretion or control over the Plan’s assets; (2) be responsible or liable, to the extent permitted by law, for the performance of any investment option recommended by JPMS or a Financial Advisor and selected by a Plan fiduciary; or (3) be responsible or liable for any decisions made with respect to Plan assets where such decisions differ from a specific recommendation made by JPMS to the Client or where the recommendation is based on information about the Plan or its participants that is either incorrect or has not been updated by the Client.

DC Plan Advisor Services include:

- **Plan Investment Menu Design.** JPMS makes recommendations related to the initial or existing Plan investment menu design, including structure, asset classes, investment style, and investment expenses, based on information provided by the Plan sponsor about the Plan’s investment objectives, guidelines, and restrictions, or similar information. JPMS also assists the Client in the ongoing review of the Plan investment menu design to determine whether it continues to meet the needs of the Plan and its participants.
- **Investment Searches.** JPMS recommends certain investment options for inclusion in the Plan’s investment menu based on information provided by the Client about the Plan’s investment objectives, guidelines, and restrictions or similar information. JPMS will only recommend investment options that JPMS and its affiliates (specifically, the Manager Solutions due diligence group (“**Manager Solutions**”) in the J.P. Morgan Wealth Management division) or a third-party vendor retained by JPMS have reviewed and are available on the Plan Recordkeeper’s platform. JPMS will not recommend or otherwise provide advice on investment options issued, sponsored, or advised by J.P. Morgan or any of its affiliates (“**Affiliated Products**”) (as discussed in more detail in Item 4.D herein). If Affiliated Products exist in the Plan’s investment menu when receiving DC Plan Advisor Services, the Client agrees that (1) JPMS will not act in a fiduciary capacity under ERISA or any other state or federal law with respect to the Client’s decision to maintain Affiliated Products, and will not recommend or otherwise provide advice about the Affiliated Products and (2) the terms of the Client Agreement will not cover Affiliated Products. The determination as to the appropriate investment share class or investment tier for inclusion in the Plan is solely the Client’s responsibility. The Client is not obligated to implement the non-discretionary investment advice provided by JPMS.
- **Periodic Review of Plan Investment Options Performance.** Clients receive a review of the performance of Plan investment options. See “Methods of Analysis, Investment Strategies and Risk of Loss” in Item 8 for information on the due diligence process utilized.

B. DC Plan Manager Services

JPMS acknowledges in the applicable Client Agreement its status as a “fiduciary” under Section 3(21)(A)(i) of ERISA and Client appoints and JPMS accepts appointment as an Investment Manager under Section 3(38) of ERISA for the DC Plan Manager Services JPMS provides under the Client Agreement with respect to Plans that are subject to ERISA. Neither JPMS nor its Financial Advisors will (1) be responsible or liable, to the extent permitted by law, for the performance of any investment option selected by JPMS; or (2) be responsible or liable for any decisions made with respect to Plan assets based on information about the Plan or its participants that is either incorrect or has not been updated by the Client.

- **Plan Investment Menu Design.** JPMS will have discretion for the Plan investment menu design, including structure, asset classes, investment style, and investment expenses, based on information provided by the Plan sponsor about the Plan’s investment objectives, guidelines, and restrictions, or similar information.
- **Investment Selection, Review, and Replacement.** JPMS will have discretion over the search for, and the selection, review, and replacement of, investment options on the Plan’s investment menu. JPMS will generally use the lowest cost share class available for the investment options selected

(generally, shares with zero revenue or institutional share classes, or equivalents). Financial Advisors' compensation is not affected by the share class selected. By appointing JPMS as Investment Manager, Clients authorize JPMS to take any actions necessary to implement changes to the Plan's investment menu. JPMS will direct the Plan's Recordkeeper to implement the investment changes. Clients will be required to execute any forms required by the Recordkeeper to authorize JPMS, as Investment Manager, to direct the Recordkeeper with respect to the changes to the investment menu, so that the Plan's Recordkeeper will be required to implement such changes. JPMS will only select investment options that JPMS and its affiliates (including Manager Solutions) or a third-party vendor retained by JPMS have reviewed and that are available on the Plan Recordkeeper's platform. JPMS will not select or use, or otherwise provide any advice on, Affiliated Products (as discussed in more detail in Item 4.D herein), even where Affiliated Products are available on the Plan Recordkeeper's platform. If the Plan's investment menu includes Affiliated Products, JPMS will direct the sale, redemption, or replacement of the Affiliated Products within a reasonable time. JPMS does not assume any fiduciary duty or other obligations for Affiliated Products during the time they are part of the investment menu or while being sold, redeemed, or replaced. When providing DC Plan Manager Services, JPMS chooses a menu of investment options that are broadly appropriate for inclusion within participant-directed retirement plans. The structure of the menu and the individual investment options selected by JPMS applies to all Clients receiving DC Plan Manager Services based upon the specific Recordkeeper platform and is not be customized for any Plan.. Based on certain Recordkeeper constraints, the universe of Recordkeepers available to Clients receiving DC Plan Manager Services will be limited.

- **Periodic Review of Plan Investment Options Performance.** Clients receive a review of the performance of Plan investment options. See "Methods of Analysis, Investment Strategies and Risk of Loss" in Item 8 for information on the due diligence process utilized.

C. Plan-Related Services

Clients enrolled in the Program may also choose to receive certain non-fiduciary Plan-Related Services described in more detail below.

- **Searches for Recordkeepers.** This service involves evaluating the Plan's current Recordkeeper, applying criteria to select Recordkeepers, coordinating the solicitation of quotes from Recordkeepers, issuing requests for proposals ("RFPs") on behalf of Clients, and evaluating RFPs received from prospective Recordkeepers. Searches may be customized based on the needs of the Plan as identified by the Plan sponsor. Clients receiving DC Plan Manager Services will be limited to certain Recordkeepers, as discussed in Item 4.D herein.
- **Coordination and/or Delivery of Participant Education.** JPMS reviews the Plan's current participant education program and suggests strategies for improving participant education. JPMS can work with the Plan's Recordkeeper to implement education program changes and deliver materials to Plan participants. JPMS can also provide investment education, including seminars, educational newsletters, and other materials reviewed and approved by JPMS. Upon a Client's request, JPMS may provide employee education seminars to cover subjects that include investing, saving for retirement, and retirement and distribution planning, as well as other subjects that JPMS makes available. JPMS intends for all of its communication to Participants, including education and employee education seminars, to be investment education under applicable U.S. Department of Labor regulations or other guidance. JPMS will not provide Plan participants with individual investment advice.
- **Review of Recordkeeper Features, Services and Fees.** JPMS assists Clients with conducting and/or coordinating a review of the Recordkeeper features, services and various fees and expenses. JPMS assists with and/or facilitates the delivery of information necessary for the Client to review and analyze Recordkeeping features, services, and fees. In performing these reviews and providing reports, JPMS will rely on information provided by the Client and the Plan's Recordkeeper, custodian, and/or other third parties from whom JPMS receives Plan and investment-level data

(each, a “**Data Provider**”). JPMS cannot guarantee the accuracy of information provided by the Client or Data Provider.

