

## **FORM ADV Part 2A**

**J.P. Morgan Private Wealth Advisors LLC**  
**(formerly known as “First Republic Investment Management, Inc.”)**

111 Pine Street  
San Francisco, CA 94111  
Phone: 415-392-1400

<https://www.firstrepublic.com/private-wealth-management/investment-management-services>

November 28, 2023

This brochure provides information about the qualifications and business practices of J.P. Morgan Private Wealth Advisors LLC (“JPMPWA”), formerly known as “First Republic Investment Management, Inc.” or “FRIM”. If you have any questions about the contents of this brochure, please contact us at the phone number above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about JPMPWA also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

JPMPWA is a federally registered investment adviser with the SEC. Registration of an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

The following material updates have been made to the Form ADV Part 2A (the “Brochure”) since the last annual update on March 27, 2023. In addition, JPMPWA routinely makes updates throughout the Brochure to improve and clarify the description of its business practices, compliance policies and procedures and conflicts of interest, as well as to respond to evolving industry best practices.

### **November 28, 2023 Brochure Update**

#### **Item 4 – Advisory Business**

On a limited basis, JPMPWA also provides investment advisory services through certain wrap fee programs sponsored by its affiliate, JPMS, by acting as a non-discretionary Model Manager providing model portfolios to be implemented by affiliated and unaffiliated overlay or implementation managers that exercise discretion over trading in JPMS client accounts.

### **October 2, 2023 Brochure Updates**

In general, this Brochure was updated to reflect that on October 1, 2023, as part of a corporate reorganization and through a series of internal transactions, First Republic Investment Management, Inc. (“FRIM”) became “J.P. Morgan Private Wealth Advisors LLC” (“JPMPWA”), a wholly owned subsidiary of JPMorgan Chase Holdings LLC, which is a wholly owned subsidiary of JPMorgan Chase & Co. (the “Reorganization”).

References to FRIM, including within this Item 2, have been changed to JPMPWA, with the exception of the June 6, 2023 Brochure Updates and Item 9 of this Part 2A.

#### **Item 4 – Advisory Business**

- On October 1, 2023, as part of a corporate reorganization and through a series of internal transactions, First Republic Investment Management, Inc. became “J.P. Morgan Private Wealth Advisors LLC” (“JPMPWA”), a wholly owned subsidiary of JPMorgan Chase Holdings LLC, which is a wholly owned subsidiary of JPMorgan Chase & Co. (the “Reorganization”).
- Eagle Invest is an online investment management service that offers an alternative version of JPMPWA’s advisory services through a wrap program. Eagle Invest will not be offered or available to new business effective October 15, 2023.
- JPMPWA offers financial planning services to high net worth and ultra-high net worth Clients. Financial planning services generally include an assessment of a Client’s financial situation as well as the goals and objectives a Client would like to achieve. Financial planning services will not be offered or available to new business effective October 1, 2023.
- JPMPWA offers family office consulting services that focus on coordination and administration including but not limited to facilitating communication with various external advisers, coordinating discussions with a Client’s banker(s) and insurance provider(s), coordinating risk management reviews, and liaising regularly with a Client’s external family office service provider(s). Family office consulting services will not be offered or available to new business effective October 1, 2023.
- JPMPWA offers family wealth resources and family engagement and governance services to its ultra-high net worth Clients that focus on the purpose and impact of wealth within a family and

community. These services will not be offered or available to new business effective October 1, 2023.

#### **Item 5 – Fees and Compensation**

- As of October 1, 2023, JPMPWA ceased operating as an insurance agency, DBA Eagle Private Insurance Services, which was licensed to conduct insurance activity in certain states. JPMPWA no longer holds any insurance licenses.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

- As a result of the Reorganization, JPMPWA is now a wholly owned subsidiary of JPMorgan Chase Holdings LLC which is a wholly owned subsidiary of JPMorgan Chase & Co. JPMPWA was previously a wholly owned subsidiary of JPMorgan Chase Bank, N.A. (“JPMCB”), a national banking association that is subject to supervision and regulation by the U.S. Department of Treasury’s Office of the Comptroller of the Currency for five months immediately after the Acquisition (as defined below in Item 4). JPMPWA’s indirect owner, JPMC, is a public company that is a bank holding company registered with the Board of Governors of the Federal Reserve System (the “Federal Reserve”). JPMC is subject to supervision and regulation by the Federal Reserve and is subject to certain restrictions imposed by the Bank Holding Company Act of 1956 and related regulations.
- JPMPWA was previously affiliated with First Republic Securities Company, LLC (“FRSC”), a broker-dealer registered with the SEC, which merged with J.P. Morgan Securities LLC (“JPMS”) on October 1, 2023. As a result of this merger, JPMPWA advisory accounts participating in a wrap-fee program (a “Program”) must use JPMS for brokerage services. Client accounts at JPMS are cleared on a fully-disclosed basis at Pershing LLC (“Pershing”), which has custody of the JPMS customer accounts that formerly used FRSC for brokerage services. Pershing is a clearing broker that is not affiliated with JPMS or JPMPWA.
- As part of the overall integration plan with JPMC, certain investment adviser representatives of JPMPWA will also be supervised persons of JPMS. It is anticipated that the dual supervisory status of such representatives will be an interim arrangement designed to facilitate certain transition and integration matters relating to JPMC’s acquisition of JPMPWA. During the time period that such representatives are supervised persons of both JPMPWA and JPMS, there could be an incentive to recommend an advisory program, service, or strategy from the entity that generates more fees and compensation for the representative or the entity over a similar program, service, or strategy offered by the entity that charges less for the same service or product. JPMPWA and JPMS have taken steps to mitigate such conflicts, including, but not limited to, steps that relate to investment adviser representative compensation and to fees charged to clients in each entity’s respective investment advisory program or service.
- JPMPWA’s affiliate, JPMS, sponsors various investment advisory programs through which JPMS assists Clients in the selection of one or more affiliated or third-party managers or model providers for investment in Clients’ account(s). A conflict of interest arises when an investment in a JPMorgan Affiliated Product is held in a Client account because certain of JPMPWA affiliates, including JPMC, benefit from increased allocations to the JPMorgan Affiliated Products and may receive management, distribution, placement, administration, custody, trust services or other fees for services provided to such products.
- In their separate capacities as registered representatives and/or insurance agents, JPMPWA management persons, investment adviser representatives, and employees who are separately licensed as registered representatives with JPMS or as insurance agents with Chase Insurance Agency, Inc. (“CIA”) will be able to effect securities transactions, provide consulting services

and/or purchase or refer insurance and insurance-related investment products for JPMPWA's advisory Clients, for which they will receive additional compensation.

- As of October 1, 2023, JPMPWA ceased operating as an insurance agency, DBA Eagle Private Insurance Services. JPMPWA no longer holds any insurance licenses.

## **June 6, 2023 Brochure Updates**

The following reflects a summary of the material changes to this Brochure made in the June 6, 2023 update which are superseded by the October 2, 2023 Brochure Updates above, as applicable.

### **Item 4 – Advisory Business**

- As of May 1, 2023, FRIM is a wholly owned subsidiary of JPMorgan Chase Bank, N.A. (“JPMCB”), which is a wholly owned subsidiary of JPMorgan Chase & Co. (the “Acquisition”). JPMorgan Chase & Co., together with its affiliates (collectively, “JPMC”), is engaged in a large number of financial businesses worldwide, including banking, asset management, securities brokerage, and investment advisory services.
- FRIM is not currently recommending to Clients or investing Client accounts in any mutual fund, ETF, collective investment fund, or other product or pooled investment vehicle managed by JPMC (collectively, “JPMorgan Affiliated Products”). However, at times, a Client account will hold an investment in a JPMorgan Affiliated Product that was acquired by the Client prior to FRIM's affiliation with JPMC or transferred from an account not managed by FRIM. A conflict of interest arises when an investment in a JPMorgan Affiliated Product is held in a Client account because certain of FRIM's affiliates, including JPMC, benefit from increased allocations to the JPMorgan Affiliated Products and may receive management, distribution, placement, administration, custody, trust services or other fees for services provided to such products.
- FRIM enters into sub-advisory agreements for separately managed accounts with other registered investment advisers, and Clients can choose to enter into agreements directly with these other registered investment advisers for separately managed accounts (“SMA Managers”). FRIM also enters into model manager agreements with other registered investment advisers, and Clients can choose to have their accounts managed by FRIM in accordance with model investment portfolios provided by these other registered investment advisers (“Model Managers”, and together with the SMA Managers, “SMA/Model Managers”). SMA/Model Managers can be affiliated or unaffiliated with FRIM. They provide investment management services or model manager services which cause Clients to incur additional fees. FRIM selects and recommends SMA/Model Managers that it believes are appropriate for a Client's needs and objectives. At times, FRIM selects or recommends an SMA/Model Manager with which it is affiliated. In such instances, FRIM has an incentive to select for a Client an affiliated SMA/Model Manager over an unaffiliated SMA/Model Manager because the affiliate will generally receive more fees when it serves as an SMA Manager for a Client's account.

### **Item 5 – Fees and Compensation**

- If a Client account holds a JPMorgan Affiliated Product in a taxable account, FRIM and certain of its affiliates generally receive advisory fees both for advising the Client's account and for providing advisory services to the JPMorgan Affiliated Product in which the account is invested. FRIM has a financial incentive to use a JPMorgan Affiliated Product and favor affiliated service providers over non-affiliated products and service providers because one or more of FRIM's affiliates generally receives investment management and other fees for managing and servicing such JPMorgan Affiliated Products. However, if a Client account holds a JPMorgan Affiliated Product in an account that is subject to Title I of ERISA or Section 4975 of the IRC, FRIM anticipates that

it will mitigate this conflict of interest by (i) liquidating the JPMorgan Affiliated Product in which the account is invested, (ii) waiving the advisory and other fees charged by the JPMorgan Affiliated Product that would otherwise be paid to (and retained by) FRIM's affiliates in connection with the account's investments, or (iii) excluding the JPMorgan Affiliated Product from the assets for which FRIM provides investment advisory services, and upon which FRIM calculates the Client's account-level advisory fee.

- If an SMA/Model Manager provides advisory services for a Client's taxable account, the SMA/Model Manager will generally charge the Client a management fee that is in addition to FRIM's advisory fee. However, to the extent FRIM selects or recommends an SMA/Model Manager that is affiliated with FRIM for a Client's account that is subject to Title I of ERISA or Section 4975 of the IRC, such SMA/Model Manager will generally waive its management fee for such Client's account. In instances where FRIM selects or recommends for a Client's taxable account an SMA/Model Manager with which it is affiliated, FRIM has an incentive to select for the Client the affiliated SMA/Model Manager over an unaffiliated SMA/Model Manager because the affiliate will generally receive more fees when it is selected to provide services for the Client's account.

#### **Item 9 – Disciplinary Information**

As a result of the Acquisition, this Item was updated to include the following disciplinary information involving JPMCB and certain other affiliates.

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

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

- On or about July 28, 2016, Respondents entered into a Consent Agreement ("Agreement") with the Indiana Securities Division ("ISD"). The Respondents consented to the entry of the Agreement that alleged that certain conduct of the Respondents was outside the standards of honesty and ethics generally accepted in the securities trade and industry, in violation of 710 Ind. Admin. Code § 4-10-1(23) (2016). Specifically, the Agreement alleged that, between 2008 and 2013, JPMS failed to disclose to Indiana investors that certain proprietary mutual funds purchased for CSP clients offered institutional shares that were less expensive than the institutional shares JPMS chose for CSP clients. In addition, the Agreement alleged that, from February 2011 to January 2014, no account opening document or marketing materials disclosed to Indiana investment management account clients or Indiana J.P. Morgan Investment Portfolio clients that JPMCB preferred to invest client assets in proprietary mutual funds, and that between 2008 and January 2014, JPMCB did not disclose its preference for investing certain investment management account assets in certain proprietary hedge funds to Indiana clients. Lastly, the Agreement alleged that, JPMCB did not disclose its preference for placement-agent-fee-paying third-party hedge fund managers in certain investment management accounts to Indiana clients until August 2015. Solely for the purpose of settling these proceedings, the Respondents consented to the Agreement, with no admissions as to liability. In the Agreement, the Respondents agreed to pay a total of \$950,000 to resolve the ISD's investigation, which was paid on August 1, 2016.
- In September 2020, JPMS, together with JPMC and JPMCB (collectively, "JPMorgan") agreed to an administrative resolution with the CFTC for violations of the CEA and CFTC regulations related to manipulation, attempted manipulation and spoofing, as well as a charge against JPMS for failure to supervise. As described in the CFTC's Order, from at least 2008 through 2016, former JPMorgan traders placed hundreds of thousands of spoof orders of precious metals futures and U.S. treasuries ("UST") futures on exchanges, and, on occasion, engaged in manipulation related to precious metals barrier options. The CFTC Order further states that JPMS failed to identify, adequately investigate, and put a stop to misconduct, despite red flags, including internal surveillance alerts, inquiries from CME and the CFTC, and internal allegations of misconduct. JPMorgan consented to the entry of the CFTC Order without admitting or denying the findings contained therein, except to the extent that admissions were made in the related resolutions, described below, with the United States Department of Justice, Criminal Division, Fraud Section, and the United States Attorney's Office for the District of Connecticut (together, "DOJ") and the SEC. JPMS also agreed to an administrative resolution with the SEC for violations of Section 17(a)(3) of the Securities Act of 1933. Pursuant to the SEC Order, JPMS admitted to hundreds of manipulative trading events involving spoofing by certain former JPMorgan traders in the UST cash securities secondary market between April 2015 and January 2016. JPMC separately entered into a deferred prosecution agreement ("DPA") with DOJ with respect to a criminal information, charging JPMC with two counts of wire fraud (the "Information") related to the same conduct underlying the CFTC and SEC Orders. JPMS and JPMCB also agreed to certain terms and obligations of the DPA. JPMorgan admitted, accepted, and acknowledged responsibility for the acts of its officers, directors,

employees, and agents as described in the Information and the Statement of Facts accompanying the DPA, and that the allegations described therein are true and accurate. In resolving these three actions, JPMorgan agreed to pay a total of \$920,203,609 to DOJ, CFTC, and SEC, consisting of civil and criminal monetary penalties, restitution, and disgorgement. JPMorgan agreed to cease and desist from any further violations, and also agreed, among other things, to certain cooperation, remediation, and reporting requirements.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

- As a result of the Acquisition, FRIM is no longer owned by First Republic Bank, but instead became a wholly owned subsidiary of JPMCB, a national banking association that is subject to supervision and regulation by the U.S. Department of Treasury’s Office of the Comptroller of the Currency. FRIM’s indirect owner, JPMC, is a public company that is a bank holding company registered with the Board of Governors of the Federal Reserve System (the “Federal Reserve”). JPMC is subject to supervision and regulation by the Federal Reserve and is subject to certain restrictions imposed by the Bank Holding Company Act of 1956 and related regulations.
- As a result of the Acquisition, FRIM became affiliated with J.P. Morgan Securities LLC (“JPMS”), a FINRA member that is dually registered as a broker-dealer and an investment adviser with the SEC.
- FRIM also became affiliated with two registered broker-dealers and members of FINRA, J.P. Morgan Institutional Investments Inc. and JPMorgan Distribution Services, Inc.
- As a result of the Acquisition, FRIM became affiliated with several investment advisers, including J.P. Morgan Investment Management Inc. and J.P. Morgan Private Investments Inc, among others.
- As a result of the Acquisition, the deposit accounts for two cash sweep options available to FRIM’s Clients, Eagle Sweep program and Eagle One Sweep Bank Deposit Sweep Program, are no longer held at First Republic Bank, and are now held at JPMCB.
- As a sweep vehicle alternative, FRIM also partners with Pershing to offer Clients whose accounts are custodied at Pershing with access to the Pershing Cash Sweep Program (“Pershing Cash”). By participating in Pershing Cash, cash balances in a Client’s account will be custodied at Pershing, and Pershing will pay interest rates on such cash to Clients, as determined by Pershing in its discretion.
- Clients whose accounts are custodied through Fidelity Brokerage Services LLC and its affiliate, National Financial Services LLC., also have an option to have cash balances in excess of FDIC insurance coverage swept into the Fidelity Government Money Market Fund (SPAXX), which is managed by Fidelity Management & Research Company LLC (“FMR”). FMR is not an affiliate of FRIM. For more information about SPAXX, please refer to the money market fund’s prospectus.
- As a result of the Acquisition, FRIM may have referral arrangements and a securities-based lending program with JPMCB that replace those which FRIM previously had with First Republic Bank.

#### **Item 11 – Code of Ethics, Participation, or Interest in Client Transactions/Personal Trading**

This Item was updated to include and enhance the following disclosure regarding the actual and potential conflicts of interest that arise from FRIM’s relationships with JPMC and newly affiliated financial institutions following the Acquisition.