D. Limitations on DC Services

DC Services are subject to certain limitations, including:

- **Universe of Investment Options.** JPMS will only recommend or select investment options that JPMS and its affiliates (specifically Manager Solutions) or the third-party vendor retained by JPMS to provide investment analysis and due diligence for certain investment options not reviewed by Manager Solutions and that are available on the Plan Recordkeeper’s platform. JPMS does not review every investment option available, or every asset class or investment category, nor every investment option that can be made available on the Recordkeeper’s platform.
- **Investment Policy Statements.** For Clients receiving DC Plan Advisor Services, JPMS may provide Clients with a sample of an investment policy statement. Clients are encouraged to speak with other professional advisors (e.g., attorneys and/or tax advisors) prior to adopting and/or approving any investment policy statement(s). JPMS does not assume any obligation to comply with, accept or update a Client’s investment policy statement(s). For Clients receiving DC Plan Manager Services, JPMS may provide Clients with a “Program-Level Investment Policy Statement” that describes the investment process JPMS adheres to when providing DC Plan Manager Services.
- **Retirement Income Options.** JPMS will not select or review “retirement income” products, including, but not limited to, managed payout funds, systematic withdrawal programs, and insurance-based annuity options.
- **Recordkeeper Restrictions.** For DC Plan Manager Services, Clients will be limited to selecting a Recordkeeper with whom JPMS makes DC Plan Manager Services available. For DC Plan Advisor Services, JPMS will only present Recordkeeping providers who have been evaluated by JPMS.
- **Broker of Record.** Neither JPMS nor any Financial Advisor may be listed as broker of record for any of the investment options the Client or JPMS selects for the Plan’s investment menu for purposes of receiving Rule 12b-1 fees or other compensation directly from the Plan’s investment options.
- **Affiliated Products.** JPMS will not recommend, select, use or otherwise provide advice on Affiliated Products. Recommending, selecting, using or otherwise providing advice on Affiliated Products raises a conflict of interest because JPMorgan and its affiliates, including JPMS, receives more total revenue when a Client’s account is invested in Affiliated Products than when it is invested in unaffiliated third-party products. JPMS will include information on Affiliated Products in periodic investment reports, which the Client agrees is not investment advice or a fiduciary act of JPMS. As described below, JPMS will exclude the value of the Plan’s investments in Affiliated Products when calculating the Fee (as defined in Item 5 herein).
- **Excluded Assets.** “Excluded Assets” include, but are not limited to, Affiliated Products, employer securities, in-plan retirement income options, self-directed brokerage accounts, participant loan balances, custom funds, and investment options that JPMS, its affiliates (including Manager Solutions) or a third-party vendor retained by JPMS have not reviewed. JPMS will not advise on whether Clients should offer or continue to offer employer securities, within the meaning of Section 407 of ERISA, as an investment option under the Plan. JPMS may designate assets as Excluded Assets without notice to the Client. JPMS will neither provide advice with respect to Excluded Assets nor include Excluded Assets in the calculation of the Fee.
- **Legal, Tax, and Accounting Advice.** JPMS and its affiliates do not provide legal, tax, or accounting advice, and will not be responsible for ensuring that a Plan’s IPS or any other Plan documents comply with ERISA, state or local law, or any other regulations or requirements applicable to the Plan. The Client is responsible for, and should consult with its legal and tax advisors about, those matters.

- **Plan Actuarial, Administrative and Recordkeeping Services.** JPMS and its affiliates do not provide actuarial, administrative or recordkeeping services to Plans in the Program (including, but not limited to, prospectus delivery and participant notices).
- **Participant Communications.** JPMS and its affiliates do not provide notices to participants. Participants can access the prospectus for a particular fund via either the fund family website or the recordkeeper's website
- **Information Provided by Clients.** JPMS will rely on information provided by Clients without further verification. Clients are responsible for notifying JPMS promptly, in writing, of any changes to the information that the Client previously provided to JPMS and for providing JPMS with additional information as JPMS may request from time to time. Clients must notify JPMS promptly of any material changes in the Plan's financial condition, risk tolerance, needs, or objectives. JPMS will have no liability for a Client's failure to provide JPMS with accurate or complete information or to inform JPMS promptly of any change in information previously provided.
- **Third-Party Information.** JPMS relies on third-party information, including publicly available information and information received from Data Providers, in providing the DC Services. While JPMS believes the information is accurate, JPMS does not independently verify or guarantee the accuracy of the information.

E. Termination

JPMS or the Client may terminate the Client Agreement by written notice. Termination by JPMS will be effective upon delivery of written notice or such later date as may be specified in such written notice; termination by Client will be effective as soon as administratively practicable following receipt of written notice by JPMS. Upon termination, JPMS will have no further obligation to provide investment advice or other DC Services to the Client or any Plan fiduciary about the Plan's assets.

F. Financial Advisors

Financial Advisors who provide DC Services are registered representatives and investment adviser representatives. Financial Advisors who provide DC Services receive training on the Program, Program guidelines and policies, and other information essential to advising Program clients. Financial Advisors may also complete third-party specialized training, such as Fiduciary Essentials or the Accredited Investment Fiduciary® ("AIF®"). Upon completion of the training, Financial Advisors are required to pass an assessment that demonstrates proficiency. The timeframe to meet these requirements may be extended under certain circumstances, including for newly hired Financial Advisors. JPMS is not bound by the standards of conduct of any professional organizations of which its Financial Advisors are members or entities that have authorized Financial Advisors to use designations or certifications.

G. Assets Under Management

As of December 31, 2019, JPMS managed \$121,214,754,190 on a discretionary basis and \$42,181,340,943 on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

A. Fee

Clients in the Program pay either a flat dollar fee or an asset-based fee calculated as a percentage of Plan assets (but not Excluded Assets) for which JPMS provides DC Services (the "Fee"). The minimum annual Fee is \$2,500. Except where the minimum annual Fee is applied, the maximum asset-based Fee that may be charged to Clients in the Program, expressed as an annual rate, is 1.00%. The agreed-upon asset-based Fee must be a fixed percentage.

The Fee and the specific DC Services are agreed upon in the Client Agreement and will cover the specific DC Services agreed upon in the Client Agreement. JPMS invoices Clients or the Plan's Recordkeeper/custodian for the DC Services provided or receives payment directly from the Recordkeeper/custodian, as agreed to in the Client Agreement.

Fees are payable in arrears, no less frequently than on a calendar quarter basis, unless otherwise agreed to by JPMS. The Fee for the first billing period will be prorated from either the date on which the Client Agreement becomes effective or as otherwise determined by JPMS. The Fee due for the billing period in which the Client Agreement is terminated will be prorated up until termination date or as otherwise determined by JPMS. For Clients that pay a flat dollar Fee, the Fee will be billed in equal installments (generally no less frequently than quarterly), for the initial billing period and the billing period in which the Client Agreement is terminated, the Fee will be prorated if applicable. For Clients that pay an asset-based Fee, the rate used for calculating the amount due will be approximately one-fourth of the applicable annual rate based on the number of days in the quarter (or, if billed monthly, the rate used each month will be approximately one-twelfth of the applicable annual rate based on the number of days in the month), and based on the net market value of the Plan's assets (less any Excluded Assets) on the last day of the relevant billing period. JPMS will rely on the value of the Plan's assets provided by the Data Provider when calculating the Fee. Upon request, JPMS will provide an annual statement that details the amount of Fees the Client has paid to JPMS.

The Fee applicable to the delivery of DC Services will not be tied to or adjusted for any other services or investment programs the Client may be invested in with JPMS or its affiliates.

B. Negotiability of Fee

In its discretion, JPMS may negotiate the amount and calculation of the Fee, based on a number of factors, including (1) the type and size of the Plan; (2) the number and types of DC Services selected; (3) the scope of the engagement; (4) the complexity of the DC Services to be provided and any preferences stated by Plan fiduciaries; (5) the nature and amount of investment options involved; and (6) the frequency with which certain DC Services are provided (e.g., on-site participant education meetings). The Fee charged to a Client may be higher or lower than (1) the Fee charged to other Clients for similar DC Services and (2) the cost of similar services offered through other financial firms. The Fee to be charged to each Client specified in the Client Agreement.

C. Financial Advisors Compensation

JPMS typically pays a portion of the Fee it receives from each Client in the Program to the Financial Advisor for that Client. Certain Financial Advisors who do not receive compensation based on annual revenue production will receive an annual salary and bonus payment, whereas other Financial Advisors receive a portion of the Fee paid to JPMS. For those Financial Advisors that receive a portion of the Fee, the exact portion of the fee paid to the Financial Advisor varies among Financial Advisors and can also depend upon the overall revenue production of each Financial Advisor. The type of compensation paid to IARs will not result in a change to a Client's Fee schedule. The exact portion of the Fee paid by JPMS to the Financial Advisor varies among the Financial Advisors and also may depend on each Financial Advisor's overall annual revenue production, but is most commonly within a range from 22% to 50%.

D. Other Fees and Expenses

The Fee does not cover transaction-based charges; commissions or other charges the Plan or Plan participants may incur in implementing any investment advice that JPMS provides; certain costs or charges that may be imposed by JPMS or third parties, including account maintenance fees, recordkeeping fees, trust fees, plan administration fees, or custody fees imposed by other financial institutions; any other services, accounts, or products that JPMS provides to the Client apart from, or in addition to, the DC Services as agreed upon in the Client Agreement; costs relating to trading in foreign securities; mutual fund redemption fees; or any other fees or expenses incurred by the Client.

JPMS may recommend that the Client include investment options as part of the Plan's investment menu that have various internal fees and expenses, which are paid by such funds but ultimately are borne by the Client as fund shareholder. These internal fees and expenses are in addition to the Fee JPMS receives from the Client, and the Client is not entitled to any refund of the funds' internal fees and expenses ultimately borne by the Client or other offset against the Fee.

Although JPMS neither provides investment advice nor charges the Fee on Plan assets invested in Affiliated Products, JPMS and its affiliates receive other compensation from affiliated funds included by the Plan in its investment menu. This other compensation may be attributable to investment management fees paid by certain funds to affiliates of JPMS acting as the funds' portfolio managers; distribution fees paid by certain funds to JPMS and its affiliates pursuant to Rule 12b-1 under the Investment Company Act of 1940, as amended; and non-Rule 12b-1 compensation (including revenue sharing, shareholder servicing fees, and licensing fees for the use by a fund of a JPMorgan index) from certain funds, to the extent permitted by applicable law. JPMS will not accept 12b-1 fees, transaction-based compensation, finder's fees, or other revenue directly from the unaffiliated investment options offered by the Plan. Each Client should review the applicable prospectuses for funds in the Plan's investment menu for additional information about the internal fees and expenses ultimately borne by investors in the funds.

E. ERISA Fee Disclosure

U.S. Department of Labor regulations under Section 408(b)(2) of ERISA require JPMS to provide specified information regarding the DC Services provided in the Program and the compensation that JPMS and its affiliates expect to receive in connection with the DC Services. For purposes of meeting this requirement, the information in this brochure is intended to be read in conjunction with the Client Agreement, as it may be amended or supplemented from time to time. JPMS and its affiliates may provide other services to the Client outside of the Program. Under such circumstances, the Client should also refer to the fee disclosures that the Client may receive from JPMS or its affiliates regarding those other services, including the JPMS 408(b)(2) disclosure, which is available upon request.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Neither JPMS nor any of its supervised persons currently accepts performance-based fees in connection with the Program.

ITEM 7 – TYPES OF CLIENTS

JPMS makes the Program available to the sponsors of participant-directed defined contribution retirement plans. There is no minimum asset requirement for participation in the Program.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

i. Methods of Analysis and Investment Strategies

JPMS and its affiliates (specifically, Manager Solutions) use various methods of analysis in formulating investment advice and investment management services that it provides through the Program. JPMS also retains a third-party vendor to provide investment analysis and due diligence services for certain investment options not reviewed by Manager Solutions. JPMS, Manager Solutions and/or a third-party vendor may consider multiple quantitative, qualitative, and operational due diligence factors to assist JPMS in providing investment advice or management to Plan Clients including, but not limited to, firm resources and investment experience, firm and strategy operations, portfolio management team, investment process and philosophy, historical risk and return characteristics, and investment management fees and expenses. A third-party vendor may use different factors or assign different weightings as part of their own due diligence process. The process employed by a third-party vendor for the review of existing Plan investments may not include the same operational due diligence included within the due diligence process utilized by Manager Solutions.

The due diligence process utilized by Manager Solutions (as discussed in more detail herein) incorporates an operational due diligence component that applies to investment recommendations or selections within the Program. Operational due diligence generally consists of an evaluation of an investment manager's business and operations, which is separate and distinct from the investment due diligence process. Areas of focus generally include firm ownership and structure, fund and performance accounting, counterparty risk management, compliance, and technology infrastructure. Operational due diligence may also include a review of business operations to assess the ability of its operating infrastructure to support and sustain the business going forward.

Manager Solutions provides two types of research on funds and investment strategies (collectively referred to herein as "Researched Products"). For certain investment advisory programs, Manager Solutions utilizes a

qualitative analysis of the Researched Products by reviewing the organization, investment process, investment philosophy and performance of the Researched Products on an ongoing basis (the “Qualitative Research Process”).

Additionally, Manager Solutions uses an internally developed quantitative screening process to evaluate the Researched Products that do not go through the Qualitative Research Process by reviewing the organization, investment process, service and performance of the Researched Products on an ongoing basis (the “Systematic Research Process”). Researched Products may be removed from an investment advisory program if it is determined that they do not meet the criteria set forth in the Systematic Research Process. However, in the event a Researched Product does not pass the Systematic Research Process, Manager Solutions can review the Research Product and apply the Qualitative Research Process to determine if the Researched Product is eligible. Additionally, if a Researched Product does not meet the criteria of the Qualitative Research Process, it will be removed from investment advisory programs that utilize the Systematic Research Process. The DC Consulting Program utilizes the Systematic Research Process.

JPMS may also consider published materials, RFPs and requests for information, and third-party information that JPMS believes to be reliable. JPMS does not guarantee or verify this information, including past performance. JPMS may recommend or select certain funds that have no prior performance in a particular share class, in which case JPMS may evaluate past performance achieved in other share classes of the same strategy.

DC Plan Advisor Services. In providing DC Plan Advisor Services, Financial Advisors will only recommend investment options that have been approved by JPMS, Manager Solutions or a third-party vendor retained by JPMS. However, the method(s) of analysis used for purposes of providing DC Plan Advisor Services may vary from Financial Advisor to Financial Advisor and depends on the individual practice and investing philosophy of the Financial Advisor and Client needs. The Client is responsible for making the final selection of investment options.