##### **Recommendation or Investments in Securities that FRIM or Its Related Persons may also Purchase or Sell**

FRIM and its related persons may recommend or invest in securities on behalf of its Clients that FRIM and its related persons may also purchase or sell. As a result, positions taken by FRIM and its related persons

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

### **JPMC's Proprietary Investments**

FRIM, JPMC, and any of their directors, partners, officers, agents or employees, also buy, sell, or trade securities for their own accounts or the proprietary accounts of FRIM and/or JPMC. FRIM and/or JPMC, within their discretion, may make different investment decisions and take other actions with respect to their proprietary accounts than those made for Client accounts, including the timing or nature of such investment decisions or actions. The proprietary activities, investments, or portfolio strategies of FRIM and/or JPMC give rise to a conflict of interest with the transactions and strategies employed by FRIM on behalf of its Clients and affect the prices and availability of the investment opportunities in which FRIM invests on behalf of its Clients. Further, FRIM is not required to purchase or sell for any client account securities that it, JPMC, and any of their employees, principals, or agents may purchase or sell for their own accounts or the proprietary accounts of FRIM or JPMC. FRIM, JPMC, and their respective directors, officers and employees face a conflict of interest as they will have income or other incentives to favor their own accounts or the proprietary accounts of FRIM or JPMC.

### **JPMC Acting in Multiple Capacities**

JPMC is a diversified financial services firm that provides a broad range of services and products to its clients and is a major participant in the global currency, equity, commodity, fixed-income and other markets in which FRIM's Client accounts invest or may invest. JPMC is typically entitled to compensation in connection with these activities and FRIM's Clients will not be entitled to any such compensation. In providing services and products to clients other than FRIM's Clients, JPMC, from time to time, faces conflicts of interest with respect to activities recommended to or performed for FRIM's Client on one hand and for JPMC's other clients on the other hand. For example, JPMC has, and continues to seek to develop banking and other financial and advisory relationships with numerous U.S. and non-U.S. persons and governments. JPMC also advises and represents potential buyers and sellers of businesses worldwide. FRIM's Client accounts have invested in, or may wish to invest in, such entities represented by JPMC or with which JPMC has a banking, advisory or other financial relationship. In addition, certain clients of JPMC, including FRIM's Clients, may invest in entities in which JPMC holds an interest, including a JPMorgan Affiliated Product. In providing services to its Clients and as a participant in global markets, JPMC from time to time recommends or engages in activities that compete with or otherwise adversely affect a FRIM Client account or its investments. It should be recognized that such relationships can preclude FRIM's Clients from engaging in certain transactions and can also restrict investment opportunities that may be otherwise available to FRIM's Clients. For example, JPMC is often engaged by companies as a financial adviser, or to provide financing or other services, in connection with commercial transactions that are potential investment opportunities for FRIM's Clients. There are circumstances in which advisory accounts are precluded from participating in such transactions as a result of JPMC's engagement by such companies. JPMC reserves the right to act for these companies in such circumstances, notwithstanding the potential adverse effect on FRIM's Clients. In addition, JPMC derives ancillary benefits from providing investment advisory, custody, administration, prime brokerage, transfer agency, fund accounting and shareholder servicing and other services to FRIM's Clients, and providing such services to FRIM's Clients may enhance JPMC's relationships with various parties, facilitate additional business development and



enable JPMC to obtain additional business and generate additional revenue. For example, allocating a Client's account's or a certain JPMorgan Affiliated Product's assets to a third-party private investment fund or product enhances JPMC's relationship with such third-party investment fund or product and their affiliates and could facilitate additional business development or enable JPMC or FRIM to obtain additional business and generate additional revenue.

### **JPMC Service Providers and Its Relationships with Issuers of Debt or Equity Instruments in Client Portfolios**

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

### **JPMC Service Providers and their Funds in Client Portfolios**

JPMC faces conflicts of interest when certain JPMorgan Affiliated Products select service providers affiliated with JPMC because JPMC receives greater overall fees when they are used. Affiliates provide investment advisory, custody, administration, fund accounting and shareholder servicing services to certain JPMorgan Affiliated Products for which they are compensated by such funds. In addition, certain investment funds managed by advisers who are not affiliated with FRIM ("Unaffiliated Products") in which FRIM invests on behalf of its Clients, in the normal course of their operations, may engage in ordinary market transactions with JPMC, or may have entered into service contracts or arrangements with JPMC. For example, FRIM may allocate Client assets to an Unaffiliated Product that trades OTC derivatives with JPMC. Similarly, JPMC provides custodial, brokerage, administrative services or other services to Unaffiliated Products in which FRIM invests on behalf of its Clients. These relationships could potentially influence FRIM in deciding whether to select such funds for its Clients or recommend such funds to its Clients.

### **Clients' Investments in Affiliated Companies**

Subject to applicable law, from time to time FRIM may invest on behalf of its Clients in fixed income or equity instruments or other securities that represent a direct or indirect interest in securities of JPMC, including JPMC stock. FRIM will receive advisory fees on the portion of client holdings invested in such instruments or other securities and may be entitled to vote or otherwise exercise rights and take actions with respect to such instruments or other securities on behalf of its clients. Generally, such activity occurs when a client account includes an index or enhanced index strategy that targets the returns of certain indices in which JPMC securities are a component. Investments in JPMC securities by an index or enhanced index strategy must be made consistent with applicable law and subject to position limits and other constraints.

FRIM has a conflict of interest because JPMC, its subsidiaries and their personnel, benefit from transactions that support or increase the market demand and price for JPMC securities. The conflict is mitigated because purchases and sales of JPMC securities in client accounts are limited to transactions that align to the relative weighting of JPMC securities in a Client's account to the current weightings of the index tracked by a Client account. In cases where a Client's account does not specifically track an index, FRIM has implemented guidelines for rebalancing a Client's portfolio, or engaging in tax management services, when it involves the purchase or sale of the securities of FRIM or one of its affiliates and minimizes the level of investment in securities of FRIM and its affiliates.

Clients' direct or indirect investments in the securities, secured loans or other obligations of companies affiliated with JPMC or in which FRIM or FRIM's other Clients have an equity, debt, or other interest may result in other Clients of FRIM, FRIM, or its Affiliates being relieved of obligations. For example, a client account may acquire securities or indebtedness of a company affiliated with JPMC directly or indirectly through syndicate or secondary market purchases, or may make a loan to, or purchase securities from, a company that uses the proceeds to repay loans made by JPMC. The purchase, holding and sale of investments by FRIM on behalf of its clients are beneficial to JPMC's own investments in and its activities with respect to such companies.

### **Investment Opportunities Sourced by JPMC**

From time to time, FRIM's affiliates, including, but not limited to, JPMC's investment, commercial, and private banking divisions and JPMC corporate functions, introduce to FRIM a potential transaction involving the sale or purchase of private securities, loans, real estate, infrastructure, or transportation investments that may be suitable for a private fund or Client account managed by FRIM. If such fund or account pursues the resulting transaction, JPMC will have a conflict in its representation of FRIM's Client over the price and terms of the fund's investment or disposal. In addition, FRIM's affiliates could provide investment banking, advisory, or other services to competitors of FRIM's Clients with respect to the prospective or existing investments held by such clients or with respect to certain investments that FRIM's Clients are considering, or are in the process of acquiring. Such activities will present JPMC with a conflict of interest vis-à-vis FRIM's Client's investment and may also result in a conflict with respect to the allocation of resources to those entities.

### **Restrictions Relating to JPMC Directorships/Affiliations**

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

### **JPMC's Use and Ownership of Trading Systems**

JPMC may effect trades on behalf of its client accounts through exchanges, electronic communications networks, alternative trading systems and similar execution systems and trading venues (collectively, "Trading Systems"), including Trading Systems in which JPMC has a direct or indirect ownership interest. JPMC will receive indirect proportionate compensation based upon its ownership percentage in relation to the transaction fees charged by such Trading Systems in which it has an ownership interest. An up-to-date list of all Trading Systems through which JPMC might trade and in which JPMC has an ownership interest can be found at <https://www.jpmorgan.com/wealth-management/wealth-partners/legal/ecn>. Such Trading

Systems (and the extent of JPMC's ownership interest in any Trading System) may change from time to time. JPMC addresses this conflict by disclosure to its clients.

### **Principal Transactions, Cross and Agency Cross Transactions**

Although FRIM does not generally do so, FRIM, acting on behalf of its Clients' advisory accounts, can enter into transactions in securities and other instruments with or through JPMC, and cause accounts to engage in principal transactions, cross transactions, and agency cross transactions, as permitted by applicable law and FRIM's policy.

### **Conflicts Relating to JPMorgan Affiliated Products**

FRIM has a conflict of interest to the extent that Client accounts hold interests in JPMorgan Affiliated Products because certain of FRIM's affiliates benefit from increased allocations to the JPMorgan Affiliated Products, and may receive management, distribution, placement, administration, custody, trust services, or other fees for services provided to such products. FRIM has a financial incentive to use a JPMorgan Affiliated Product and favor affiliated service providers over non-affiliated products and service providers because one or more of FRIM's affiliates generally receive investment management and other fees for managing and servicing such JPMorgan Affiliated Products. As such, FRIM's affiliates will receive more total revenue when a Client's portfolio is invested in such JPMorgan Affiliated Products than when it is invested in third-party products.

Mutual funds and ETFs registered under the Investment Company Act of 1940, as amended ("Registered Funds") all have various internal fees and other expenses, that are paid by managers or issuers of the Registered Funds or by the Registered Fund itself, but that ultimately are borne by the investor. At times, JPMC receives administrative and servicing and other fees for providing services to both JPMorgan Affiliated Products that are Registered Funds and third party funds that are held in a Client's portfolio. These payments may be made by sponsors of Registered Funds (including affiliates of FRIM) or by the Registered Funds themselves and based on the value of the Registered Funds in the Client's portfolio. Certain Registered Funds or their sponsors have other business relationships with JPMC outside of its portfolio management role or with the broker-dealer affiliates of JPMC, which may provide brokerage or other services that pay commissions, fees and other compensation.

At times, FRIM has an incentive not to withdraw its Client's investment from a JPMorgan Affiliated Product in order to avoid or delay the withdrawal's adverse impact on the fund. Certain accounts managed by FRIM or its affiliates have significant ownership in certain JPMorgan Affiliated Products. FRIM and its affiliates face conflicts of interest when considering the effect of redemptions on such funds and on other unitholders in deciding whether and when to redeem its units. A large redemption of units by FRIM acting on behalf of its discretionary clients could result in the JPMorgan Affiliated Product selling securities when it otherwise would not have done so, and increasing transaction costs. A large redemption could also significantly reduce the assets of the fund, causing decreased liquidity and, depending on any applicable expense caps, a higher expense ratio or liquidation of the fund. FRIM has policies and controls in place to govern and monitor its activities and processes for identifying and managing conflicts of interest.

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

Certain unaffiliated asset management firms (each, an "unaffiliated asset manager") through their funds and separately managed accounts currently hold a 5% or more ownership interest in JPMC publicly traded stock. Ownership interests in this range or of greater amounts present a conflict of interest when FRIM purchases publicly traded securities of the unaffiliated asset manager or invests in funds that are advised by such unaffiliated asset manager, on behalf of Client accounts. FRIM does not receive any additional compensation for Client accounts' investments in publicly traded securities or funds of an unaffiliated asset manager as a result of its ownership interest in JPMC stock. JPMC monitors ownership interests in JPMC for regulatory purposes and to identify and mitigate actual and perceived conflicts of interest. As of February 24, 2023, the Vanguard Group, Inc., and BlackRock, Inc. hold more than a 5% interest in JPMC.

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

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

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

FRIM is not permitted to use MNPI in effecting purchases and sales in public securities transactions. The intentional receipt of MNPI gives rise to a conflict of interest since FRIM may be prohibited from rendering investment advice to clients regarding the public securities of such issuer and thereby potentially limiting FRIM's ability to sell such securities. Similarly, where FRIM declines access to (or otherwise does not receive or share within JPMC) MNPI regarding an issuer, FRIM may base its investment decisions with respect to assets of such issuer solely on public information, thereby limiting the amount of information available to FRIM in connection with such investment decisions. In determining whether or not to elect to receive MNPI, FRIM will endeavor to act fairly to its clients as a whole.

In addition, JPMC from time to time subscribes to or otherwise elects to become subject to investment policies on a firm-wide basis, including policies relating to environmental, social, and corporate governance. FRIM may also limit transactions and activities for reputational or other reasons, including when JPMC is providing (or may provide) advice or services to an entity involved in such activity or transaction, when JPMC or a Client is or may be engaged in the same or a related activity or transaction to that being considered on behalf of the advisory account, when JPMC or another account has an interest in an entity involved in such activity or transaction, or when such activity or transaction on behalf of or in respect of the advisory account could affect JPMC, FRIM, their clients, or their activities. JPMC may become subject to additional restrictions on its business activities that could have an impact on FRIM's Client accounts activities. In addition, FRIM may restrict its investment decisions and activities on behalf of particular advisory accounts and not other accounts.

## **Conflicts Related to the Use of Index Products**

FRIM's affiliates may develop or own and operate stock market and other indices based on investment and trading strategies developed by FRIM or its affiliates or assist unaffiliated entities in creating indices that are tracked by certain ETFs or certain Client accounts utilized by FRIM. Some of the ETFs advised by JPMIM (the "JPMorgan ETFs") seek to track the performance of certain of these indices. In addition, FRIM may manage Client accounts which track the same indices used by the JPMorgan ETFs or which may be based on the same, or substantially similar, strategies that are used in the operation of the indices and the JPMorgan ETFs. The operation of the indices, the JPMorgan ETFs and Client accounts in this manner may give rise to potential conflicts of interest. For example, Client accounts that track the same indices used by

the JPMorgan ETFs may engage in purchases and sales of securities relating to index changes prior to the implementation of index updates or the time as of which the JPMorgan ETFs engage in similar transactions because the Client accounts may be managed and rebalanced on an ongoing basis, whereas the JPMorgan ETFs' portfolios are only rebalanced on a periodic basis corresponding with the rebalancing of an index. These differences may result in the Client accounts having more favorable performance relative to that of the index and the JPMorgan ETFs or other Client accounts that track the index. Furthermore, FRIM may, from time to time, manage Client accounts that invest in these JPMorgan ETFs.

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

Certain portfolio managers of FRIM may manage multiple Client accounts or investment vehicles. These portfolio managers are not required to devote all or any specific portion of their working time to the affairs of any specific Client. Conflicts of interest do arise in allocating management time, services or functions among such Clients, including Clients that may have the same or similar type of investment strategies. FRIM addresses these conflicts by disclosing them to Clients and through its supervision of portfolio managers and their teams. Responsibility for managing FRIM's Client portfolios is organized according to investment strategies within asset classes. Generally, Client portfolios with similar strategies are managed by portfolio managers in the same portfolio management group using the same or similar objectives, approach and philosophy. Therefore, portfolio holdings, relative position sizes, industry and sector exposures generally tend to be similar across Client portfolios with similar strategies. However, FRIM faces conflicts of interest when FRIM's portfolio managers manage accounts with similar investment objectives and strategies. For example, investment opportunities that may potentially be appropriate for certain Clients may also be appropriate for other groups of Clients and, as a result, Client accounts may have to compete for positions. There is no specific limit on the number of accounts which may be managed by FRIM or its related persons. Once held by a Client, certain investments compete with other investments held by other Clients of FRIM. FRIM has controls in place to monitor and mitigate these potential conflicts of interest.

### **Conflicts of Interest Created by Contemporaneous Trading**

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

In addition, it may be perceived as a conflict of interest when activity in one account closely correlates with the activity in a similar account, such as when a purchase by one account increases the value of the same securities previously purchased by another account, or when a sale in one account lowers the sale price received in a sale by a second account. Furthermore, if FRIM manages accounts that engage in short sales of securities in which other accounts invest, FRIM could be seen as harming the performance of one account for the benefit of the account engaging in short sales if the short sales cause the market value of the securities to fall. Also, certain private funds managed by FRIM or its affiliates hold exclusivity rights to certain investments and therefore, other clients are prohibited from pursuing such investment opportunities.

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

A conflict could arise when JPMC or one or more Client accounts invest in different instruments or classes of securities of the same issuer than those in which other Clients invest. In certain circumstances, JPMC or one or more Client accounts that have different investment objectives could pursue or enforce rights with

respect to a particular issuer in which other Clients of FRIM or JPMC have also invested. These activities are adverse to the interests of such other Clients, and transactions for a Client account will be impaired or effected at prices or terms that are less favorable than would otherwise have been the case had a particular course of action with respect to the issuer of the securities not been pursued with respect to such other Client account or JPMC. For example, if JPMC or a Client of FRIM holds debt instruments of an issuer and another client holds equity securities of the same issuer, and the issuer experiences financial or operational challenges, JPMC acting on behalf of itself or the Client who holds the debt instrument may seek a liquidation of the issuer, whereas the other Client who holds the equity securities may prefer a reorganization of the issuer. In addition, an issuer in which a Client invests may use the proceeds of the Client's investment to refinance or reorganize its capital structure, which could result in repayment of debt held by JPMC or another Client. If the issuer performs poorly following such refinancing or reorganization, the Client's results will suffer whereas JPMC's and/or the other Client's performance will not be affected because JPMC and the other Client no longer have an investment in the issuer. Conflicts are magnified with respect to issuers that become insolvent. It is possible that in connection with an insolvency, bankruptcy, reorganization, or similar proceeding, a Client will be limited (by applicable law, courts or otherwise) in the positions or actions it will be permitted to take due to other interests held or actions or positions taken by JPMC or other Clients of FRIM.