DC Plan Manager Services. Investment selection for Clients receiving DC Plan Manager Services is performed internally by a centralized team within JPMorgan (“**Centralized Team**”); the method(s) of analysis used for purposes of providing DC Plan Manager Services are described above. The Centralized Team is responsible for the ongoing review of Plan investment options utilizing Researched Products that have been approved using the above described investment analysis and due diligence process of JPMS Manager Solutions and third-party vendors. The Financial Advisor is not involved in selecting the investment options for the Plan.

ii. Risk of Loss

The particular investment options recommended or selected by Financial Advisors or JPMS, respectively, entail varying degrees of risk. Each Client is urged to consult with his or her own Financial Advisor to discuss the risks associated with the particular investment options recommended or selected. There is no assurance that recommended or selected investment options will be successful or that Plan participants will not suffer losses. Neither JPMS nor its affiliates are responsible for the performance of any investment option or for any investment option’s compliance with its prospectus, disclosures, laws or regulations, or other matters within the investment option’s control. The description of the method of analysis above is qualified in its entirety by the information included in the applicable investment option’s prospectus or other relevant offering documentation. Each investment option’s manager is solely responsible for the management of the investment option. Neither JPMS nor its affiliates can ensure that a given investment option’s investment objective will be attained.

With respect to the DC Plan Advisor Services provided by JPMS, Clients are not obligated to implement any investment advice, suggestions, or recommendations that JPMS may provide in the Program. Clients are solely responsible for determining if, and how, the investment advice JPMS provides should be implemented or otherwise followed. Clients should carefully consider all relevant factors, including an investment option’s prospectus or other disclosures, in making these decisions.

Investing in securities involves risk of loss that Clients should be prepared to bear. The investment performance and success of any particular investment cannot be predicted or guaranteed, and the value of a particular investment option will fluctuate due to market conditions and other factors. Past performance of investments is not indicative of future performance. Clients receive no written or oral guarantees regarding performance. Any projections, analyses or other information regarding various investment outcomes are

hypothetical in nature, do not reflect actual investment results and are not guarantees of future investment results.

iii. Risks Associated with Certain Investments in the Program

Set forth below are some of the material risk factors that are often associated with the investment options recommended or selected by Financial Advisors or JPMS, respectively. The information included below does not identify every potential risk associated with each Investment option. The strategies followed by a particular investment option may be speculative and involve significant risk. Clients are urged to ask their Financial Advisor or JPMS questions regarding risk factors applicable to a particular investment option, read all risk disclosures specific to particular investment options, and determine whether a particular investment option is suitable for the Plan. Please refer to the prospectus or offering document for each investment option.

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

Data and Information Risk. Although J.P. Morgan obtains data and information from third party sources that it considers to be reliable, J.P. Morgan does not warrant or guarantee the accuracy and/or completeness of any data or information provided by these sources. J.P. Morgan does not make any express or implied warranties of any kind with respect to such data. J.P. Morgan shall not have any liability for any errors or omissions in connection with any data provided by third party sources.

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

Mutual Funds. Mutual funds are sold by prospectus. Clients should review the prospectus to determine whether the fund is an appropriate investment by considering the investment's objectives, risk, charges and expenses. A fund's net asset value will change with changes in the international equity and fixed income markets and the value of the mutual funds in which it invests. The investment performance of funds that implement their strategies by investing in underlying funds is directly related to the performance and risks of the underlying funds. There is no assurance that the underlying funds will achieve their investment objectives. In addition, a fund indirectly pays a portion of the expenses incurred by the underlying funds. As the underlying funds or the fund's allocations among the underlying funds change from time to time, or to the extent that the expense ratio of the underlying funds changes, the weighted average operating expenses borne by the fund may increase or decrease. In addition, a fund may hold a significant percentage of the shares of an underlying fund. As a result, the fund's investments in an underlying fund may create a conflict of interest because a situation could occur where an action for the fund could be adverse to the

interest of an underlying fund or vice versa. If a fund invests in closed-end investment companies, it may incur added expenses such as additional management fees and trading costs.

Target Date Strategies. Target date strategies become more conservative over time meaning they allocate more of their assets to fixed income investments than equity investments as they near the target retirement date. Despite the more conservative allocation, the target date products will continue to be exposed to market risk, including stock market risk and the value of a target date fund or account may decline even after a fund's or account's allocation is at its most conservative. There is no guarantee that the target date funds or accounts will provide sufficient retirement income to a participant.

Exchange Traded Funds ("ETFs") and Index Mutual Funds. ETFs and index mutual funds are marketable securities that are interests in registered funds, and are designed to track, before fees and expenses, the performance or returns of a relevant basket of assets, usually an underlying index. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. ETFs typically have higher daily liquidity and lower fees than mutual fund shares.

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

In addition to the general risks of investing in mutual funds, there are specific risks to consider with respect to an investment in these passive investment vehicles including, but not limited to:

- *Variance from Benchmark Index.* ETF and index mutual fund performance will differ from the performance of the applicable index for a variety of reasons. For example, ETFs and index mutual funds incur operating expenses and portfolio transaction costs not incurred by the benchmark index, may not be fully invested in the securities of their indices at all times, or may hold securities not included in their indices. In addition, corporate actions with respect to the equity securities underlying ETFs and index mutual funds (such as mergers and spin-offs) may impact the variance between the performances of the funds and applicable indices.

- *Passive Investing Risk.* Passive investing differs from active investing in that managers are not seeking to outperform their benchmark. As a result, managers may hold securities that are components of their underlying index, regardless of the current or projected performance of the specific security or market sector. Passive managers do not attempt to take defensive positions based upon market conditions, including declining markets. This approach could cause a passive vehicle's performance to be lower than if it employed an active strategy.

- *Secondary Market Risk.* With respect to ETFs, shares are bought and sold in the secondary market at market prices. Although ETFs are required to calculate their net asset values ("NAV") on a daily basis, at times the market price of an ETF's shares may be more than the NAV (trading at a premium) or less than the NAV (trading at a discount). Given the differing nature of the relevant secondary markets for ETFs, certain ETFs may trade at a larger premium or discount to NAV than shares of other ETFs depending on the markets where such ETFs are traded. The risk of deviation from NAV for ETFs generally is heightened in times of market volatility or periods of steep market declines. For example, during periods of market volatility, securities underlying ETFs may be unavailable in the secondary market, market participants may be unable to calculate accurately the NAV per share of such ETFs, and the liquidity of such ETFs may be adversely affected. This kind of market volatility may also disrupt the ability of market participants to create and redeem shares in ETFs. Further, market volatility may adversely affect, sometimes materially, the prices at which market participants are willing to buy and sell shares of ETFs. As a result, under these circumstances, the market value of shares of an ETF may vary substantially from the NAV per share of such ETF, and the client may incur significant losses from the sale of ETF shares.

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

Collective Investment Trusts or Funds. A collective investment trust is not open to individual investors. Unlike a mutual fund, the only way that an investor can gain access to a collective trust fund is through a retirement

plan such as a 401(k) plan. Additionally, regulation of mutual funds and collective trust funds varies. Managers of collective funds are not regulated by the SEC, and these investment advisers adhere to less stringent guidelines. As a result, managers of collective funds have to disclose fund performance and the components of a portfolio only once a year, although most collective fund managers communicate performance to investors on a more frequent basis.