## Item 3 – Table of Contents

### Contents

Item 2 – Material Changes .....	2
Item 3 – Table of Contents.....	15
Item 4 – Advisory Business .....	16
Item 5 – Fees and Compensation .....	21
Item 6 – Performance-Based Fees and Side-By-Side Management.....	29
Item 7 – Types of Clients .....	30
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	30
Item 9 – Disciplinary Information .....	41
Item 10 – Other Financial Industry Activities and Affiliations .....	44
Item 11 – Code of Ethics, Participation, or Interest in Client Transactions/Personal Trading .....	52
Item 12 – Brokerage Practices .....	61
Item 13 – Review of Accounts.....	63
Item 14 – Client Referrals and Other Compensation .....	63
Item 15 – Custody .....	65
Item 16 – Investment Discretion.....	66
Item 17 – Voting Client Securities.....	66
Item 18 – Financial Information .....	67

## Item 4 – Advisory Business

This Brochure relates to the investment advisory services offered by J.P. Morgan Private Wealth Advisors LLC (“JPMPWA”). JPMPWA is registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). JPMPWA was previously a wholly owned subsidiary of First Republic Bank (“FRB”) and is formerly known as “First Republic Investment Management, Inc.” or “FRIM”. On May 1, 2023, JPMorgan Chase & Co., a publicly traded global financial services firm, acquired the substantial majority of assets and assumed the deposits and certain other liabilities of FRB. Following the Acquisition, JPMPWA<sup>1</sup> became a wholly owned subsidiary of JPMorgan Chase Bank, N.A. (“JPMCB” or the “Bank”), which is a wholly owned subsidiary of JPMorgan Chase & Co.

On October 1, 2023, as part of a corporate reorganization and through a series of internal transactions, FRIM became “J.P. Morgan Private Wealth Advisors LLC” (“JPMPWA”), a wholly owned subsidiary of JPMorgan Chase Holdings LLC, which is a wholly owned subsidiary of JPMorgan Chase & Co. (the “Reorganization”).

JPMorgan Chase & Co., together with its affiliates (collectively, “JPMC”), is engaged in a large number of financial businesses worldwide, including banking, asset management, securities brokerage, and investment advisory services. As relevant to this Brochure, JPMPWA is also affiliated with J.P. Morgan Securities LLC (“JPMS”), J.P. Morgan Investment Management Inc. (“JPMIM”), and J.P. Morgan Private Investments Inc. (“JPMPI”) which are also affiliates of each other as well as JPMC.

### Investment Management Services

JPMPWA provides full-service personalized wealth management solutions for individuals, trusts, families, foundations, endowments, pensions, defined contribution plans, profit sharing plans, banks, for-profit and not-for-profit institutions and other business entities (each, a “Client”). JPMPWA assists Clients in formulating long-term wealth management strategies that are customized to meet their unique needs or circumstances. These services are typically provided in two stages, Initial Advisory Services and Ongoing Advisory Services (collectively, the “Advisory Services”), as set forth in the investment management agreement (“IMA”) entered into between JPMPWA and the Client. In addition, JPMPWA offers online investment management services as part of a wrap program.

*Initial Advisory Services:* The “Initial Advisory Services” include some or all of the following, as JPMPWA and Client determine to be appropriate: (i) evaluating Client’s existing holdings and non-liquid assets; (ii) understanding Client’s financial circumstances and establishing investment objectives with Client for its account; (iii) exercising discretion with respect to purchases and sales of equity, fixed income or other securities including but not limited to, selecting appropriate investment managers or investment funds for same; and (iv) implementing Client’s asset allocation through making appropriate arrangements with investment managers and purchasing interests in appropriate investment funds. Once the Initial Advisory Services have largely been completed, JPMPWA will coordinate with Client and any of Client’s investment managers, custodians and/or advisers to effect the transfer of any monies or securities to the investment managers or investment funds and their respective custodians as necessary to implement Client’s investment objectives as established by Client and JPMPWA for the account(s). Clients can impose reasonable restrictions on investing in certain securities or types of securities subject to the approval of JPMPWA. JPMPWA does not provide legal, tax, or accounting advice.

*Ongoing Advisory Services:* JPMPWA provides certain “Ongoing Advisory Services,” which include some, but not necessarily all, of the following: (i) ongoing monitoring of Client’s portfolio including any of Client’s existing managers or funds that were not recommended by JPMPWA, but that Client has directed

---

<sup>1</sup>References to FRIM have been changed to JPMPWA throughout the remainder of this Brochure except in Item 9 of this Part 2A.



one of JPMPWA's investment representatives ("Wealth Managers") to keep as part of Client's account(s); (ii) ongoing rebalancing of the Client's portfolio; (iii) conducting portfolio reviews; (iv) providing performance reporting upon request; (v) adjusting any investment strategies and asset allocations used; and (vi) working with Client to address Client's investment objectives. Unless otherwise explicitly agreed to in writing by JPMPWA, it is not responsible for initial or ongoing due diligence on any investment manager, investment fund or asset that is not recommended by JPMPWA or on any of the account assets managed by them.

In limited circumstances, JPMPWA offers non-discretionary Advisory Services; in such cases, JPMPWA will not exercise discretion as described above but will instead make recommendations and proposals and act upon Client instructions.

*Online Investment Management:* Separately, JPMPWA offers Eagle Invest, an online investment management service that offers an alternative version of JPMPWA's advisory services through a wrap program. Eagle Invest is only available to current clients with existing accounts that are held in custody through JPMS, an affiliate of JPMPWA, through its clearing broker Pershing LLC ("Pershing"). Eagle Invest will not be offered or available to new business effective October 15, 2023. A Client's Eagle Invest portfolio is determined based on information provided by the Client upon enrollment, and as updates to that information are provided from time to time by the Client. JPMPWA is responsible for the development and ongoing maintenance of the model portfolios used in the Eagle Invest service. In connection with the provision of Eagle Invest services, JPMPWA utilizes a proprietary portfolio management algorithm licensed from Nvest, Inc., parent company of SigFig Wealth Management LLC ("SigFig"), for ongoing monitoring, rebalancing and tax loss harvesting. More details about the wrap program can be found in the Eagle Invest Wrap Program Brochure.

### **Investments in JPMorgan Affiliated Products**

JPMPWA does not currently recommend to Clients or invest Client accounts in any mutual fund, exchange traded fund ("ETF"), collective investment fund, or other product or pooled investment vehicle managed by JPMC (collectively, "JPMorgan Affiliated Products"). However, at times, a Client account will hold an investment in a JPMorgan Affiliated Product that was acquired by the Client prior to JPMPWA's affiliation with JPMC or transferred from an account not managed by JPMPWA. A conflict of interest arises when an investment in a JPMorgan Affiliated Product is held in a Client account because certain of JPMPWA's affiliates, including JPMC, benefit from increased allocations to the JPMorgan Affiliated Products and may receive management, distribution, placement, administration, custody, trust services or other fees for services provided to such products. Please refer to the "Investment Management Fee" section within Item 5, and the "Conflicts Relating to JPMorgan Affiliated Products" section within Item 11, for a more complete discussion regarding conflicts of interest.

### **Private Funds**

JPMPWA provides investment management services to private pooled investment vehicles that are not registered under the Investment Company Act of 1940 and whose interests are not publicly offered under the Securities Act of 1933 (Eagle Alternative Investments Fund(s), which include the Altair Funds). The Eagle Alternative Investments Funds are typically structured as funds-of-funds or as access vehicles to underlying funds or portfolios managed by third-party investment advisers ("Private Funds"). When determined by JPMPWA to be appropriate and suitable, JPMPWA recommends to Clients that they invest in one or more Eagle Alternative Investments Funds and, in certain instances, directly in certain Private Funds (including on occasion a private pooled syndication investment) that are not advised by JPMPWA. JPMPWA will, from time to time and as appropriate, recommend that Clients invest in such vehicles, and JPMPWA will decide which Clients to approach for some or all of these investments, in its own discretion. Not all Clients will be offered the opportunity to invest in a Private Fund, and not all Clients offered that opportunity will choose to invest in such Private Fund. Similarly, not all Wealth Managers are eligible to place Clients into all Eagle Alternative Investments Funds and Private Funds. JPMPWA (not

investors/Clients or Wealth Managers) has full discretion with respect to the Eagle Alternative Investments Funds' investments in/subscriptions to underlying third-party Private Funds. Clients who invest directly in an underlying Private Fund that is not advised by JPMPWA will be subject to terms (e.g., management fees) that differ from those of Clients who invest in an Eagle Alternative Investments Fund that, in turn, invests in such unaffiliated Private Fund. All relevant information pertaining to Private Fund recommendations, including the compensation received by JPMPWA or an affiliate (as applicable) and by the third-party investment adviser, other fees and expenses paid by the respective funds, withdrawal rights, minimum investments, qualification requirements, suitability, risk factors and potential conflicts of interest is set forth in the respective fund's disclosure documents, governing documents, subscription applications, and other offering materials pertaining to such interest (collectively the "Offering Documents"). Each investor is required to receive, review, and execute (as applicable) the Offering Documents prior to being accepted as an investor in any of these respective funds.

On occasion, two or more Eagle Alternative Investments Funds will seek to invest in the same Private Fund. In the event that such Private Fund has limited capacity such that two or more Eagle Alternative Investments Funds cannot both participate fully, JPMPWA will allocate the capacity among the Eagle Alternative Investments Funds in a manner that JPMPWA determines is fair and reasonable over time in its sole discretion. To this end, JPMPWA has established an Eagle Alternatives Platform Allocation Committee to review the allocation of certain Private Funds with limited capacity that are eligible for investment across more than one Eagle Alternative Investments Funds.

Certain Eagle Alternative Investments Funds are offered through iCapital Network's technology platform ("iCapital"), pursuant to a written agreement. These Private Funds generally contain in their legal names, and are known as, Eagle "Access Funds."

### **Financial Planning Services**

JPMPWA offers financial planning services to high net worth and ultra-high net worth Clients. Financial planning services generally include an assessment of a Client's financial situation as well as the goals and objectives a Client would like to achieve. Financial planning services will not be offered or available to new business effective October 1, 2023. The financial planning services are also generally a collaborative undertaking where Clients and JPMPWA personnel work together to develop a financial plan. Depending on the Client's personal situation, a number of relevant financial planning elements may be addressed. These elements may include but not limited to one or more of the following:

- A review of the Client's goals and objectives
- Asset allocation
- Retirement planning
- Equity compensation planning
- Estate planning
- Wealth transfer planning
- Insurance planning
- Philanthropic planning
- Business succession planning
- Tax education and considerations

Financial planning services sometimes also include consulting services to business owners regarding succession planning, risk management, pre- and post- liquidity planning or other issues business owners may encounter. As part of JPMPWA's broader financial planning services, the firm often proposes suggestions for the Client's life, disability, and long-term care insurance needs. Please refer to Conflicts Related to Affiliations and Affiliated Activities in Item 10 below for further information.

## **Institutional Consulting and Management Services**

JPMPWA offers consulting and management services to defined contribution plans and defined benefit plans. JPMPWA's typical service offering includes consulting with and advising plan fiduciaries regarding the investment objectives, policies, constraints and risk tolerance of the plan, investment search and recommendation, performance reporting, employee education, advice regarding qualified default investment alternatives, service provider search, plan fiduciary meeting support and plan benchmarking.

JPMPWA also offers fiduciary and non-fiduciary consulting and management services, on a discretionary and non-discretionary basis, to endowments, foundations, and other institutions. JPMPWA's typical service offering includes consultation and advice regarding asset allocation, the investment objectives, policies, constraints and risk tolerance of the institution, investment due diligence, performance reporting, financial planning, and education.

## **Other Consulting Services**

### **Family Office**

JPMPWA provides services that focus on coordination and administration including but not limited to facilitating communication with various external advisers, coordinating discussions with a Client's banker(s) and insurance provider(s), coordinating risk management reviews, and liaising regularly with a Client's external family office service provider(s). In addition, JPMPWA provides family office consulting where JPMPWA will work directly with a Client's beneficiaries and heirs to help them prepare for their individual roles related to managing the family's portfolio, family mission statements and family succession. Family office consulting services will not be offered or available to new business effective October 1, 2023.

### **Family Wealth Resources and Family Engagement and Governance**

JPMPWA offers extensive resources to its ultra-high net worth Clients. These services focus on the purpose and impact of wealth within a family and community. The resources JPMPWA provides include but are not limited to family governance, family dynamics, learning and development of the rising generation, leadership and transition planning, and philanthropic planning. Family wealth resources and family engagement and governance services will not be offered or available to new business effective October 1, 2023.

## **SMA and Model Managers**

JPMPWA enters into sub-advisory agreements for separately managed accounts with other registered investment advisers, and Clients can choose to enter into agreements directly with these other registered investment advisers for separately managed accounts ("SMA Managers"). JPMPWA also enters into model manager agreements with other registered investment advisers, and Clients can choose to have their accounts managed by JPMPWA in accordance with model investment portfolios provided by these other registered investment advisers ("Model Managers", and together with the SMA Managers, "SMA/Model Managers").

The SMA Managers buy and sell securities over time as they manage sub-advised accounts directly on a Client's behalf. JPMPWA does not make individual security selection decisions for these accounts. JPMPWA monitors the investments in the accounts, but not to the degree that it does in accounts that it directly manages. JPMPWA reviews the SMA Managers' investment returns and performs periodic due diligence on the SMA Managers.

The Model Managers create, monitor, and manage model investment portfolios which they provide to JPMPWA to implement for Client accounts for which such model portfolios are selected. For Client accounts managed in accordance with a Model Manager's model portfolio, JPMPWA, and not the Model Manager, has discretion over trading in the Client's account.

Not all Clients utilize SMA/Model Managers. They provide investment management services which generally cause Clients to incur fees that are in addition to JPMPWA's advisory fee. SMA/Model Managers can be affiliated or unaffiliated with JPMPWA. JPMPWA selects and recommends SMA/Model Managers that it believes are appropriate for a Client's needs and objectives. At times, JPMPWA selects or recommends an SMA/Model Manager with which it is affiliated. In such instances, JPMPWA has an incentive to select for a Client an affiliated SMA/Model Manager over an unaffiliated SMA/Model Manager because the affiliate will generally receive more fees when it serves as an SMA/Model Manager for a Client's account. Please refer to Item 5, Fees and Compensation, for more information about additional fees charged by SMA/Model Managers, and the conflicts of interest that arise when an SMA/Model Manager is an affiliate of JPMPWA.

On a limited basis, JPMPWA also provides investment advisory services through certain wrap fee programs sponsored by its affiliate, JPMS, by acting as a non-discretionary Model Manager providing model portfolios to be implemented by affiliated and unaffiliated overlay or implementation managers that exercise discretion over trading in JPMS client accounts.

### **Sponsor and Manager of Wrap Program**

JPMPWA is the sponsor and manager of a wrap fee program (the "Program") which is offered to those Clients who custody at Pershing, a JPMS clearing broker. The services and management provided in the Program are often identical to that provided through JPMPWA's non-wrap services. A wrap fee program is an advisory program under which a specified fee or fees not based directly upon transactions in a Client's account ("Program Fee") is charged for advisory services (including portfolio management or advice concerning the selection of other investment advisers) and the execution of Client transactions.

Clients in the Program will incur additional charges imposed by third parties (including Pershing), including but not limited to the costs of "trading away," or by JPMPWA or its affiliates (including JPMS), in addition to the Program Fee. These charges include fees and expenses assessed by SMA/Model Managers, fees and expenses imposed directly by a Private Fund (and the funds or managers in or with which a Private Fund invests), mutual fund or exchange-traded fund ("ETF") in the Client's account and which are disclosed in the fund's private placement memorandum or prospectus, and deferred sales charges, odd-lot differentials, transfer taxes, margin fees and interest, wire transfer and electronic funds transfer fees, clearing fees and other fees, expenses and taxes on accounts and securities transactions. For Eagle Alternative Investments Funds offered through iCapital Network's technology platform on or after April 1, 2021, certain fees imposed directly by such funds, such as access, platform, or investor servicing fees, will be shared with JPMPWA or one of its affiliates, to the extent disclosed in such funds' offering documents. JPMPWA or one of its affiliates also receives similar fees from certain pooled investment vehicles managed directly by JPMPWA, to the extent disclosed in such funds' offering documents.

JPMPWA expects that SMA Managers will trade primarily through JPMS's clearing broker, Pershing; however, in the event an SMA Manager "trades away" from Pershing, Clients will bear the related costs. Clients will be responsible for commission costs incurred in connection with collateral yield enhancement strategies and other option overlay strategies. Mark-ups or mark-downs that are not charged as explicit brokerage commissions and that are payable to unaffiliated investment firms are not covered by the Program Fee and will be paid by Clients rather than by JPMPWA or SMA Managers. For accounts opened after August 1, 2020, JPMS imposes a 0.15% charge on the assets in each separately managed account managed by an SMA Manager where foreign local ordinaries comprise greater than 20% of the account's assets, and this charge will be paid by Clients rather than by JPMPWA or SMA Managers. For Clients who hold certain currency with negative interest rates in the Program, they will be charged interest on that currency by the clearing broker Pershing.