Stable Value Assets. The objective of most stable value assets is to provide safety of principal and an investment return that is generally higher than a money market return, while providing Plan participants the ability to withdraw their assets for ordinary transactions at book rather than market value. However, the ability to withdraw stable value assets at book value has limitations based on the insurance contracts that wrap the underlying assets. In addition, most stable value assets have significant Plan-level liquidity restrictions and require a hold period before assets can be withdrawn from the fund by the Plan sponsor at book value and may refuse to honor book value withdrawals after communications from a Plan sponsor or Plan fiduciaries that it determines caused participants' withdrawals. Additionally, the Plan is often restricted from offering investment alternatives or plans that are viewed as competitive with the stable value offering. Stable value assets are subject to counterparty risk of the insurers that provide the fund's book value liquidity.

ITEM 9 – DISCIPLINARY INFORMATION

JPMS has no material civil or criminal actions to report. JPMS has been involved in the following material legal or disciplinary events during the last ten years. With respect to the periods before the merger of J.P. Morgan Securities Inc. into Bear, Stearns & Co. Inc. (and the naming of the surviving entity as J.P. Morgan Securities Inc., now J.P. Morgan Securities LLC) on October 1, 2008, and the merger of Chase Investment Services Corp. (“CISC”) into J.P. Morgan Securities LLC on October 1, 2012, the events include those involving any of the three entities.

1) Between June 2009 and October 2011, JPMorgan Chase & Co., on behalf of itself and its subsidiaries (including JPMS and CISC), entered into substantially similar settlements with the securities regulators of all but three states in connection with investigations concerning alleged misrepresentations and omissions in connection with the marketing, sales and distribution of auction rate securities (“ARS”). The principal allegations were that the relevant JPMorgan entities misrepresented to customers that ARS were safe, highly liquid investments comparable to money market instruments, and when the auctions that provided liquidity for ARS failed in February 2008, customers held illiquid ARS instead of the liquid, short-term investments the JPMorgan entities had represented them to be and were unable to sell the ARS. Without admitting or denying the allegations, JPMorgan Chase & Co. entered into consent decrees pursuant to which the relevant JPMorgan entities repurchased ARS from certain customers and paid fines, penalties, disgorgement and restitution in amounts that varied from state to state.

2) In November 2009, J.P. Morgan Securities Inc. submitted, and the SEC accepted, an Offer of Settlement in connection with allegations by the SEC that in 2002 and 2003 JPMS had made certain payments to firms whose principals or employees were friends of Jefferson County, Alabama public officials in connection with \$5 billion in County bond underwriting and interest rate swap agreement business awarded to JPMS, without disclosing the payments or conflicts of interest in the swap agreement confirmations or bond offering documents. The SEC also alleged that JPMS incorporated certain of the costs of the payments into higher swap interest rates it charged the County, thereby increasing the swap transaction costs to the County and its taxpayers. The SEC found that the alleged conduct violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933, Section 15B(c)(1) of the Securities Exchange Act of 1934, and Municipal Securities Rulemaking Board Rule G-17. Without admitting or denying any of the SEC's substantive findings, JPMS consented to the SEC's entry of an administrative order that included a censure of JPMS, an order to cease and desist from violations of the aforementioned statutes and rules, and an order requiring payment of disgorgement of \$1 and a civil money penalty of \$25 million. In addition, JPMS undertook to make a \$50 million payment to the County and to terminate any obligations of the County to make any payments to JPMS under certain swap agreements.

3) In December 2010, CISC submitted an AWC to FINRA pursuant to which the Firm was censured, fined and required to provide remediation to customers who purchased unit investment trusts (“UITs”) and did not receive applicable sales charge discounts. Additionally, CISC's UIT purchase confirmations failed to disclose that a deferred sales charge may be imposed. Without admitting or denying the allegations, CISC consented to the findings and paid a monetary fine of \$100,000.

4) In June 2011, J.P. Morgan Securities LLC agreed with the SEC to resolve the SEC's inquiry regarding certain collateralized debt obligations (CDOs). Specifically, JPMS agreed to a settlement of allegations that it was negligent in not providing additional disclosure in marketing materials for a CDO called Squared CDO 2007-1, Ltd ("Squared"). The SEC's complaint alleged that JPMS represented in marketing materials that the collateral manager selected the investment portfolio for Squared but failed to disclose that the hedge fund that purchased the subordinated notes (or "equity") issued by Squared, and which also took the short position on roughly half of the portfolio's assets, played a significant role in the selection process. Without admitting or denying the allegations, JPMS consented to the entry of a final judgment against it by the United States District Court for the Southern District of New York. The Final Judgment permanently restrains and enjoins JPMS from violating Sections 17(a)(2) and (3) of the Securities Act of 1933 in the offer or sale of any security or security-based swap agreement, orders JPMS to pay disgorgement of \$18.6 million, together with prejudgment interest thereon in the amount of \$2 million, and a civil penalty in the amount of \$133 million, and orders JPMS to comply with certain undertakings related to the review and approval of offerings of certain mortgage securities.

5) In July 2011, J.P. Morgan Securities LLC resolved an SEC investigation regarding conduct alleged to have taken place on the firm's municipal derivatives desk. The SEC alleged that prior to at least 2005, JPMS made misrepresentations and omissions in connection with bidding on certain municipal reinvestment instruments, which the SEC alleged affected the prices of certain reinvestment instruments, deprived certain municipalities of a presumption that the reinvestment instruments were purchased at fair market value, and/or jeopardized the tax-exempt status of certain securities. Without admitting or denying the allegations, JPMS consented to the entry of a final judgment against it by the United States District Court for the District of New Jersey. The Final Judgment permanently enjoins JPMS from violating Section 15(c)(1)(A) of the Securities Exchange Act of 1934 and orders it to pay \$51.2 million to certain municipalities and other tax-exempt issuers. In coordination with the SEC settlement, JPMorgan Chase & Co. ("JPMC") and certain of its affiliates, including JPMS, also entered into settlements with other agencies to resolve concurrent investigations regarding conduct alleged to have taken place on the firm's municipal derivatives desk relating to certain municipal derivative transactions occurring in or prior to 2006. Those settlements are as follows: JPMorgan Chase Bank, N.A. entered into a Formal Agreement and a Consent Order for a Civil Money Penalty with the Office of the Comptroller of the Currency and agreed to pay \$35 million; JPMC, JPMS, and JPMorgan Chase Bank, N.A. entered into a Closing Agreement of Final Determination of Tax Liability and Specific Matters with the Internal Revenue Service and agreed to pay \$50 million; and JPMC entered into written agreements with the Antitrust Division of the U.S. Department of Justice, the Federal Reserve Bank of New York, and 25 State Attorneys General. JPMC agreed to pay \$75 million in connection with its agreement with the State Attorneys General. Of the total funds to be paid, \$129.7 million will be eligible for distribution to municipalities and other tax-exempt issuers. The Firm also consented to implement various remedial measures, including enhanced compliance policies and procedures.

6) In October 2011, CISC consented to the entry of an order of the Florida Office of Financial Regulation in connection with allegations that the Firm engaged in the investment advisory business within the State of Florida without three (3) individuals being registered as investment advisor representatives in the State of Florida. CISC paid an administrative fine in the amount of \$30,000.

7) In November 2011, CISC submitted an AWC to FINRA pursuant to which the Firm was fined, censured and required to provide remediation to customers who purchased certain UITs and floating rate funds. FINRA alleged that the Firm failed to establish systems and procedures adequate to supervise the sales of such UITs and floating rate funds. Without admitting or denying the allegations, CISC consented to the entry of FINRA's findings, paid a monetary fine of \$1,700,000 and agreed to compensate customers that suffered losses as a result of the alleged supervisory failures.

8) In November 2012, the SEC filed a complaint against J.P. Morgan Securities LLC and several of its affiliates in the District Court for the District of Columbia. The complaint related primarily to Bear Stearns' alleged failure to disclose information regarding settlements entered into by a Bear Stearns affiliate with originators of loans that had been securitized into residential mortgage-backed securities ("RMBS") trusts beginning in or about 2005. The complaint also alleged that JPMS, in connection with an RMBS offering by a J.P. Morgan affiliate in 2006, failed to include in the RMBS prospectus supplement's delinquency disclosures approximately 620 loans that the SEC asserted were more than 30 days delinquent at the cut-off date for the offering. Based on the alleged misconduct described above, the complaint alleged that the defendants violated Sections 17(a)(2) and (3) of the Securities Act of 1933. In settlement of the action, the defendants submitted an executed Consent agreeing to the entry of judgment, without admitting or denying allegations made in the proceeding (other than those relating to the jurisdiction of the

District Court over it and the subject matter). In January 2013, the District Court entered a judgment against the defendants that enjoined them from violating, directly or indirectly, Sections 17(a)(2) and (3) of the Securities Act. Additionally, the judgment required the defendants to pay disgorgement in the amount of \$177,700,000, prejudgment interest in the amount of \$38,865,536, and a civil monetary penalty of \$84,350,000.

9) On December 18, 2015, J.P. Morgan Securities LLC (“JPMS”) and JPMorgan Chase Bank, N.A. (“JPMCB”, together “**Respondents**”) entered into a settlement with the SEC resulting in the SEC issuing an order (“**Order**”). The Respondents consented to the entry of the Order that finds that JPMS violated Sections 206(2), 206(4), and 207 of the Investment Advisers Act of 1940 and Rule 206(4)-7 and JPMCB violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933. The Order finds that JPMCB negligently failed to adequately disclose (a) from February 2011 to January 2014, a preference for affiliated mutual funds in certain discretionary investment portfolios (the “**Discretionary Portfolios**”) managed by JPMCB and offered through J.P. Morgan’s U.S. Private Bank (the “**U.S. Private Bank**”) and the Chase Private Client lines of business; (b) from 2008 to 2014, a preference for affiliated hedge funds in certain of those portfolios offered through the U.S. Private Bank; and (c) from 2008 to August 2015, a preference for retrocession-paying third-party hedge funds in certain of those portfolios offered through the U.S. Private Bank. With respect to JPMS, the Order finds that, from May 2008 to 2013, JPMS negligently failed to adequately disclose, including in documents filed with the SEC, conflicts of interest associated with its use of affiliated mutual funds in the Chase Strategic Portfolio (“**CSP**”) program, specifically, a preference for affiliated mutual funds, the relationship between the discounted pricing of certain services provided by an affiliate and the amount of CSP assets invested in affiliated products, and that certain affiliated mutual funds offered a lower-cost share class than the share class purchased for CSP. In addition, the Order finds that JPMS failed to implement written policies and procedures adequate to ensure disclosure of these conflicts of interest. Solely for the purpose of settling these proceedings, the Respondents consented to the Order, admitted to the certain facts set forth in the Order and acknowledged that certain conduct set forth in the Order violated the federal securities laws. The Order censures JPMS and directs the Respondents to cease-and-desist from committing or causing any violations and any future violations of the above-enumerated statutory provisions. Additionally, the Order requires the Respondents to pay a total of \$ 266,815,000 in disgorgement, interest and civil penalty.

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

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

11) In October 2018, JPMS submitted an Acceptance, Waiver and Consent (“AWC”) to FINRA pursuant to which JPMS was censured and required to certify in writing to FINRA that it had engaged in a risk-based review of Chase Wealth Management (“CWM”) client-facing third-party vendors, that it had corrected any issues detected, and that JPMS had established and implemented systems and policies and procedures (written or otherwise) reasonable designed to achieve compliance with applicable FINRA and NASD rules. JPMS had discovered and self-reported to FINRA that a vendor responsible for the automated realignment of portfolio assets (“rebalancing”) and the calculation of fees was not rebalancing certain accounts due to technology upgrades by the vendor. Similarly, the vendor had converted to a new billing platform that caused billing errors that went undetected. JPMS paid total restitution of \$4,620,140 to impacted customers and provided substantial assistance to FINRA by proactively undertaking an extensive lookback concerning its complex and systemic failures and reporting related findings that it failed to establish and maintain a system and procedures reasonably designed to monitor and evaluate the performance of the vendor that handled certain functions on behalf of the Firm.

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

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

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

i. Broker-Dealer Registrations

JPMS is registered with the SEC as a broker-dealer as well as an investment adviser. Some of JPMS’s management personnel and all of the Financial Advisors and their supervisors in the Program are registered with the Financial Industry Regulatory Authority (“**FINRA**”) as registered representatives of JPMS in its capacity as a broker-dealer.

ii. Futures/Commodities-Related Registrations

In addition, JPMS is registered with the CFTC as a futures commission merchant and also acts as a commodity pool operator exempt from registration as such with the CFTC. Some of JPMS’s management personnel, and a small number of the Financial Advisors and/or their supervisors in the Program, are registered with the CFTC as associated persons of JPMS in its capacity as a futures commission merchant.

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

JPMS has several relationships or arrangements with related persons that are material to its advisory business. Affiliates of JPMS are the sponsors and/or general partners of certain open-end mutual funds (including money market funds), closed-end funds, ETFs, and other pooled investment vehicles. JPMS and its affiliates may provide investment management, distribution, and other services to, and receive compensation from or in connection with, such funds. As discussed above, in the Program, JPMS will not recommend or otherwise provide advice on Affiliated Products. In addition to the mutual funds and other pooled investment vehicles sponsored and managed by affiliates of JPMS, JPMS's ultimate parent company, JPMorgan Chase & Co., is a publicly traded corporation the common stock of which is listed and trades on the NYSE. Other affiliates of JPMS also may issue securities through public or private distributions. All or substantially all registered representatives in J.P. Morgan Securities, Chase Wealth Management, including all Financial Advisors in the Program, also are employees of JPMCB. In their capacities as employees of JPMCB and outside of the Program, Financial Advisors may market and sell products and services of JPMCB to clients, and be compensated in connection with such sales.

Additional information about these relationships or arrangements can be found in the brochures for the other investment advisory programs JPMS offers, which can be obtained at the SEC's website www.adviserinfo.sec.gov.

Revenue Sharing Arrangements with Affiliates

JPMS is party to certain revenue sharing arrangements pursuant to which it may receive compensation from certain affiliates in connection with referrals or introductions of investors by registered representatives in J.P. Morgan Securities (including Financial Advisors in the Program) to the affiliates for the provision by the affiliates of products and services to the investors. The investors referred may be existing investment advisory clients, including clients in the Program. When J.P. Morgan Securities make such a referral of one of its existing investment advisory clients to an affiliate, the revenue sharing arrangement creates a conflict of interest with the client because:

- JPMS has a financial incentive to make the referral because it will be entitled to compensation from the affiliate if the referred client becomes a client or customer of the affiliate;
- JPMS does not necessarily base such referrals on any review or due diligence of the affiliate or its personnel, products or services;
- JPMS does not necessarily conduct an assessment of the suitability of the affiliate's products or services for referred clients; and
- it may not be in the referred client's best interest to become a client or customer of the affiliate.