Investments through an advisory account into mutual funds, ETFs, Eagle Alternative Investments Funds, and other third party investment managers, involve payment of two or more levels of fees: one to JPMPWA at the advisory account level and another to the third party investment manager. Depending on how the

third party investment manager in turn invests, there will be additional levels of fees, which in the aggregate reduce net returns. The Program is not available for accounts that are not held in custody through JPMS at Pershing. Client accounts not in the Program will be charged both advisory and transaction-based fees.

In evaluating the Program, Clients should consider the level of the wrap fee charged, the amount of portfolio activity in the Client's account, the value of custodial and other services which are provided under the arrangement, the fact that the Program is only offered for accounts held in custody through JPMPWA-affiliate JPMS at Pershing, the fact that the Program still includes certain additional charges above and beyond the Program Fee, and other factors. The Program Fee will for some Clients exceed the aggregate cost of such services if they were purchased separately. A complete description of the Program terms and conditions (including fees) is contained in the Wrap Fee Program Brochure.

### **Sub-Advisory Services**

JPMPWA has entered into an agreement with Spearhead Capital Advisors, LLC, a registered investment adviser that acts as investment manager for insurance companies, solely in respect of one or more separate investment accounts or sub-accounts, each of which is established by the applicable insurance company for the purpose of supporting benefits payable under a variable life insurance policy, variable annuity policy or other variable insurance policy characterized under Section 817(d) of the U.S. Internal Revenue Code of 1986, as amended (the "IRC"), as a "variable contract." JPMPWA acts as sub-advisor to the registered investment adviser, solely in respect of certain specified accounts or sub-accounts, with full power and authority to direct the investment of the account assets in accordance with the accounts' stated investment objectives and strategies. It is anticipated that JPMPWA will separately provide other advisory services to each owner of a variable contract with respect to which an account or sub-account is established.

### **Retirement Plan Rollover**

A Client or prospective Client leaving an employer has four options regarding an existing retirement plan (and can engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account, or (iv) cash out the account value (which could, depending upon Client's age, result in adverse tax consequences). If JPMPWA recommends that a Client roll over their retirement plan assets into an account to be managed by JPMPWA, such a recommendation creates a conflict of interest if JPMPWA will earn a new (or increase its current) advisory fee as a result of the rollover. No Client is under any obligation to roll over retirement plan assets to an account managed by JPMPWA.

As of 12/31/2022 JPMPWA has \$1,741,671,877 in assets under advisement.

### **Assets under management as of 9/15/2023**

Discretionary	\$81,021,631,505
Non-discretionary	\$8,318,235,611
Grand Total	\$89,339,867,116

Note, assets under management for any private funds managed by JPMPWA are calculated as of 12/31/2022.

## **Item 5 – Fees and Compensation**

### **Investment Management Fee**

JPMPWA offers its advisory services on a fee basis, which can include an annual percentage rate charged on the total assets managed (i.e., not on a tiered basis), an annual fee charged on a percentage of the market

value of the assets subject to the fee within incremental fee tiers or tranches (i.e., on a tiered or tranche basis), or a flat fee; it can also include an annual percentage rate charged on capital commitments or net invested capital, when there is an investment in a pooled investment vehicle. Fees will generally be charged on any accrued dividends and interest. For certain option accounts, JPMPWA's fee is charged on a percentage of the notional value of the assets. JPMPWA's annual fee is prorated and generally billed quarterly in advance, based upon the market value of the assets subject to the fee on the last business day of the previous quarter (or, in the absence of a then-current known market value, the last known market value). The annual fee varies depending upon the market value of the assets, including cash balances, subject to the fee and the type of investment advisory services to be rendered. The fees are deducted from Clients' assets or paid directly by the Client. At the end of 2020, a billing methodology was introduced for pooled investment vehicles which allowed for the billing of fees outside the vehicle and according to the terms of the investor's investment management agreement with JPMPWA.

#### Standard Investment Management Fee Schedule

Equity/Balanced Portfolios	
Assets Under Management	Incremental Fee
First \$2 million	1.50%
\$2 - \$5 million	1.25%
\$5 - \$10 million	0.75%
\$10 - \$25 million	0.60%
\$25 million or greater	0.45%

Fixed Income Portfolios <sup>(1)</sup>	
Assets Under Management	Total Fee <sup>(2)</sup>
< \$10 million	0.40%
\$10 - \$25 million	0.35%
\$25 million or greater	0.30%

(1) Generally applies to accounts with 90% or more of the aggregate investments under management are held in cash, cash alternatives, bonds, fixed income funds (mutual funds, ETFs), and fixed income separately managed accounts.

(2) All fixed income assets are charged a fee based on total fixed income assets managed (not on a tiered basis).

#### Cash Management Fee Schedule

Cash Management Portfolios <sup>(1)</sup>		
Assets Under Management	Total Fee <sup>(2)</sup>	Total Fee <sup>(2)</sup> for U.S. Treasury Only
< \$10 million	0.20%	0.15%
\$10 - \$25 million	0.18%	0.13%
\$25 - \$50 million	0.15%	0.10%
\$50 - \$75 million	0.13%	0.08%
\$75 - \$100 million	0.10%	0.06%
\$100 million or greater	0.08%	0.05%

(1) Cash management accounts generally invest in individual securities with a maximum maturity of 24 months per security.

(2) All cash management assets are charged a fee based on total cash management assets managed (not on a tiered basis).

#### Nonprofits, Endowments, and Foundations Fee Schedule

Equity/Balanced Portfolios	
Assets Under Management	Incremental Fee
\$1 - \$10 million	0.70%
\$10 - \$25 million	0.35%
\$25 - \$50 million	0.30%
\$50 - \$100 million	0.25%

\$100 million or greater	0.20%
--------------------------	-------

Fixed Income Portfolios	
Assets Under Management	Total Fee <sup>(1)</sup>
< \$10 million	0.30%
\$10 - \$25 million	0.25%
\$25 million or greater	0.20%

(1) All fixed income assets are charged a fee based on total fixed income assets managed (not on a tiered basis).

JPMPWA requires a \$7,500 annual fee minimum for its separate account investment management services in order to provide sufficiently individualized advisory services. Under certain circumstances, JPMPWA will provide advisory services for less or more than the annual minimum. The annual advisory fee varies but will represent less than 3% of the assets under management. JPMPWA reserves the right to adjust or waive the minimum fee and to impose an initial set-up fee.

JPMPWA, in its sole discretion, can waive or negotiate lower or higher management fees with different Clients based upon a variety of criteria (i.e., unique Client circumstances and/or requirements, level and frequency of services desired and provided, anticipated future earning potential, anticipated future additional assets, dollar amount of assets to be managed, broader business relationship between Client and certain of JPMPWA's affiliates, related accounts (including, if requested by Client and at JPMPWA's discretion, the "householding" of some or all accounts of a Client individually or with their spouse, siblings, parents, and/or children), account composition, pre-existing Client, or account retention). Mid-quarter changes to existing investment management agreement ("IMA") fee rates will be effective at the start of the next billing quarter.

Investments through an advisory account into mutual funds, ETFs, private equity, credit, hedge, real estate funds or other pooled investment vehicles generally involves payment of two or more levels of investment management fees: one to JPMPWA at the advisory account level, and another charged at the fund level to the manager of the investment fund with respect to its managers and service providers. If the investment fund in turn invests in other funds, there will be additional levels of fees, which in the aggregate reduce net returns.

Similarly, if a Client account holds a JPMorgan Affiliated Product in a taxable account (for example, if the JPMorgan Affiliated Product was acquired by the Client prior to JPMPWA's affiliation with JPMC), JPMPWA and certain of its affiliates generally receive advisory fees both for advising the Client's account and for providing advisory services to the JPMorgan Affiliated Product in which the account is invested. JPMPWA has a financial incentive to use a JPMorgan Affiliated Product and favor affiliated service providers over non-affiliated products and service providers because one or more of JPMPWA's affiliates generally receives investment management and other fees for managing and servicing such JPMorgan Affiliated Products. At this time, JPMPWA does not recommend to Clients, or invest Client accounts in, JPMorgan Affiliated Products. However, if a Client account holds a JPMorgan Affiliated Product in an account that is subject to Title I of ERISA or Section 4975 of the IRC, JPMPWA anticipates that it will mitigate this conflict of interest by either (i) liquidating the JPMorgan Affiliated Product in which the account is invested, (ii) waiving the advisory and other fees charged by a JPMorgan Affiliated Product that would otherwise be paid to (and retained by) JPMPWA's affiliates in connection with the account's investments, or (iii) excluding the JPMorgan Affiliated Product from the assets for which JPMPWA provides investment advisory services, and upon which JPMPWA calculates the Client's account-level advisory fee. Please refer to the "Conflicts Relating to JPMorgan Affiliated Products" section within Item 11, for a more complete discussion regarding conflicts of interest arising from JPMPWA's use of JPMorgan Affiliated Products.

The standard fee schedule for JPMPWA's online investment management platform, Eagle Invest, is 0.40% of assets under management, subject to a minimum account size of \$5,000. The annual fee is prorated and

generally billed monthly in arrears, for more information regarding the Program refer to the Program's disclosure document (Eagle Invest Wrap Fee Program Brochure)

Investors invested in private pooled investment vehicles (e.g., Eagle Alternative Investments Funds or Private Funds as described in greater detail below) that are managed by JPMPWA and/or a third-party investment manager ("Alternative Funds") will pay the fees and expenses as described in the applicable private placement memorandum/memoranda or subscription document(s), many of which include a performance-based fee, investment profit allocation, and/or typically include fees to service providers to or sponsors of the Alternative Fund. For certain Eagle Alternative Investments Funds, a separate fee for management and administrative services is paid by the Eagle Alternative Investments Fund to the iCapital affiliate that acts as the general partner of the Eagle Alternative Investments Funds. With respect to certain Eagle Alternative Investments Funds, a portion of such fee equal to 0.20% per annum (i.e., 0.05% per quarter) (the "Platform Fee") is paid by the general partner to JPMPWA or one of its affiliates for management and administrative services support relating to, among other things, eligibility and onboarding of limited partners in the Eagle Alternative Investments Fund, processing capital calls and distributions, administrator platform oversight, technology platform development and maintenance, investor and tax reporting, and transfer processing. Certain Eagle Alternative Investments Funds will pay the Platform Fee directly to JPMPWA or one of its affiliates where iCapital is not associated with the Eagle Alternative Investments Fund. Any Platform Fees paid to JPMPWA are separate from, and in addition to, the management fee charged to the Client by JPMPWA as described below. The Platform Fee can be waived or reduced at JPMPWA's discretion.

For Eagle Alternative Investments Funds, the management fee is charged to the Client based on one of two billing models. In the first billing model, the JPMPWA management fees can be billed and paid outside of the Eagle Alternative Investments Fund based on (i) the Eagle Alternative Investments Fund's reported valuation and (ii) a management fee rate as described in the Client's investment management agreement. In the second billing model, the JPMPWA management fee is charged and paid within the Eagle Alternative Investments Fund. The private placement memorandum and/or subscription document for each Eagle Alternative Investment Fund describes the billing model that applies. At the discretion of JPMPWA, the management fee charged within the Eagle Alternative Investments Fund can either be reduced or waived or for certain other Eagle Alternative Investments Funds a portion could be rebated to the Client outside of the Eagle Alternative Investments Fund by JPMPWA. Under both billing models, a Client's investment in an Eagle Alternative Investments Fund can be counted toward "relationship AUM" depending on the fee arrangement negotiated with the Client.

In calculating the management fee, JPMPWA relies on the asset valuations provided by the relevant Alternative Fund's custodian, third party administrator, investment manager, underlying fund manager, and/or other agents of the Alternative Fund. JPMPWA generally uses the most recently reported valuation at JPMPWA's customary time of billing (the "Billing Date"). Reported valuations for alternative investments typically lag other asset valuations and the last available values will most likely differ from the values effective as of the Billing Date. While JPMPWA relies on these third party valuations and does not verify their accuracy, if such valuations are unavailable or JPMPWA otherwise believes them to be incomplete or unreliable, JPMPWA reserves the right to pursue alternative valuation methodologies. Because JPMPWA receives fees equal to a percentage of an Eagle Alternative Investments Fund's net assets, such alternative valuation may present a potential conflict of interest.

In the first billing model described above, subscriptions, redemptions, capital calls and distributions during the current billing cycle are factored into billing for the subsequent billing cycle. An example is included below:



<b>Eagle Alternative Investment AUM and Transactions</b>	<b>Amount</b>	<b>Notes</b>
A Client's AUM in Eagle Alternative Investment Funds as of Prior Quarter-End	\$5,000,000	This AUM is used to assess the Eagle Alternative Investments Fund portion of the investment management fees for the current quarter.
Capital Calls and Subscriptions during the Current Quarter	\$20,000	
Redemptions and Distributions during the Current Quarter	-\$10,000	
A Client's AUM in Eagle Alternative Investment Funds as of Current Quarter-End*	\$5,010,000	This AUM is used to assess the Eagle Alternative Investments Fund portion of the investment management fees for the next quarter.

\* Assuming there are no other changes impacting the AUM of Eagle Alternative Investment Funds (valuation changes, etc.).

Further information regarding performance-based fees and investment profit allocations can be found in Item 6 below. In addition, information regarding redemption rights and termination of an investment in an Alternative Fund can be found in its private placement memorandum.

Upon termination of the advisory services provided by JPMPWA (by either the Client or JPMPWA), for Eagle Alternative Investments Funds where JPMPWA management fees are billed and paid outside of such funds, JPMPWA's management fees for such Eagle Alternative Investments Funds would be charged by the Eagle Alternative Investments Fund in accordance with the private placement memorandum and/or subscription document (typically 1.00% and therefore, usually higher than the blended management fee rate described in the Client's investment management agreement).

Some SEC-registered mutual funds, or some share classes thereof, or their affiliates pay and/or have paid Rule 12b-1 (marketing and distribution), revenue-sharing, service or administrative fees to JPMPWA's affiliate that sells fund shares or provides services to a fund's shareholders. Rule 12b-1, service and administrative fees typically are deducted out of fund assets at the fund level and reduce a shareholder's returns. Revenue-sharing payments typically are paid by a fund affiliate out of the fund adviser's management fee. In an effort to reduce Client costs and minimize the conflicts of interest presented by Rule 12b-1, service and administrative fees and revenue-sharing payments: (1) as of July 1, 2018, JPMS will for all advisory account Clients on a going-forward basis, credit Rule 12b-1 fees it receives to the advisory Client's account(s), except for money market mutual funds for which JPMS's clearing broker is unable to credit the Rule 12b-1 fees to Client accounts, (2) as of July 1, 2018, JPMS will for all advisory Client accounts credit service and administrative fees received from mutual funds that do not also make revenue-sharing payments to the advisory Client account(s), and (3) as of October 1, 2020, JPMS no longer receives any revenue-sharing payments from mutual funds in advisory Client account(s), except for money market mutual funds for which JPMS's clearing broker is unable to credit the revenue-sharing payments to Client accounts. These money market mutual funds, which are accessed by a cash balance "sweep," are described in more detail below, along with the associated conflicts of interest. Any credits to advisory Client account(s) will be subject to the advisory fee if they remain in a Client account at the time of billing.

JPMS receives a periodic, flat, per-account fee from Pershing, for each active JPMS account introduced to Pershing, including JPMPWA advisory accounts custodied at Pershing through JPMPWA's affiliate JPMS. This per-account fee creates a conflict of interest because, although JPMPWA permits, in limited cases, Clients to choose among multiple custodians, the fee is only paid if the Client chooses to custody advisory accounts at JPMPWA's affiliate JPMS rather than at other possible custodians. The revenue to JPMS from this per-account fee is not shared with JPMPWA or with any individual financial professionals at JPMS or JPMPWA.

JPMS receives a quarterly contingent cash incentive (“CCI”) for net new assets custodied at Pershing by JPMS, including JPMPWA advisory accounts. Although JPMPWA historically permitted advisory Clients to choose among multiple custodians, subject to limited exceptions, all advisory Clients generally custody with Pershing. This CCI creates a conflict of interest because the fee is only paid when a Client’s advisory accounts are custodied at JPMPWA’s affiliate JPMS rather than at other possible custodians. The revenue to JPMS from this CCI is not shared with JPMPWA or with any individual financial professionals at JPMPWA or JPMS.

JPMS has entered into referral agreements, thus receiving referral fees, with various unaffiliated entities. Wealth Managers who refer Clients into these entities will also receive a portion of the fees received by JPMS. This creates a conflict of interest because Wealth Managers have an incentive to refer Clients to these unaffiliated service providers. JPMPWA addresses this conflict of interest through disclosure in this brochure and disclosure at the time the Client signs the engagement letter.

JPMPWA selects the lowest-cost share class of a mutual fund for which a Client is eligible at such Client’s custodian and that is available at such custodian, based on the total expense ratio shown in the mutual fund’s prospectus and without factoring in any rebates (except that money market mutual funds accessed via cash balance “sweep” are treated differently, as described below). Certain mutual funds have lower-cost share classes which are not available for investment by all of JPMPWA’s Clients because JPMPWA is not able to access them at each Client’s custodian.