JPMS believes that this conflict is addressed in the following ways:

- Typically, the referred client is not charged more for the product or service provided by the affiliate by virtue of the fact that the affiliate will compensate JPMS for the referral.
- Clients referred to affiliates by JPMS have no obligation to become clients or customers of those affiliates, and their declining to do business with the affiliate to which they were referred will not affect their relationship with JPMS.

Recommendation or Selection of Other Investment Advisers

In the Program, JPMS does not recommend or select other investment advisers for Clients. JPMS is the only investment adviser in the Program, and all investment advice in the Program is provided through the Financial Advisors.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

i. Code of Ethics

Financial Advisors in the Program are bound by the J.P. Morgan Securities Investment Adviser Code of Ethics ("Code of Ethics"), adopted by JPMS in accordance with Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act").

The Code of Ethics describes the general standards of business conduct applicable to JPMS's investment Financial Advisors, including Financial Advisors in the Program, and the fiduciary obligations owed by JPMS and its investment Financial Advisors to clients in its investment advisory programs. More specifically, the Code of Ethics addresses the following subjects:

- the maintenance of personal securities accounts by JPMS's investment Financial Advisors;
- the reporting to JPMS Compliance personnel of certain personal securities holdings and transactions by certain of JPMS's investment Financial Advisors, including all Financial Advisors in the Program;
- certain trading restrictions and holding periods applicable to personal securities transactions of certain of JPMS's investment Financial Advisors, including all Financial Advisors in the Program;
- trading by investment Financial Advisors while in possession of material non-public information;
- periodic certification by certain of JPMS's investment Financial Advisors, including all Financial Advisors in the Program, of their review, understanding and compliance with the Code of Ethics;
- JPMS's administration and enforcement of the Code of Ethics; and
- the keeping of certain records relating to the Code of Ethics and its administration and enforcement by JPMS.

JPMS will provide a copy of the Code of Ethics to any Client or prospective client upon request.

ii. Securities in Which JPMS or a Related Person Has a Material Financial Interest

In some cases, JPMS or a related person recommends to investment advisory clients, including Clients in the Program, securities in which JPMS or a related person has a material financial interest.

Certain unaffiliated funds that Financial Advisors recommend to Clients to make available to Plan participants may execute transactions for their portfolios through JPMS or an affiliate as broker-dealer, and JPMS or an affiliate or other related person (including Financial Advisors acting in their capacity as registered representatives of JPMS as broker-dealer) may receive compensation from the funds in connection with these transactions. Such compensation presents a conflict of interest between JPMS and Program clients because JPMS and/or Financial Advisors may have a financial incentive to recommend that Clients make such funds available to Plan participants: (1) in the hope or expectation that increasing the amount of assets invested with the funds will increase the number and/or size of transactions placed by the funds for execution by JPMS or an affiliate or other related person, and thereby result in increased compensation to JPMS and its affiliates and other related persons in the aggregate; and (2) to benefit the funds and thereby preserve and foster valuable brokerage relationships with the funds. Assuming that a Program client's Financial Advisor is aware of which funds execute through JPMS or an affiliate or other related person and which do not, JPMS believes that this conflict is addressed in the following ways:

- Unless the Financial Advisor is individually involved in the execution of portfolio transactions for a fund, he or she does not receive any direct financial benefit (such as additional compensation) from the purchase or sale by a Plan participant of funds that execute transactions through JPMS or an affiliate or other related person rather than funds that do not. Moreover, because Financial Advisors are compensated in the Program through the receipt of a portion of the Fee, which is typically tied to the market value of Plan assets, Financial Advisors are to that extent incentivized to recommend funds they believe will increase in value, regardless of whether or not the funds execute transactions through JPMS or an affiliate or other related person.
- Financial Advisors are subject to supervision JPMS believes is reasonably designed to ensure that any investment advice, suggestions, or recommendations provided are in accordance with criteria and other information provided by the Client and that, when acting in a fiduciary capacity, Financial Advisors are acting in accordance with their duty to place the interests of Program Clients before their own and those of JPMS.

JPMS and its affiliates (including JP Morgan Distribution Services, Inc.) and other related persons also may receive other forms of compensation in connection with the operation and/or sale of shares of affiliated or unaffiliated funds, which may include distribution fees paid by certain funds pursuant to Rule 12b-1 under the Investment Company Act of 1940 and non-Rule 12b-1 compensation (including revenue sharing, shareholder servicing fees, and licensing fees for the use by a fund of a JPMorgan index) from certain funds, to the extent permitted by applicable law. JPMS

addresses this conflict by disclosing it to Clients and by not receiving these payments with respect to assets in the Program.

Certain asset management firms (each, an “asset manager”) through their funds and separately managed accounts currently hold a 5% or more ownership interest in J.P. Morgan publicly traded stock. This ownership interest presents a conflict of interest when JPMCB, JPMS, JPMPI and J.P. Morgan (collectively “JPM”) recommends or purchases the publicly traded security of the asset manager or the separately managed accounts or funds that are managed or advised by the asset manager. JPM addresses this conflict by disclosing the ownership interest of the asset manager and by subjecting the asset manager’s separately managed accounts and funds to a research process. Additionally, the financial advisers and portfolio managers that may purchase or recommend securities, separately managed accounts and funds of an asset manager that has an ownership interest in J.P. Morgan, do not receive any additional compensation for that purchase or recommendation. A fund ownership interest in J.P. Morgan can cause the fund and its affiliates to determine that they are unable to pursue a transaction or the transaction will be limited or the timing altered. J.P. Morgan monitors ownership interests in J.P. Morgan for regulatory purposes and to identify and mitigate actual and perceived conflicts of interest. As of December 31, 2019, both Vanguard and BlackRock hold more than a 5% interest in J.P. Morgan.

iii. When JPMS or a Related Person Invests in the Same Securities That It Recommends

JPMS and its related persons (including Financial Advisors) may recommend that Clients in the Program make investment options available to Plan participants that JPMS or a related person buys or sells for itself.

In such circumstances, the interests of JPMS and its related persons conflict with those of Clients in the Program in several respects:

- JPMS or a related person may benefit from (1) Clients or Plan participants buying securities that JPMS or the related person then sells (because purchases may increase the market price of a security JPMS or the related person owns or borrows and then sells), or (2) Clients or Plan participants selling securities that JPMS or the related person then buys (because sales may reduce the market price of a security JPMS or the related person then buys).
- JPMS or a related person may benefit from (1) buying securities that Clients or Plan participants will later buy (because the subsequent purchases may increase the market price of the security JPMS or the related person already bought and owns) or (2) selling securities that Clients or Plan participants will later sell (because subsequent sales may decrease the market price of the security JPMS or the related person already sold).

JPMS addresses these conflicts in the following ways:

- the maintenance of policies (including in the Code of Ethics) prohibiting JPMS employees from engaging in conduct intended to manipulate the price of securities and procedures designed to prevent and/or detect such conduct;
- the maintenance of information barrier procedures designed to control the flow of information between JPMS’s and its affiliates’ proprietary trading operations and other business units, including J.P. Morgan Securities, and Chase Wealth Management;
- supervision of Financial Advisors in providing investment advice in the Program that JPMS believes to be reasonably designed to ensure that any investment advice provided is consistent with the criteria and other information provided by Clients in accordance with their duty to place the interests of Clients in the Program before their own and those of JPMS;
- the imposition of trading restrictions with respect to certain time periods and/or lists of issuers that are designed to prevent investment personnel (including Financial Advisors) from unfairly benefiting from unreleased research reports and recommendations; and
- the requirement in the Code of Ethics that Financial Advisors in the Program periodically report personal securities holdings and transactions to JPMS Compliance personnel.