All non-investment management fees and expenses, as well as all investment management fees charged by investment managers other than JPMPWA are the Client’s responsibility and are not covered by JPMPWA’s advisory fees above. These fees and expenses include, among other things, commissions, fees, and all other costs associated with the Client’s account or with the purchase or sale of securities, mutual funds, investment funds or other investment instruments, including wire transfer fees, custodian fees, access fees, foreign exchange fees and commissions, platform fees, investor servicing fees, interest, taxes and other expenses associated with a Client’s account.

A portion of the fees payable to JPMPWA is allocated on an ongoing basis to a Client’s Wealth Manager(s), and the percentage credited to a Wealth Manager has in the past and likely will in the future be higher for accounts that are self-sourced than for accounts that are referred internally to them. The amount allocated to a Client’s Wealth Manager can be more than if the Client participated in other JPMPWA investment advisory programs, such as Eagle Invest, or in an JPMS commission-based brokerage account. The Wealth Manager has a financial incentive to recommend full-service advisory services instead of other JPMPWA programs and services or JPMPWA-affiliate programs or services. A Wealth Manager has discretion to charge a fee lower or higher than the fee in the standard investment management fee schedule above. The fee a Client pays is a factor used to calculate the compensation to the Wealth Manager. Therefore, the Wealth Manager has a financial incentive not to reduce fees. A Wealth Manager receives less than the standard payout when discounting too far below the standard fee schedule. This creates a financial incentive for Wealth Managers to price at or above those levels. JPMPWA reserves the right, and without prior notice, to change the methods by which it compensates the Wealth Managers and employees, including reducing or denying any production payout for any reason.

### **ERISA Accounts**

If a Client account is subject to Title I of ERISA or Section 4975 of the IRC, in the event account assets are invested in any investment vehicle in respect of which 12b-1 fees or any other fees or amounts are payable to JPMPWA (or any of its affiliates), the pro-rata share of such 12b-1 and other fees attributable to the account’s investment shall be either credited to the account or offset, dollar for dollar, against the fees payable.

## **Wrap Fee Program**

For detailed information regarding the Program, including the fee schedule, terms and other important considerations, Clients should refer to the Program's disclosure document (Form ADV, Part 2A Appendix 1).

## **Financial Planning; Institutional Consulting; Other Consulting**

JPMPWA typically charges a fixed fee for financial planning, consulting, family wealth, family office and family engagement and governance services. These fees are negotiable depending upon the level and scope of the services as pre-determined by the professional rendering the services. Amounts billed are typically payable before any work can begin. In the event the agreement is terminated prior to the delivery of the plan, the Client can request a refund. JPMPWA retains the right to deny the request or reduce the amount of the refund to offset the time and expenses attributable to the work that has already been performed by the professional rendering the services. JPMPWA can, at its discretion, waive all or a portion of these fees. A fee credit may be applied if Clients agree to maintain certain deposit levels at JPMCB or asset levels at JPMPWA, and such arrangements can create other sources of potential revenue for JPMCB or JPMPWA.

## **Fees Charged by Other Financial Institutions**

JPMPWA permits Clients to utilize the brokerage services of JPMS (an affiliate of JPMPWA), Charles Schwab & Co., Inc. ("Schwab"), TD Ameritrade, or National Financial Services LLC ("Fidelity") for investment management accounts. Financial institutions utilized include, but are not limited to JPMS, introducing broker-dealer clearing through Pershing LLC on a fully disclosed basis, Schwab, TD Ameritrade, Fidelity, any other broker-dealer permitted by JPMPWA, any broker-dealer directed by the Client, trust companies, banks, etc., and are collectively referred to herein as the "Financial Institutions." For additional information regarding brokerage and other transaction costs, please refer to Item 12 ("Brokerage Practices") of this Brochure.

Clients will often incur certain charges imposed by the Financial Institutions and other affiliates and third parties, such as fees charged by SMA/Model Managers, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, certain "trading away" fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, Clients will incur brokerage commissions and transaction fees. Such charges, fees and commissions are in addition to JPMPWA fees.

JPMS also marks up the following fees imposed by the clearing broker: inactivity fees, reorganization fees, safekeeping fees, cash interest due and fees for extension of margin. As of December 31, these JPMS mark-ups totaled approximately \$72,803 for 2022. The fact that JPMS charges mark-ups on these account fees creates a conflict of interest on behalf of JPMPWA, because those fees constitute additional revenue to an affiliate of JPMPWA. JPMS's account fees change over time but a current schedule of JPMS's account fees is available at <https://www.firstrepublic.com/frsc-schedule-of-fees>.

If an SMA/Model Manager provides advisory services for a Client's taxable account, the SMA/Model Manager will generally charge the Client a management fee that is in addition to JPMPWA's advisory fee. However, to the extent JPMPWA selects or recommends an SMA/Model Manager that is affiliated with JPMPWA for a Client's account that is subject to Title I of ERISA or Section 4975 of the IRC, such SMA/Model Manager will generally waive its management fee for such Client's account. In instances where JPMPWA selects or recommends for a Client's taxable account an SMA/Model Manager with which it is affiliated, JPMPWA has an incentive to select for the Client the affiliated SMA/Model Manager over an unaffiliated SMA/Model Manager because the affiliate will generally receive more fees when it is selected to provide services for the Client's account.

JPMPWA's IMA and the separate agreement entered into by the Client with any Financial Institutions have in the past and likely will in the future authorize JPMPWA or SMA/Model Managers and investment funds recommended by JPMPWA or selected by Client, to debit the Client's account for the amount of JPMPWA's fee and/or the SMA/Model Manager's fee to directly remit that management fee to JPMPWA or the SMA/Model Managers, respectively.

This Brochure is provided to JPMPWA Clients (not custodied at JPMS) who pay a bundled asset-based fee for investment advice and custodial services and have in the past and likely will in the future pay separately for commissions and other brokerage costs at the discretion of their custodian. These Clients do not pay a wrap fee to JPMPWA, and therefore do not receive a brochure for JPMPWA's wrap fee program.

### **Sub-Advisory Fees**

JPMPWA will receive fees for its sub-advisory services to Spearhead Capital Advisors, LLC ("Spearhead Capital"), described in Item 4, payable from the assets of each investment account or sub-account with respect to which JPMPWA acts as a sub-advisor. Fees are negotiable depending upon the needs of the Spearhead Capital client and complexity of the situation and will be set forth in a fee schedule for the applicable accounts or sub-accounts.

### **Fees for Investment Management During Partial Quarters of Service**

For the initial period of investment management services, advisory fees are calculated on a pro rata basis. The IMA between JPMPWA and the Client will continue in effect until terminated pursuant to the terms of the IMA. For any quarter in which the IMA is terminated, JPMPWA's fees are prorated and any remaining balance is charged or refunded to the Client, as appropriate.

Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications. Clients can withdraw account assets upon notice to JPMPWA, subject to the usual and customary securities settlement procedures. However, JPMPWA designs its portfolios as long-term investments and the withdrawal of assets will often impair the achievement of a Client's investment objectives. JPMPWA's advisory fees remain in effect unless a Client is notified of any change in accordance with the terms of their IMA. Fees for investment management services are based on the amount of assets managed (generally including any accrued dividends and interest) and are normally paid quarterly in advance based on the current market value of the assets at the end of the preceding quarter, however, a number of Clients are billed in arrears as agreed. Fees for certain existing Clients differ from the fees discussed herein based on the fee schedules in effect at the time they became Clients and/or negotiations between JPMPWA and the Client. Related accounts have in the past and likely will in the future be combined in order to reduce the fee charged. The Client's funds and securities will typically be deposited in either a brokerage firm or bank custodian account. Clients can terminate an IMA upon formal notice to JPMPWA. In the event the relationship is terminated prior to quarter-end, the Client will receive a pro-rated refund, calculated in accordance with terms of the IMA.

### **Recruitment of Advisors**

Consistent with industry practice, JPMPWA from time to time recruits Wealth Managers and other employees to join JPMPWA and has in the past and likely will in the future enter into significant compensation arrangements with these employees to facilitate their transition to JPMPWA. The amount paid to the Wealth Manager is largely based on the assets under management and revenue those assets generate at the Wealth Manager's prior firm and the Wealth Manager achieving a minimum percentage of production and asset levels within a specific time after joining JPMPWA. Such compensation can take different forms, such as promissory notes and special and transition bonuses, and other forms of compensation, and has in the past and likely will in the future be contingent upon the Wealth Manager satisfying certain performance-based criteria including total Client assets serviced and revenue generated from those assets. These compensation arrangements create an incentive for Wealth Managers to maximize

the revenue they generate from JPMPWA Client accounts. Even if the fees a Client pays remains the same or are less than the fees paid at the prior firm, the transfer of the Client's assets to JPMPWA contributes to the Wealth Manager's ability to meet production targets and to receive additional compensation. This practice creates an incentive and conflict of interest for the Wealth Manager to recommend the transfer of account(s) to JPMPWA since a significant part of the Wealth Manager's compensation is contingent on achieving the pre-determined revenue or asset targets at JPMPWA. Clients should consider if the Wealth Manager's advice is aligned with the Client's investment strategy and goals.

## **Systems**

The performance reporting system JPMPWA uses to generate performance reports relies on security prices provided by each account's custodian, while the billing system JPMPWA uses to generate account statements relies on security prices provided by Pershing (the clearing broker-dealer utilized by JPMS) to the extent available, with the result that performance reports and account statements have in the past and likely will in the future have inconsistencies in the numbers stated therein. Each system also relies on a different third-party data source for corporate action announcements, causing the same result.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Although JPMPWA does not generally charge performance-based fees or investment profit allocations (e.g., "carried interest") on Client accounts, in certain instances, it receives such fees with respect to the Eagle Alternative Investments Funds.

JPMPWA advises several Eagle Alternative Investments Funds that charge a performance-based fee or investment profit allocation. These funds were acquired in separate transactions, and the original fee structure was maintained as part of the acquisition. JPMPWA receives a performance-based fee with respect to an Eagle Alternative Investments fund that is structured as a hedge fund-of-funds. The performance-based fee is non-cumulative, is calculated based on a percentage of unrealized and realized gains of the fund and is only paid if a certain hurdle rate is achieved. This fund is closed to new investors, but existing investors are permitted to invest additional capital. Also, investors in an Eagle Alternative Investments Fund that is structured as a hedge fund pay a performance-based fee. The performance-based fee is calculated annually based on a percentage of the appreciation in each investor's capital account, subject to a high water mark. This fund is closed to new investors and is in the process of liquidating.

Although JPMPWA generally does not charge performance-based fees for the Eagle Alternative Investments Funds (other than those identified above), unaffiliated managers of the underlying Private Funds invested in by the Eagle Alternative Investments Funds will often charge performance-based fees. Such performance-based fees are in addition to advisory fees charged by the underlying Private Fund manager as well as JPMPWA at the advisory account level (or, as applicable, at the Eagle Alternative Investments Fund level), and they are in addition to the expenses set forth in the relevant Alternative Fund's Offering Documents for both the Eagle Alternative Investments Funds and the Private Funds.

Clients should be aware that performance-based fees create a conflict of interest because they give JPMPWA or another manager a financial incentive to achieve gains and to choose investments that are riskier or more speculative than might otherwise be chosen. Also, performance-based fee arrangements present a conflict of interest with respect to other Client accounts that are not subject to performance-based fee arrangements because such arrangements give JPMPWA an incentive to favor Client accounts subject to performance-based fees over Client accounts that are not subject to performance-based fees by, for example, allocating our best investment ideas to accounts from which JPMPWA stands to earn additional compensation should the account perform well.

JPMPWA will only charge performance-based fees or carried interest in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 (the "Advisers Act") and/or applicable state regulations. JPMPWA's policies and procedures seek to provide that investment decisions are made in the best interests

of Clients and without consideration of JPMPWA's (or such personnel's) pecuniary investment or other financial interests. Further, potential conflicts of interest in relation to side-by-side management are largely mitigated due to the fact that the Eagle Alternative Investments Funds typically do not charge performance-based fees and due to the structure of the Eagle Alternative Investments Funds. The Eagle Alternative Investment Funds invest in the interests of other Private Fund(s) that are generally not traded or available for investment for other Client accounts. In a situation where interests in an underlying Private Fund are available (and suitable) for investment by both an Eagle Alternative Investments Fund and one or more JPMPWA Clients, but the fund has capacity constraints, JPMPWA will seek to allocate the interests in a fair and reasonable manner in its sole discretion.

## **Item 7 – Types of Clients**

JPMPWA generally provides investment advice to: individuals, families, trusts (including estates or charitable foundations), pensions, defined contribution plans, profit sharing plans, banks, for-profit and not-for-profit institutions and other business entities as well as the Eagle Alternative Investment Funds.

JPMPWA requires a \$7,500 annual fee minimum for investment advisory services, as described above in Item 5. Under certain circumstances, JPMPWA has in the past and likely will in the future provide advisory services for less or more than the annual minimum. The annual fee varies but will represent less than 3% of the assets under management. JPMPWA reserves the right to adjust or waive the minimum fee and to impose an initial set-up fee.

JPMPWA also provides online investment management through Eagle Invest which is not subject to the annual fee requirement but is subject to a minimum account size of \$5,000. Eagle Invest is only available to current clients with existing accounts. Eagle Invest will not be offered or available to new business effective October 15, 2023.

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

The investment strategies JPMPWA recommends to Clients are based upon a comprehensive review and assessment of each Client's investment objectives, financial situation, investment time horizon, risk tolerance level, taxable status, and cash flow requirements, as identified during consultations with JPMPWA's Wealth Managers and other representatives. This Item 8 describes various methods of analysis and investment strategies offered, as well as the primary risks associated with these investment strategies. However, it is not possible to identify all of the risks associated with investing and the particular risks applicable to a Client account will depend on the nature of the account, its investment strategy or strategies and the types of securities held. JPMPWA recommends and offers a broad array of investment strategies, which will vary based on the Wealth Manager providing advice to each Client. As Wealth Managers have discretion in managing Client accounts, performance within the same investment objective will vary based on the individual Wealth Manager providing the advice to the Client.

While JPMPWA seeks to manage portfolios so that risks are managed, it is often not possible to fully identify and mitigate all risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Clients and other investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses. Clients and other investors should read carefully all applicable informational materials and offering/governing documents, including Offering Memorandum documents and prospectuses prior to retaining JPMPWA to manage an account or investing in any investment product. Clients and prospective clients should be aware that investing in securities involves risk of loss that clients should be prepared to bear.

Clients and other investors should be aware that while JPMPWA does not limit its advice to particular types of investments, Client mandates can be limited to certain types of securities or to the recommendation of investment advisers and runs the risk of not being diversified. Unless stated in the Client's Investment

Policy Statement, the accounts managed by JPMPWA are generally not intended to provide a complete investment program for a Client or investor. Clients and other investors are responsible for appropriately diversifying their assets to guard against the risk of loss.

JPMPWA's primary investment strategies are described below. JPMPWA has in the past and likely will in the future offer additional strategies or variations of the strategies described.

### **Analysis and Investment Strategies**

JPMPWA provides numerous investment management styles and strategies across various asset classes, including but not limited to fixed income, publicly traded equities and private securities. JPMPWA equity strategies span various market value capitalization levels and multiple geographical regions. JPMPWA fixed income strategies expand across a broad range of offerings reflecting multiple combinations of geographical exposures, tenors and credit ratings. In addition, JPMPWA strategies are often implemented via multiple types of vehicles or a combination of vehicles that could include individual holdings, mutual funds, ETFs or private funds. JPMPWA has in the past and likely will in the future develop and manage investment mandates and products involving multiple strategies, asset allocation strategies and goal-based liability driven investments for those mandates. Multi-asset strategies have in the past and likely will in the future utilize a wide variety of asset classes and/or investment styles, and employ a variety of techniques and investment vehicles, including funds-of-funds that invest in hedge funds (including commodity pools), private equities, ETFs and mutual funds or other categories of funds, equities, bonds, cash, alternative investments and derivatives.

JPMPWA utilizes multiple investment strategies to meet the investment objectives of each Client. These methodologies are formulated based on a comprehensive review and assessment of current and future investment objectives, investment time horizon, risk tolerance level and cash flow requirements for each Client.

It is important to note that it is not possible to identify all of the risks associated with investing. The nature of the account, the investment strategy or strategies and the types of securities held all impact the risks applicable to a particular Client.

Across the strategies described below, JPMPWA offers various investment options for investors seeking opportunities that are conscious of Sustainable and Responsible Investing. JPMPWA aims to invest in high-quality investments exhibiting both strong fundamentals and strong Environmental, Social and Governance ("ESG") factors and characteristics over a long-time horizon alongside other traditional material risk-return factors of the investment management process. JPMPWA incorporates ESG risks and opportunities into its analysis because JPMPWA believes it contributes to a more holistic view of companies, their risk/reward profiles, and the overall long term investment performance.

ESG factors can include but are not limited to:

- (1) Environmental considers a corporation's carbon footprint, or rather, how a company uses natural resources and impacts the environment. It includes a company's direct emissions, impact from operations, as well as activities across their supply chains. Environmental factors can vary by industry and can also include water scarcity, waste production or disposal, in addition to a corporation's carbon footprint. These are evaluated for the risk and direct financial impact on a company's competitive positioning.
- (2) Social, is a lens to examine how a company manages its relations with its employees, financial stakeholders, customers, and the communities in which it operates. Common social factors include human capital management, product liability, and stakeholder opposition.
- (3) Governance encompasses corporate board and management structures, as well as company policies, standards, information disclosures, auditing, and compliance issues. Common governance factors

include board diversity, executive wages, financial processes, competitive fairness, and anti-corruption practices in a company.

JPMPWA recommends and offers a broad array of investment strategies, which will vary based on the Wealth Manager providing advice to each Client. As Wealth Managers have discretion in managing Client accounts, performance within the same investment objective will vary based on the individual Wealth Manager providing the advice to the Client. JPMPWA's primary investment strategies are set forth below. JPMPWA has in the past and likely will in the future offer additional strategies or variations of the strategies described. JPMPWA Wealth Managers utilize an approved list of securities that is maintained by JPMPWA Research. Securities not on the approved list are not recommended or managed by JPMPWA.

### **Cash Management**

In cash management portfolios, the investment process emphasizes safety and liquidity over yield. Cash management portfolios undergo credit review, risk management and diversification analytics on an ongoing basis.

### **Fixed Income**

JPMPWA utilizes fixed-income strategies that are actively managed. Actively managed fixed-income mandates generally employ an active investment style that has in the past and likely will in the future emphasize rotation among different types of debt on a relative value basis, specific security selection, quantitative analysis of each security and the portfolio as a whole and intensive credit analysis and review. Active management has in the past and likely will in the future include security selection, duration and yield curve positioning, industry rotation, asset allocation, credit, and institutional execution.

### **Equity**

JPMPWA's approach to the management of equities combines both quantitative and qualitative research as JPMPWA believes the blended approach produces better results than either method alone. The quantitative approach uses multiple numeric measures to gauge a stock's relative attractiveness. Qualitative analysis extends the quantitative analysis to identify stocks suitable for the investment strategy that are trading at attractive prices. Members of the equity research team are assigned one or more sectors and conduct bottom-up research on the stocks ranked highly by quantitative measures. After undergoing qualitative research to verify a stock's relative attractiveness, an equity security is deemed eligible to be combined into Client portfolios, consistent with the objective specified in the Client's Investment Policy Statement. Wealth Managers have a level of discretion as to which eligible securities they choose consistent with Client's investment objectives. Similarly situated Clients will typically have different securities in their portfolios.

JPMPWA's equity strategies include a broad range of products that vary according to investment style, market capitalization and geography. The asset range has in the past and likely will in the future include sector funds, long-only and long-short portfolios, as well as products that combine different strategies to create balanced, multi-asset and asset allocation portfolios. For many Clients, JPMPWA creates and maintains portfolios of individual securities, which change from time to time. Individual portfolio management teams have in the past and likely will in the future interact daily to review market developments, opportunities, and strategies.

### **Third-Party Investment Strategies**

JPMPWA researches investment managers and provides Client access to these strategies through sub-advisory relationships. The due diligence process incorporates qualitative review of the investment manager's investment team, their philosophy and process. This analysis is complemented with quantitative analysis of the manager's past performance and portfolio risks. JPMPWA monitors and maintains updated information on investment managers and funds through routine compliance, operational and research due diligence efforts. JPMPWA seeks to select managers who will deliver competitive performance versus both peers and the appropriate market benchmarks. Each sub-advisor has discretion to purchase and sell



securities for their portion of an assigned portfolio. Costs associated with such transactions, will typically be borne by the Client.

### **Model Management**

JPMPWA model management is designed to maximize operational efficiencies for separately managed account investments and provide portfolio customization. It centralizes the delivery and manufacturing of proprietary and third-party model portfolios across asset classes. JPMPWA relies on proprietary and vendor applications to assist in the ongoing management of these strategies.

### **Private Investments**

As a part of its investment advisory services, JPMPWA provides certain Clients with the opportunity to invest in certain private investment vehicles that it believes present attractive investment return opportunities and diversification, typically involving longer investment horizons, limited liquidity, potential downside risk, and potential exposure to increased fees and expenses. JPMPWA's research approach to private investments includes in-house research and use of external consultants to provide useful and relevant information. Additionally, JPMPWA's team and consultants scrutinize operational aspects and risks including but not limited to counterparty risk, prime-broker relationships, and service providers (auditors and administrators). Once a potential investment manager is identified, an intensive due diligence process is conducted which involves quantitative and qualitative analysis.

JPMPWA will, from time to time and as appropriate, solicit Clients to invest in such vehicles, and JPMPWA will decide which Clients to approach for some or all of these investments, in its own discretion. Not all Clients will be offered the opportunity to invest, and not all Clients that will be offered that opportunity will choose to invest. Similarly, not all Wealth Managers are eligible to place Clients into these investments. A subscription for interests in a Private Fund should be considered only by persons who do not anticipate any short-term need for their funds. Each investor should consult his or her own advisors regarding the legal, tax, and financial suitability of private investments.

### **Investment Risks**

JPMPWA supports its investment strategies with risk management procedures intended to keep portfolios in conformity with Client objectives. Prospective clients and other investors should be aware that no risk management system is fail-safe, and no assurance can be given that risk frameworks employed by JPMPWA will achieve their objectives and prevent or otherwise limit substantial losses. No assurance can be given that the risk management techniques will accurately predict future trading patterns or the manner in which investments are priced in financial markets in the future. Risks for relevant products are more fully described in such products' offering and/or governing documentation.

Certain risks apply specifically to particular investment strategies or investments in different types of securities or other investments that Clients and other investors should be prepared to bear. The risks involved for different Client accounts or funds will vary based on a Client's investment strategy and the type of securities or other investments held in the Client's account or the fund. The following are descriptions of various primary risks related to the investment strategies used by JPMPWA. Not all possible risks are described below.

*Asset Allocation Risk* – Asset allocation strategies do not assure profit or diversification and do not protect against loss.

*Asset Class Risk* – Securities in an asset class in a portfolio have in the past and likely will in the future underperform in comparison to the general securities markets, a particular securities market, or other asset classes.

*Borrowing Risk* – Borrowing has in the past and likely will in the future exaggerate changes in the net assets and returns of a portfolio. Borrowing will cost the portfolio interest expense and other fees and have in the past and likely will in the future reduce a portfolio's return. A portfolio can need to liquidate positions when

it is not advantageous to do so to satisfy its borrowing obligations. Borrowing arrangements have in the past and likely will in the future be used to meet short-term investment and liquidity needs or to employ forms of leverage. The use of leverage entails risks, including the potential for higher volatility and greater declines of a portfolio's value, and fluctuations of dividend and other distribution payments.

*Commodity Risk* – Negative changes in a commodity market could have an adverse impact on the value of commodity-linked investments including companies that are susceptible to fluctuations in commodity markets. The value of commodity-linked investments has in the past and likely will in the future be affected by changes in overall market movements, taxation, terrorism, nationalization or expropriation, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as, weather (e.g., drought, flooding), livestock disease, embargoes, tariffs and international economic, political and regulatory developments. The prices of sector commodities (e.g., energy, metals, agriculture and livestock) have in the past and likely will in the future fluctuate widely due to factors such as changes in value, supply and demand and governmental regulatory policies.

*Concentration Risk* – Concentrating investments in an issuer or issuers, in a particular country, group of countries, region, market, industry, group of industries, sector or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting that issuer or issuers, particular country, group of countries, region, market, industry, group of industries, sector or asset class than a more diversified mix of investments.

*Conversion of Equity Investments* – After its purchase, a non-equity investment directly or indirectly held by a portfolio (such as a convertible debt obligation) could convert to an equity security (converted investment). Alternatively, a portfolio could directly or indirectly acquire equity securities in connection with a restructuring even related to one or more of its non-equity investments. The portfolio can then be unable to liquidate the converted investment at an advantageous time or price, impacting the performance of the portfolio.

*Counterparty Risk* – Transactions, including certain derivative transactions, entered into directly with a counterparty are subject to the risks that a counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of a transaction. A counterparty could become bankrupt or otherwise fail to perform its obligations due to financial difficulties, resulting in significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding or no recovery in such circumstances.

*Credit/Default Risk* – Debt issuers and other counterparties of fixed income securities or instruments could default on their obligation to pay interest, repay principal or make a margin payment, or default on any other obligation. Additionally, the credit quality of securities or instruments could deteriorate (e.g., be downgraded by ratings agencies), which could impair a security's or instruments liquidity and decrease its value.

*Currency Risk* – Currencies have in the past and likely will in the future be purchased or sold for a portfolio through the use of forward contracts or other instruments. A portfolio that seeks to trade in foreign currencies has in the past and likely will in the future have limited access to certain currency markets due to a variety of factors including government regulations, adverse tax treatment, exchange controls, and currency convertibility issues. A portfolio has in the past and likely will in the future hold investments denominated in currencies other than the currency in which the portfolio is denominated. Currency exchange rates can be volatile, particularly during times of political or economic unrest or as a result of actions taken by central banks. A change in the exchange rates has in the past and likely will in the future produce significant losses to a portfolio.

*Cyber Security Risk* – With the increased use of technologies to conduct business, a portfolio is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data, or causing operational disruption,

including the denial-of-service attacks on websites. A successful penetration or circumvention of the security of the firm's systems by unauthorized third parties could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the firm or its service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, the firm may incur substantial costs related to investigation of the origin and scope of a cybersecurity incident, increasing and upgrading cybersecurity protections including its administrative, technical, organizational and physical controls, acts of identity theft, unauthorized use or loss of proprietary information, adverse investor reaction, increased insurance premiums or difficulties obtaining insurance coverage, or litigation, regulatory actions or other legal risks.

Cyber security failures or breaches by a third-party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents. Third-party investment managers engaged to manage Client assets are subject to and present cyber security risk. Similar types of operational and technology risks are also present for the companies in which the Funds invest, which could have material adverse consequences for such companies, and may cause the Funds' investments to lose value.

*Derivative Risk* – Investments in derivatives, or similar instruments, including but not limited to, options, futures, options on futures, forwards, participatory notes, swaps, structured securities, tender-option bonds and derivatives relating to foreign currency transactions, which can be used to hedge a portfolio's investments or to seek to enhance returns, entail specific risks relating to liquidity, leverage and credit that will reduce returns and/or increase volatility. Losses in a portfolio from investments in derivative instruments can result from the potential illiquidity of the markets for derivative instruments, the failure of the counterparty to fulfill its contractual obligations, the portfolio receiving cash collateral under the transactions and some or all of that collateral being invested in the market, or the risks arising from margin posting requirements and related leverage factors associated with such transactions. In addition, many jurisdictions globally have proposed or adopted new regulations for derivatives transactions (e.g., U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010). New regulations could make derivatives more costly, limit the availability of derivatives, or otherwise adversely affect the value or performance of derivatives.

*Developed Countries Risk* – Investment in developed countries will subject a portfolio to regulatory, political, currency, security, demographic, and economic risk specific to developed countries. Developed countries will potentially be impacted by changes to the economic health of certain key trading partners, regulatory burdens, tariffs, trade agreements, debt burdens and the price or availability of certain commodities. Developed countries tend to represent a significant portion of the global economy and have generally experienced slower economic growth than some other countries or regions.

*Distressed Securities* – Investments in companies that are in poor financial condition, lack sufficient capital or are involved in bankruptcy or reorganization proceedings face the unique risks of lack of information with respect to the issuer, the effects of bankruptcy laws and regulations and greater market volatility than is typically found in other securities markets. As a result, investments in securities of distressed companies involve significant risks that could result in a portfolio incurring losses with respect to such investments.

*Emerging Markets Risk* – Investments in emerging markets are potentially subject to a greater risk of loss than investments in more developed markets, as they are more likely to experience inflation risk, political turmoil and rapid changes in economic conditions. Investing in the securities of emerging markets involves certain considerations not typically associated with investing in more developed markets, including but not limited to, the small size of such securities markets and the low volume of trading (possibly resulting in potential lack of liquidity and in price volatility), political risks of emerging markets including unstable

governments, government intervention in securities or currency markets, nationalization, restrictions on foreign ownership and investment, laws preventing repatriation of assets and legal systems that do not adequately protect property rights. Further, emerging markets can be adversely affected by changes to the economic health of certain key trading partners, such as the U.S., regional and global conflicts, terrorism and war. Emerging markets often have less uniformity in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities. Economies in these regions may also be more susceptible to natural disasters (including earthquakes and tsunamis), or adverse changes in climate or weather. In addition, certain countries in this region with less established health care systems have experienced outbreaks of pandemic or contagious diseases from time to time, including, but not limited to, coronavirus, avian flu, and severe acute respiratory syndrome. The risks of such phenomena and resulting social, political, economic and environmental damage (including nuclear pollution) cannot be quantified. Economies in which agriculture occupies a prominent position, and countries with limited natural resources (such as oil and natural gas), may be especially vulnerable to natural disasters and climatic changes.

*Equity Securities Risk* – Equity securities are subject to changes in value and their values can be more volatile than other asset classes. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and the industry in which the issuer securities are subject to stock risk. Historically, U.S. and non-U.S. stock markets have experienced periods of substantial price volatility and will do so again in the future.

*ESG Investing Risk* – ESG investing can limit the number and type of investment opportunities available to a portfolio, and as a result, the portfolio can underperform other portfolios that do not invest in issuers based on ESG factors or that use different criteria when filtering out particular companies and industries. Certain strategies focusing on a particular theme or sector can be more concentrated in particular industries or sectors that share common characteristics and can be subject to similar business risks and regulatory burdens. JPMPWA considers certain ESG factors that can differ from what investors constitute as positive or negative ESG factors. Because investing on the basis of ESG/sustainability criteria can involve qualitative and subjective analysis, there can be no assurance that the methodology utilized by, or determinations made by, JPMPWA, or an investment manager selected by JPMPWA, will align with the beliefs or values of the Client. Additionally, other investment managers, including JPMIM, an affiliate, can have a different approach to ESG or sustainable investing and can offer strategies that differ from those offered by JPMPI with respect to the same theme or topic. There is also the risk that JPMPWA will not correctly apply the relevant ESG criteria. In assessing a security or an issuer's ESG factors, JPMPWA can rely on information and data from third party providers, which could be incomplete, inaccurate, or unavailable. Thus, there is a risk that JPMPWA could incorrectly assess a security or issuer. JPMPWA will use data and information provided by third party data providers, or by a JPMC affiliated service provider. JPMC does not review, guarantee or validate any third-party data, ratings, screenings or processes. Such data and information will not have been validated by JPMC and can therefore be incomplete or erroneous. Different providers also use varying methodologies to calculate ESG factors. Most providers outline specific ESG indicators, but those indicators often differ depending on the provider. Further, there is limited availability of ESG data as well as investments with relevant ESG factors in certain sectors. JPMPWA can change its ESG assessment of an issuer over time. The evolving nature of sustainable finance regulations and the development of jurisdiction-specific legislation setting out the regulatory criteria for a "sustainable investment" or "ESG" investment mean that there is likely to be a degree of divergence as to the regulatory meaning of such terms. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. JPMPWA's ESG policies could become subject to additional regulation in the future, and JPMPWA cannot guarantee that its current approach will meet future regulatory requirements.

*Frontier Markets Risk* – Investments in frontier markets can be subject to a greater risk of loss than investments in more developed and traditional emerging markets. Frontier markets are more likely to

experience inflation, currency and liquidity risks, political turmoil and rapid changes in economic conditions than more developed and traditional emerging markets. Frontier markets often have less uniformity in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities.

*Hedging Risk* – Hedging techniques could involve a variety of derivatives, including futures contracts, exchanged listed and over-the-counter put and call options on securities, financial indices, forward foreign currency contracts, and various interest rate transactions. A transaction used as a hedge to reduce or eliminate losses associated with a portfolio holding or particular market that a portfolio has exposure, including currency exposure, can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the hedging transaction and its reference portfolio holding or market (correlation risk), and there can be no assurance that a portfolio's hedging transaction will be effective. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge can be greater than gains in the value of the positions of the portfolio. Increased volatility will generally reduce the effectiveness of the portfolio's currency hedging strategy. Hedging techniques involve costs, which could be significant, whether or not the hedging strategy is successful. Hedging transactions, to the extent they are implemented, have in the past and will likely in the future not be completely effective in insulating portfolios from currency or other risks.

*Income Risk* – A portfolio's income will likely decline when interest rates decrease. During periods of falling interest rates an issuer can repay principal prior to the security's maturity ("prepayment"), causing the portfolio to have to reinvest in securities with a lower yield, resulting in a decline in the portfolio's income.

*Index-Related Risk* – Index strategies are passively managed and do not take defensive positions in declining markets. There is no guarantee that a portfolio managed to an index strategy ("index portfolio") will achieve a high degree of correlation to its underlying index and therefore achieve its investment objective. Market disruptions and regulatory restrictions could have an adverse effect on the index portfolio's ability to adjust its exposure to the required levels in order to track its underlying index. Errors in index data occur from time to time and are sometimes not identified and corrected for a period of time, and can have an adverse impact on a portfolio managed to the index. The index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their indices, and does not guarantee that the index will be in line with its described index methodology. Errors and rebalances carried out by the index provider to the underlying index has in the past and likely will in the future increase the costs and market exposure risk of a portfolio.