Clients should understand that Financial Advisors typically are not required, except in certain limited circumstances, to follow or otherwise consider or adhere to research reports, analyses and opinions published or otherwise communicated by other employees of JPMS or its affiliates, including J.P. Morgan investment committees,

due diligence personnel, research analysts, economists and market strategists, and the advice of Financial Advisors to Clients in the Program may differ from (and be diametrically opposed to) the content of such reports, analyses and opinions.

iv. When JPMS or a Related Person Buys/Sells Securities for Itself at or About the Same Time It Recommends the Same Securities to/for Clients

JPMS and its related persons (including Financial Advisors) may recommend that Clients in the Program make investment options available to Plan participants at or about the same time that JPMS or a related person buys or sells the same securities for its (or a related person's) own account.

In such circumstances, the interests of JPMS and its related persons conflict with those of JPMS's clients, including Clients in the Program, in all of the respects described in the preceding section, each of which typically involves not only trading in the same securities that clients do, but also trading in them at or about the same time that clients do.

ITEM 12 – BROKERAGE PRACTICES

JPMS does not recommend or select broker-dealers for Client transactions in the Program, and does not engage in securities transactions in connection with the Program. As such, the DC Services do not include the review or recommendation of broker-dealers for client transactions. Clients choose the financial institution through which to implement JPMS investment advice.

ITEM 13 – REVIEW OF ACCOUNTS

JPMS provides investment advice at the plan-level, and does not provide investment advice or investment management services for Plan participants' accounts. As described above, JPMS will assist the Client in the ongoing monitoring of Plan investment options, and **will not** provide ongoing monitoring of Affiliated Products. Ongoing monitoring by JPMS includes periodic reviews with Clients of the performance of Plan investment options which are semi-annual for DC Plan Advisor and annual for DC Plan Manager. JPMS provides quarterly reports to Clients which include performance of plan investment options on the plan investment menu. When appropriate, based on this information, JPMS may assist DC Plan Advisor Client in identifying new investment options.

JPMS reviews the Program on an ongoing and periodic basis and has policies and procedures to supervise the Program in accordance with the Advisers Act, ERISA and other rules and regulations. Each Financial Advisor is responsible for reviewing the Clients advised by him or her on an ongoing basis. Responsibility for the ongoing supervision of each Financial Advisor's activity in the Program lies with the supervisor designated by JPMS as being responsible for supervising that Financial Advisor generally.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

To the best of its knowledge, JPMS does not receive economic benefits from non-clients for providing investment advice or other advisory services to its clients.

JPMS and its affiliates do receive economic benefits from certain mutual funds and other pooled investment vehicles when Plan assets are invested in them. Although these benefits are attributable to sales of the funds and the investment of Plan assets in the funds, they are not benefits the funds provide to JPMS or its affiliates in exchange for JPMS's provision of investment advisory services to Clients.

In addition, JPMS and its affiliates may from time to time enter into joint marketing activities with portfolio managers and/or sponsors of mutual funds recommended to Client in the Program. These managers and/or sponsors may pay some or all of the cost of the marketing activities, which payment may take the form of reimbursement of JPMS. Because of the willingness of these managers and/or sponsors to provide financial support for such activities, JPMS has an incentive to allow these managers and/or sponsors (as opposed to other portfolio managers and/or sponsors who are unwilling to provide such financial support) to participate in such joint marketing activities. However, the payments by the fund managers and/or sponsors are not made in exchange for JPMS's provision of investment advisory services to its Clients.

See Item 10 for a discussion of revenue sharing arrangements between JPMS and certain of its affiliates pursuant to which JPMS may receive compensation from the affiliates in connection with referrals or introductions of clients by JPMS to the affiliates for the provision by the affiliates of products and services to the clients. In such cases the compensation is in exchange for JPMS's referral of clients to other affiliated financial service providers – not for JPMS's own provision of investment advisory services to its clients.

Third-party providers (such as investment managers or Recordkeepers), including companies that sponsor investment options made available to Plans through JPMS, may participate in JPMS-sponsored internal training and educational conferences and meetings, and may make payments to, or for the benefit of, JPMS or its Financial Advisors to reimburse for certain expenses incurred for these events. Providers may also sponsor their own educational conferences or due diligence meetings and pay certain expenses of Financial Advisors attending these events. JPMS's policies require that the training or educational portion of these conferences comprises substantially all of the event and such conferences and meetings are subject to review and approval. Further, JPMS may provide sponsorship opportunities and access to its branch offices and Financial Advisors to such providers for educational, marketing and other promotional efforts. Any payments made by providers could lead Financial Advisors to focus on products managed by these providers when recommending products to Clients instead of those from other providers that do not commit similar resources to educational, marketing and other promotional efforts.

JPMorgan has implemented policies and procedures intended to ensure that JPMorgan and its employees avoid actual or perceived conflicts of interest when giving or receiving nonmonetary compensation from relevant parties, and comply with all applicable laws and regulations. To that end, the JPMorgan Code of Conduct and other gift-related policies generally restrict or prohibit acceptance of gifts, entertainment or other nonmonetary compensation in connection with the services provided to any Client or Plan, or in return for any business of JPMorgan. Exceptions may be made, including for certain non-cash gifts or promotional items valued at \$100 or less. The JPMorgan Code of Conduct and other gift-related policies set conditions for each of these types of payments, and do not permit any gifts or promotional items unless it is clear that the gift-giving person is not trying to influence or reward the JPMS employee inappropriately in connection with any business decision or transaction and the gift is unsolicited.

Providers participating in JPMS programs or otherwise utilized by JPMorgan are not required to make any of these types of payments.

JPMS believes that, under any reasonable method of allocation, the gifts and other nonmonetary compensation or subsidies that may be attributable to any particular Plan are typically of insubstantial value (as any such gifts and other nonmonetary compensation or subsidies are most often attributable to JPMS's or JPMorgan's "book of business" as a whole) and, therefore, will generally be exempt from reporting on the Schedule C for the Plan's Form 5500. Similarly, JPMS does not reasonably anticipate receiving any such gifts or other nonmonetary compensation or subsidies associated with the services it provides to any Plan in excess of \$250 and, accordingly, does not believe it has reportable nonmonetary compensation for purposes of ERISA section 408(b)(2).

ITEM 15 – CUSTODY

JPMS does not have custody of client funds and securities in connection with the Program.

ITEM 16 – INVESTMENT DISCRETION

JPMS and the Client enter into an investment advisory agreement authorizing JPMS to create an investment menu for the plan. The agreement for DC Plan Manager Services authorizes JPMS to direct the implementation of the plan investment menu and to exercise discretion over investments on a Plan's investment menu. Please see Item 4 for a more detailed description of these services.

ITEM 17 – VOTING CLIENT SECURITIES

JPMS does not have, and will not accept, authority to vote Client securities (or provide advice how to vote proxies) in connection with the Program. Clients must contact their plan recordkeeper with questions about particular proxy solicitations.

ITEM 18 – FINANCIAL INFORMATION

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