*Inflation Risk* – Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of payments at future dates. As inflation increases, the real value of a portfolio could decline. Inflation rates may change frequently and drastically as a result of various factors and a portfolio's investments may not keep pace with inflation, which may result in losses. Inflation has recently increased, and it cannot be predicted whether it may decline.

*Interest Rate Risk* – When interest rates increase, fixed income securities or instruments will generally decline in value. Long-term fixed income securities or instruments will normally have more price volatility because of this risk than short-term fixed income securities or instruments. The United States is experiencing a rising market interest rate environment, which may increase a portfolio's exposure to risks associated with rising market interest rates. Rising market interest rates have unpredictable effects on the markets and may expose fixed-income and related markets to heightened volatility.

*Issuer Risk* – A portfolio's performance depends on the performance of individual securities to which the portfolio has exposure. Changes to the financial condition or credit rating of an issuer of those securities can cause the value of the securities to decline or become worthless.

*Investment Style Risk* – Different investment styles tend to shift in and out of favor depending upon market and economic conditions and investor sentiment. Portfolios will outperform or underperform other portfolios that invest in similar asset classes but employ different investment styles.

*Legal and Regulatory Risk* – Legal, tax, and regulatory changes may adversely affect the Clients' portfolios. New (or revised) laws or regulations or interpretations of existing law may be issued by the IRS or U.S. Treasury, the U.S. Commodity Futures Trading Commission (the "CFTC"), the SEC, the U.S. Federal Reserve or other banking regulators, or other governmental regulatory authorities, or self-regulatory organizations that supervise the financial markets that could adversely affect the Clients' portfolios. The Clients' portfolios also may be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these governmental regulatory authorities or self-regulatory organizations. It is impossible to predict what, if any, changes in regulations may occur, but any regulation or change in enforcement or interpretation that restricts the ability to trade in securities could have a material adverse impact on the performance of a Client's portfolio, and a regulation that imposes restrictions on banks (and their affiliates) could have an adverse impact on JPMCB and JPMPWA.

*Leverage Risk* – A portfolio utilizing leverage will be subject to heightened risk. Leverage involves the use of various financial instruments or borrowed capital in an attempt to increase the return on an investment and can be intrinsic to certain derivative instruments. Leverage takes the form of borrowing funds, trading on margin, derivative instruments that are inherently leveraged, including but not limited to, forward contracts, futures contracts, options, swaps (including total return financing swaps and interest rate swaps), repurchase agreements and reverse repurchase agreements, or other forms of direct and indirect borrowings and other instruments and transactions that are inherently leveraged. Any such leverage, including instruments and transactions that are inherently leveraged, can result in the portfolio's market value exposure being in excess of the net asset value of the portfolio. A portfolio will often need to liquidate positions when it is not be advantageous to do so to satisfy its borrowing obligations. The use of leverage entails risks, including the potential for higher volatility and greater declines of a portfolio's value, and fluctuations of dividend and other distribution payments.

*Liquidity Risk* – Liquidity risk exists when particular investments are difficult to purchase or sell (e.g., not publicly traded and/or no market is currently available or becomes less liquid in response to market developments). This can reduce a portfolio's returns because the portfolio is unable to transact at advantageous times or prices. Investments that are illiquid or that trade in lower volumes can be more difficult to value.

*Long/Short Strategy Risk* – There is no guarantee that returns on a portfolio's long or short positions will produce high, or even positive, returns and the portfolio could lose money if either or both the portfolio's long and short positions produce negative returns.

*Management Risk* – A portfolio is subject to management risk, which is the risk that the investment process, techniques and analyses applied will not produce the desired results, and those securities or other financial instruments selected for a portfolio has in the past and likely will in the future result in returns that are inconsistent with the portfolio's investment objective. In addition, legislative, regulatory, or tax developments will affect the investment techniques or opportunities, available in connection with managing the portfolio and has in the past and likely will in the future also adversely affect the ability of the portfolio to achieve its investment objective.

*Market Risk* – The market value of the instruments in which a portfolio invests goes up or down in response to the prospects of individual companies; particular sectors or governments; political, regulatory, market and social developments; and/or general economic conditions throughout the world due to increasingly interconnected global economies and financial markets. In addition, turbulence in financial markets and reduced liquidity in equity, credit and/or fixed income markets may negatively affect many issuers, which could adversely affect market value. Market risk may be magnified if certain events or developments adversely interrupt the global supply chain; in these and other circumstances, such risks might affect

companies world-wide. Examples include pandemic risks related to the coronavirus as well as war, terrorism, extreme climate events and geopolitical events. The financial services industry generally and investment activities are affected by general economic and market conditions, including interest rates, availability of credit, lack of price transparency, inflation rates, economic uncertainty, changes in tax and other applicable laws and regulations, trade barriers, national and international and environmental and socioeconomic circumstances.

*Micro-cap Companies Risk* – Stock prices of microcap companies are significantly more volatile, and more vulnerable to adverse business and economic developments, than those of larger companies. Microcap stocks also are often thinly traded, making it difficult for a portfolio to buy and sell them.

*Municipal Securities Risk* – Municipal securities can be significantly affected by political or economic changes, as well as uncertainties in the municipal market related to taxation, changes in interest rates, relative lack of information about certain issuers of municipal securities, legislative changes or the rights of municipal security holders. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the inability to collect revenues for the project or from the assets.

*Non-Diversification Risk* – Non-diversification of investments means a portfolio invests a large percentage of its assets in securities issued by or representing a small number of issuers or exposure types. As a result, a portfolio's performance will depend on the performance of a small number of issuers or exposures.

*Non-U.S. Exchange Risk Exposure* – Portfolios that are denominated in U.S. dollars, but invest in securities denominated, and will receive a portion of their income and gains, in currencies other than the U.S. dollar, can experience a reduction in the value of such other currencies relative to the U.S. dollar prior to conversion into U.S. dollars. This can adversely affect the net asset values of the portfolio.

*Non-U.S. Securities Risk* – Investments in the securities of non-U.S. issuers are subject to the risks associated with non-U.S. markets in which those non-U.S. issuers are organized and operate, including but not limited to, risks related to foreign currency, limited liquidity, less government regulation, privatization, and the possibility of substantial volatility due to adverse political, economic, geographic events, or other developments, differences in accounting, auditing and financial reporting standards, the possibility of repatriation, expropriation or confiscatory taxation, adverse changes in investment or exchange controls or other regulations and potential restrictions on the flow of international capital. These risks are often heightened for investments in smaller capital markets, emerging markets, developing markets or frontier markets.

*Offshore Investor Risk* – A portfolio, seeking to trade in foreign currencies has in the past and likely will in the future have limited access to certain currency markets due to a variety of factors including government regulations, adverse tax treatment, exchange controls, and currency convertibility issues. These limitations and restrictions impact the availability, liquidity and pricing of the financial instruments that are necessary for the portfolio to gain exposure to the currency markets, impairing the portfolio's ability to achieve its investment objective.

*Operational Risk* – A portfolio can suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.

*Private Investment Risk* – Investments in private investments, including debt or equity investments in operating and holding companies, investment funds, joint ventures, royalty streams, commodities, physical assets and other similar types of investments are highly illiquid and long-term. A portfolio's ability to transfer and/or dispose of private investments is expected to be highly restricted.

*Portfolio Turnover Risk* – Active and frequent trading of securities and financial instruments in a portfolio can result in increased transaction costs, including potentially substantial brokerage commissions, fees and

other transaction costs. In addition, frequent trading is likely to result in short-term capital gains tax treatment. As a result of portfolio turnover, the performance of a portfolio can be adversely affected.

*Real Estate Risk* – Historically real estate has experienced significant fluctuations and cycles in value and local market conditions which has in the past and likely will in the future result in reductions in real estate opportunities, value of real property interests and, possibly, the amount of income generated by real property. All real estate-related investments are subject to the risk attributable to, but not limited to: (i) inability to consummate investments on favorable terms; (ii) inability to complete renovation, expansion or development on advantageous terms; (iii) adverse government, environmental and tax regulations; (iv) leasing delays, tenant bankruptcies and low occupancy levels and lease rates; and (v) changes in the liquidity of real estate markets. Real estate investment strategies that employ leverage are subject to risks normally associated with debt financing, including the risk that: (a) cash flow after debt service will be insufficient to accumulate sufficient cash for distributions; (b) existing indebtedness (which is unlikely to be fully amortized at maturity) will not be able to be refinanced; (c) terms of available refinancing will not be as favorable as the terms of existing indebtedness; or (d) the loan covenants will not be complied with. It is possible that property could be foreclosed upon or otherwise transferred to the mortgagee, with a consequent loss of income and asset value.

*Research Risk* – Fundamental analysis entails attempting to measure the intrinsic value of a security by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysis attempts to produce a value for a security which can be compared with the current price. There are several weaknesses of fundamental analysis including; models are time consuming and specific to industries or companies, models are based on assumptions which introduce subjectivity, models are subject to biases of the analyst and the definition of fair value. Fundamental analysis should be approached with caution. An inherent risk involved in the analysis is the assumption that the market or security will reach an expected value. Qualitative analysis is a non-statistical oriented analysis. It uses subjective judgment based on unquantifiable information, for example; management expertise, industry cycles, strength of research and development and labor relations. The risk involved with qualitative analysis is that there are biases introduced by the analyst. Quantitative analysis is a method of analysis that seeks to understand behavior by using complex mathematical and statistical modeling. The risk involved with the analysis is that there is no guarantee that these models will accurately forecast results or reduce risk. There can be no assurance that a model will achieve its objective. Technical analysis is based on past market data including price and volume. The risks associated with this model are the assumption that the market will follow a pattern. However, markets do not always follow patterns or predictions of the pattern can be flawed.

*Short Selling Risk* – Short sales in securities that it does not own exposes a portfolio to speculative exposure risks. If a portfolio makes short sales in securities that increase in value, the portfolio will lose value. Certain securities will not be available or eligible for short sales. Short selling involves the risks of: increased leverage, and its accompanying potential for losses; the potential inability to reacquire a security in a timely manner, or at an acceptable price; the possibility of the lender terminating the loan at any time, forcing the portfolio to close the transaction under unfavorable conditions; the additional costs that will be incurred; and the potential loss of investment flexibility caused by the obligation to provide collateral to the lender and set aside assets to cover the open position. There can be no assurance that a portfolio will be able to close out a short sale position at any particular time or at an acceptable price. Any loss on short positions will not necessarily be offset by investing short-sale proceeds in other investments.

*Small & Mid-Cap Risk* – Compared to large-capitalization companies, small-capitalization and mid-capitalization companies can be less stable and more susceptible to adverse developments, and their securities can be more volatile and less liquid.

*U.S. Economic Risk* – The United States is a significant trading partner with other countries. Certain changes in the U.S. economy could have an adverse effect on the economy and markets of other countries.



*Underlying Fund Risk* – A portfolio investing in funds (underlying funds), includes, but is not limited to the performance of the underlying fund and investment risk of the underlying funds’ investment, as the underlying funds could involve highly speculative investment techniques, including extremely high leverage, highly concentrated portfolios, workouts and startups, control positions and illiquid investments. In particular, the risks for a portfolio operating under a fund of funds structure include, but are not limited to, the following: the performance of the portfolio will depend on the performance of the underlying funds’ investments; there can be no assurance that a multi-manager approach will be successful or diversified, or that the collective performance of underlying fund investments will be profitable; one or more underlying funds will be allocated a relatively large percentage of the portfolio’s assets; there can be limited information about or influence regarding the activities of the underlying fund’s investment advisors and underlying funds, like any other asset, will be subject to trading restrictions or liquidity risk. Portfolio investments in underlying funds will generally be charged the proportionate share of the expenses of investing in the underlying fund(s).

*Valuation Risk* – The net asset value of a portfolio as of a particular date can be materially greater than or less than its net asset value that would be determined if a portfolio’s investments were to be liquidated as of such date. For example, if a portfolio was required to sell a certain asset or all or a substantial portion of its assets on a particular date, the actual price that a portfolio would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in the net asset value of a portfolio. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the net asset value of a portfolio.

*Volatility Risk* – The prices of a portfolio’s investments can be highly volatile. Price movements of assets are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, developments or trends in any particular industry, the financial condition of the issuers of such assets, changing supply and demand relationships, programs and policies of governments, and national and international political and economic events and policies.

## **Item 9 – Disciplinary Information**

### **FRIM’s Disciplinary Information**

In February 2018, the SEC announced an industry-wide initiative to identify and remedy conflicts of interest that arise where investment advisers failed to make required disclosures relating to their selection of certain mutual fund share classes that paid the adviser (or its related entities) a fee pursuant to Rule 12b-1 under the Investment Company Act of 1940 (a “12b-1 fee”) when a lower-cost share class for the same fund was available to Clients. FRIM elected to participate in this initiative and, based on information that FRIM provided, the SEC issued an Order Instituting Administrative and Cease-and-Desist Proceedings against FRIM on March 11, 2019 (the “Order”). The SEC determined that, for the period January 1, 2014, to July 3, 2018, FRIM purchased, recommended or held for advisory Clients mutual fund share classes that paid 12b-1 fees to FRIM (or its affiliated broker-dealer) instead of lower-cost share classes for the same funds for which the Clients were eligible. The SEC determined that FRIM did not adequately disclose this conflict of interest, and that the failure to do so constituted breaches of FRIM’s fiduciary duties and willful violations of Sections 206(2) and 207 of the Advisers Act. The SEC, among other things, censured FRIM and ordered FRIM to cease-and-desist from any future violations of Sections 206(2) and 207 of the Advisers Act, and to pay \$924,661.43 in disgorgement and \$80,532.82 in prejudgment interest to FRIM’s affected investors, in accordance with procedures set forth in the Order. The SEC did not order a civil monetary penalty or fine. FRIM consented to the Order without admitting or denying the SEC’s findings (except as to jurisdiction, which was admitted). (On the same day that FRIM settled, the SEC settled with 78 other investment advisers for similar conduct.) Prior to the entry of the Order, in July 2018, FRIM implemented remedial measures to address the practices described in the Order, including revised disclosures and the

crediting of all 12b-1 fees to advisory accounts on a going forward basis. The SEC's Order can be found at <https://www.sec.gov/litigation/admin/2019/ia-5192.pdf>.

In December 2018, the SEC staff requested documents and information from FRIM investigating and seeking to identify conflicts of interest that arise where investment advisers failed to adequately make required disclosures relating to their selection of certain mutual funds or share classes and money market fund cash sweeps that paid the adviser or its related entities revenue sharing payments when other funds or share classes of the same funds or other money market fund cash sweeps were available to the Clients that presented a more favorable value for those Clients under the particular circumstances in place at the time of the transactions. FRIM cooperated with the SEC's investigation and elected to make an offer of settlement to the SEC, and based on information that FRIM provided, the SEC issued an Order Instituting Administrative Cease-and-Desist Proceedings against FRIM on May 19, 2022 (the "Order"). The SEC alleged that, for the period February 2014 to December 2018 for mutual funds and share class selection and December 2019 for money market fund cash sweeps, FRIM recommended or invested for advisory Clients mutual funds or share classes or money market fund cash sweeps that paid revenue sharing payments to FRIM's affiliated broker-dealer instead of lower-cost funds or share classes for the same mutual funds or money market fund cash sweeps for which the Clients were eligible. The SEC alleged that FRIM did not adequately disclose this conflict of interest, and that the failure to do so constituted breaches of FRIM's fiduciary duty, duty to seek best execution, obligation to maintain an effective compliance program, and willful violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 promulgated thereunder. The SEC, among other things, censured FRIM and ordered FRIM to cease-and-desist from any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 promulgated thereunder, and to pay \$1,332,664 in disgorgement, \$243,289 in prejudgment interest, and a \$250,000 civil monetary penalty. FRIM consented to the Order without admitting or denying the SEC's findings (except as to jurisdiction and the subject matter of the action, which was admitted) and undertook to: review disclosures concerning its selection process for mutual funds and share classes; evaluate whether to move Clients to different mutual funds or share classes; evaluate and review for effectiveness FRIM's compliance policies and procedures; notify affected investors of the terms of the Order; and certify compliance with its undertakings. Prior to the entry of the Order, in January 2019, FRIM implemented remedial measures to address the mutual fund and share class selection practices described in the Order, and in January 2020, FRIM implemented remedial measures to address the money market fund cash sweep practices described in the Order, including revised disclosures and investing Client accounts in the lowest-cost available mutual fund or share class or money market fund cash sweep unless the Client's particular circumstances or investment goals require a different investment. The SEC's Order can be found at <https://www.sec.gov/litigation/admin/2022/ia-6030.pdf>.

### **JPMCB's Disciplinary Information**

On December 18, 2015, JPMS and JPMCB (together "Respondents"), affiliates of JPMPWA, entered into a settlement with the SEC, resulting in the SEC issuing an order (the "SEC Order"), and JPMCB entered into a settlement with the CFTC, resulting in the CFTC issuing an order. The Respondents consented to the entry of the SEC Order that finds that JPMS violated Sections 206(2), 206(4), and 207 of the Advisers Act and Rule 206(4)-7 and JPMCB violated Sections 17(a)(2) and 17(a)(3) of the Securities Act. The SEC Order finds that JPMCB negligently failed to adequately disclose (a) from February 2011 to January 2014, a preference for affiliated mutual funds in certain discretionary investment portfolios (the "Discretionary Portfolios") managed by JPMCB and offered through JPMC's U.S. Private Bank (the "U.S. Private Bank") and the Chase Wealth Management lines of business; (b) from 2008 to 2014, a preference for affiliated hedge funds in certain of those portfolios offered through the U.S. Private Bank; and (c) from 2008 to August 2015, a preference for retrocession-paying third-party hedge funds in certain of those portfolios offered through the U.S. Private Bank. With respect to JPMS, the SEC Order finds, that from May 2008 to 2013, JPMS negligently failed to adequately disclose, including in documents filed with the SEC, conflicts of interest associated with its use of affiliated mutual funds in Chase Strategic Portfolio program ("CSP"),

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

On December 18, 2015, JPMCB also reached a settlement agreement with the CFTC to resolve its investigation of JPMCB's disclosure of certain conflicts of interest to discretionary account clients of the U.S. Private Bank's U.S.-based wealth management business. In connection with the settlement, the CFTC issued an order (the "CFTC Order"), finding that JPMCB violated Section 4o(1)(B) of the Commodity Exchange Act ("CEA") and Regulation 4.41(a)(2) by failing to fully disclose to certain clients its preferences for investing certain discretionary portfolio assets in certain commodity pools or exempt pools, namely (a) investment funds operated by JPMorgan Asset Management and (b) third-party managed hedge funds that shared management and/or performance fees with an affiliate of JPMCB. The CFTC Order directs JPMCB to cease-and-desist from violating Section 4o(1)(B) of the CEA and Regulation 4.41(a)(2). Additionally, JPMCB shall pay \$40 million as a civil penalty to the CFTC and disgorgement of \$60 million satisfied by disgorgement to be paid to the SEC by JPMCB and JPMS in the related and concurrent settlement with the SEC. For a copy of the Order, go to: [sec.gov/litigation/admin/2015/33-9992.pdf](http://sec.gov/litigation/admin/2015/33-9992.pdf).

On or about July 28, 2016, Respondents entered into a Consent Agreement ("Agreement") with the Indiana Securities Division ("ISD"). The Respondents consented to the entry of the Agreement that alleged that certain conduct of the Respondents was outside the standards of honesty and ethics generally accepted in the securities trade and industry, in violation of 710 Ind. Admin. Code§ 4-10-1(23) (2016). Specifically, the Agreement alleged that, between 2008 and 2013, JPMS failed to disclose to Indiana investors that certain proprietary mutual funds purchased for CSP clients offered institutional shares that were less expensive than the institutional shares JPMS chose for CSP clients. In addition, the Agreement alleged that, from February 2011 to January 2014, no account opening document or marketing materials disclosed to Indiana investment management account clients or Indiana J.P. Morgan Investment Portfolio clients that JPMCB preferred to invest client assets in proprietary mutual funds, and that between 2008 and January 2014, JPMCB did not disclose its preference for investing certain investment management account assets in certain proprietary hedge funds to Indiana clients. Lastly, the Agreement alleged that, JPMCB did not disclose its preference for placement-agent-fee-paying third-party hedge fund managers in certain investment management accounts to Indiana clients until August 2015. Solely for the purpose of settling these proceedings, the Respondents consented to the Agreement, with no admissions as to liability. In the Agreement, the Respondents agreed to pay a total of \$950,000 to resolve the ISD's investigation, which was paid on August 1, 2016.

In September 2020, JPMS, together with JPMC and JPMCB (collectively, "JPMorgan") agreed to an administrative resolution with the CFTC for violations of the CEA and CFTC regulations related to manipulation, attempted manipulation and spoofing, as well as a charge against JPMS for failure to supervise. As described in the CFTC's Order, from at least 2008 through 2016, former JPMorgan traders placed hundreds of thousands of spoof orders of precious metals futures and U.S. treasuries ("UST") futures on exchanges, and, on occasion, engaged in manipulation related to precious metals barrier options. The CFTC Order further states that JPMS failed to identify, adequately investigate, and put a stop to misconduct, despite red flags, including internal surveillance alerts, inquiries from CME and the CFTC, and internal allegations of misconduct. JPMorgan consented to the entry of the CFTC Order without admitting or denying the findings contained therein, except to the extent that admissions were made in the related

resolutions, described below, with the United States Department of Justice, Criminal Division, Fraud Section, and the United States Attorney's Office for the District of Connecticut (together, "DOJ") and the SEC. JPMS also agreed to an administrative resolution with the SEC for violations of Section 17(a)(3) of the Securities Act of 1933. Pursuant to the SEC Order, JPMS admitted to hundreds of manipulative trading events involving spoofing by certain former JPMorgan traders in the UST cash securities secondary market between April 2015 and January 2016. JPMC separately entered into a deferred prosecution agreement ("DPA") with DOJ with respect to a criminal information, charging JPMC with two counts of wire fraud (the "Information") related to the same conduct underlying the CFTC and SEC Orders. JPMS and JPMCB also agreed to certain terms and obligations of the DPA. JPMorgan admitted, accepted, and acknowledged responsibility for the acts of its officers, directors, employees, and agents as described in the Information and the Statement of Facts accompanying the DPA, and that the allegations described therein are true and accurate. In resolving these three actions, JPMorgan agreed to pay a total of \$920,203,609 to DOJ, CFTC, and SEC, consisting of civil and criminal monetary penalties, restitution, and disgorgement. JPMorgan agreed to cease and desist from any further violations, and also agreed, among other things, to certain cooperation, remediation, and reporting requirements.

## **Item 10 – Other Financial Industry Activities and Affiliations**

JPMPWA has certain relationships or arrangements with related persons that are material to its advisory business or its Clients. Below is a description of such relationships and some of the conflicts of interest that arise from them. JPMPWA has adopted policies and procedures reasonably designed to appropriately prevent, limit, or mitigate conflicts of interest that may arise between JPMPWA and its affiliates. For a more complete discussion of the conflicts of interest and corresponding controls designed to prevent, limit or mitigate conflicts of interests, please see Item 11, Code of Ethics, Participation, or Interest in Client Transactions/Personal Trading.

### **Affiliated Banking or Thrift Institution**

JPMPWA is a wholly owned subsidiary of JPMorgan Chase Holdings LLC, which is a wholly owned subsidiary of JPMorgan Chase & Co. JPMC wholly owns JPMCB a national banking association that is subject to supervision and regulation by the U.S. Department of Treasury's Office of the Comptroller of the Currency. JPMCB is also an exempt commodity pool operator ("CPO") and exempt commodity trading adviser ("CTA") with the CFTC. JPMCB provides investment advisory, trustee, custody, and other services to institutional clients.

JPMPWA's indirect owner, JPMC, is a public company that is a bank holding company registered with the Board of Governors of the Federal Reserve System (the "Federal Reserve"). JPMC is subject to supervision and regulation by the Federal Reserve and is subject to certain restrictions imposed by the Bank Holding Company Act of 1956 and related regulations.

As an indirect subsidiary of JPMC, JPMPWA is under common ownership and control with several other providers of financial services, including those set forth below with which it has a material business relationship.

### **Affiliated Broker-Dealer**

JPMPWA is not a registered broker-dealer. However, JPMPWA is affiliated through common ownership and control with JPMS, a registered securities broker-dealer. JPMPWA was previously affiliated with FRSC, also a registered securities broker-dealer, which merged with JPMS on October 1, 2023. All JPMPWA advisory accounts participating in the Program must use JPMS for brokerage. Client accounts at JPMS are cleared on a fully-disclosed basis at Pershing, which has custody of the JPMS (formerly FRSC) customer accounts. Pershing is a clearing broker that is not affiliated with JPMS or JPMPWA.

The majority of Wealth Managers and JPMPWA management and representatives are registered, or have an application pending to register, as representatives and associated persons of JPMS.

JPMS, an affiliate of JPMPWA, is a FINRA member and is dually registered as a broker-dealer and an investment adviser with the SEC. JPMS is also registered as a FCM with the CFTC.

JPMPWA is also affiliated with two additional registered broker-dealers and members of FINRA, J.P. Morgan Institutional Investments Inc. and JPMorgan Distribution Services, Inc.

### **Advisory Services Provided by JPMS**

JPMPWA's affiliate, JPMS, sponsors various investment advisory programs through which JPMS assists Clients in the selection of one or more affiliated or third-party managers or model providers for investment in Clients' account(s). A conflict of interest arises when an investment in a JPMorgan Affiliated Product is held in a Client account because certain of JPMPWA affiliates, including JPMC, benefit from increased allocations to the JPMorgan Affiliated Products and may receive management, distribution, placement, administration, custody, trust services or other fees for services provided to such products.

### **Other Investment Advisers**

JPMPWA is affiliated with a number of SEC-registered investment advisers including JPMS, JPMIM, and JPMPI, among others. At times, JPMPWA will select or recommend for a Client an SMA/Model Manager that is an SEC-registered investment adviser with which JPMPWA is affiliated. As discussed in Item 4, Advisory Business, JPMPWA has an incentive to select for a Client an affiliated SMA/Model Manager over an unaffiliated SMA/Model Manager because the affiliate will generally receive more fees when it serves as an SMA/Model Manager for a Client's account. Also, as discussed below, a conflicts arises when an affiliated adviser manages a JPMorgan Affiliated Product held in a JPMPWA Client's account.

### **Dually Supervised Investment Adviser Representatives**

As part of the overall integration plan with JPMC, certain investment adviser representatives of JPMPWA will also be supervised persons of JPMS. It is anticipated that the dual supervisory status of such representatives will be an interim arrangement designed to facilitate certain transition and integration matters relating to JPMC's acquisition of JPMPWA. During the time period that such representatives are supervised persons of both JPMPWA and JPMS, there could be an incentive to recommend an advisory program, service, or strategy from the entity that generates more fees and compensation for the representative or the entity over a similar program, service, or strategy offered by the entity that charges less for the same service or product. JPMPWA and JPMS have taken steps to mitigate such conflicts, including, but not limited to, steps that relate to investment adviser representatives compensation and to fees charged to clients in each entity's respective investment advisory program or service.

### **Investment Companies or Other Pooled Investment Vehicles**

JPMPWA does not currently recommend to Clients or invest Client accounts in JPMorgan Affiliated Products. However, at times, a Client account will hold an existing investment in a JPMorgan Affiliated Product that was acquired by the Client prior to JPMPWA's affiliation with JPMC or transferred from an account not managed by JPMPWA. A conflict of interest arises when an investment in a JPMorgan Affiliated Product is held in a Client account because certain of JPMPWA's affiliates, including JPMC, benefit from increased allocations to the JPMorgan Affiliated Products and may receive distribution, placement, administration, custody, trust services or other fees for services provided to such products. Also, as described in Item 5, Fees and Compensation, JPMPWA has a financial incentive to use a JPMorgan Affiliated Product and favor affiliated service providers over non-affiliated products and service providers because one or more of JPMPWA's affiliates generally receive investment management and other fees for managing and servicing such JPMorgan Affiliated Products. Please refer to the "Conflicts Relating to JPMorgan Affiliated Products" section within Item 11, for a more complete discussion regarding conflicts of interest.

## **Affiliated Trust Companies**

JPMPWA is affiliated through common ownership and control with JPMCB, First Republic Trust Company of Delaware, LLC (“FRTC-DE”), and First Republic Trust Company of Wyoming, LLC (“FRTC-WY”). Some Client trust accounts are held in custody with JPMCB, FRTC-DE, or FRTC-WY. When appropriate, JPMPWA, on the one hand, and JPMCB, FRTC-DE, or FRTC-WY, on the other hand, refer Clients to each other. This creates potential conflicts of interest with Clients which are addressed as set forth below.

## **Further Relationships with Affiliates**

When appropriate, JPMS provides a broad range of brokerage services to JPMPWA Clients for which it receives compensation. This creates conflicts of interest with Clients which are addressed as set forth below.

JPMS serves as a placement agent for certain funds on JPMPWA’s Eagle Alternative Investments Funds platform. Neither the investors in the Eagle Alternative Investment Funds nor the Eagle Alternative Investments Funds pay a fee to JPMS for serving as private placement agent. JPMPWA, using its own assets, pays JPMS a flat fee, which is intended to reimburse JPMS for its reasonable expenses in providing private placement services.

In certain instances, JPMS serves as placement agent for investments in Private Funds that are not advised by JPMPWA (“unaffiliated Private Funds”). In such instances, if a Client elects to invest in an unaffiliated Private Fund through JPMS, the Client has in the past and likely will in the future be charged a placement agent fee in addition to the unaffiliated Private Fund’s fees (e.g., management and administration fees). JPMS has in the past and likely will in the future also receive ongoing fees from the Private Fund or the third-party manager for the placement. These relationships present a conflict of interest because they create an incentive for JPMPWA to recommend unaffiliated Private Funds that pay a one-time and/or ongoing fee to JPMS. To the extent permissible under applicable law, JPMS and its affiliates generate additional revenue to the extent an investor funds its investment in a Private Fund using margin where JPMS or its affiliates have a revenue share agreement in place with a third-party sponsor of the margin account. This additional revenue presents a potential conflict of interest.

Margin buying is buying securities with cash borrowed from a broker-dealer (including an affiliate of JPMPWA) by using other securities as collateral. In cases where margin is used in a Client account, the marginable securities in the accounts are pledged for collateral to borrow and buy additional securities in that account. This has the effect of magnifying any profit or loss. The securities serve as collateral for the loan, and this margin loan must be repaid even if the residual value of the Client account is insufficient. JPMPWA will have an incentive to recommend borrowing money on a Client account and pledging the assets as collateral through JPMPWA’s affiliated broker dealer, JPMS. Both entities are under common control, and JPMS receives compensation for JPMPWA Clients’ use of margin. These conflicts are addressed as set forth below.

JPMS, receives Rule 12b-1 (distribution), revenue-sharing, service, and administrative fees for certain open-ended investment companies (mutual funds) purchased by non-advisory Clients of JPMPWA. Additionally, JPMS receives Rule 12b-1 (distribution), revenue-sharing, service, and administrative fees for advisory Clients of JPMPWA for money market mutual funds accessed by a cash balance “sweep” for which JPMS’s clearing broker is unable to credit the fees to Client accounts.

Client assets are sometimes invested in shares of registered funds (such as mutual funds) that offer several classes of shares with different fees. Some mutual funds, or some share classes thereof, or their affiliates, charge Rule 12b-1 (distribution) fees, shareholder services fees or administrative fees and pay these fees to JPMS, and some funds and classes generate revenue-sharing fees that are paid to JPMS. Distribution payments, or 12b-1 fees, and revenue sharing fees compensate JPMS for selling registered fund shares. Shareholder services and administrative fees compensate JPMS for customer account services and administration such as account and trade detail recordkeeping, customer statement preparation and delivery, tax reporting, and other services that the registered mutual fund otherwise would have provided.

Distribution, shareholder services and administrative fees typically are deducted from the mutual fund's assets and indirectly paid by the fund's shareholders. Revenue-sharing payments typically are paid by a fund affiliate out of the fund adviser's management fee. Registered funds often offer one or more share classes that do not charge 12b-1, revenue-sharing, or shareholder services fees. Clients in some cases are able to invest in lower-cost share classes directly.

In an effort to reduce Client costs and minimize the conflicts of interest presented by Rule 12b-1 fees, service and administrative fees, and revenue-sharing payments: (1) as of July 1, 2018, JPMS will for all advisory account Clients on a going-forward basis, credit Rule 12b-1 fees it receives to the advisory Clients' account(s), except for money market mutual funds for which JPMS's clearing broker is unable to credit the Rule 12b-1 fees to Client accounts, (2) as of July 1, 2018, JPMS will for all advisory Client accounts credit service and administrative fees received from mutual funds that do not also make revenue-sharing payments to the advisory Client account(s), and (3) as of October 1, 2020, JPMS no longer receives any revenue-sharing payments from mutual funds in advisory Client account(s), except for money market mutual funds for which JPMS's clearing broker is unable to credit the revenue-sharing payments to Client accounts. These money market mutual funds, which are accessed by a cash balance "sweep," are described in more detail below, along with the associated conflicts of interest. Any credits to advisory Client account(s) will be subject to the advisory fee if they remain in a Client account at the time of billing.

JPMPWA selects the lowest-cost share class of a mutual fund for which a Client is eligible at such Client's custodian and that is available at such custodian, based on the total expense ratio shown in the fund's prospectus and without factoring in any rebates (except that money market mutual funds accessed via cash balance "sweep" are treated differently, as described below). Certain mutual funds have lower-cost share classes which are not available for investment by all of JPMPWA's Clients because JPMPWA is not able to access them at each Client's custodian.

Although there can be legitimate reasons that a particular Client is invested in a more expensive share class, JPMPWA has taken steps to minimize the conflict of interest presented by JPMS's receipt of fees: through 12b-1 fee and certain service and administrative fee advisory account credits beginning on July 1, 2018, except for money market mutual funds for which JPMS's clearing broker is unable to credit the Rule 12b-1 fees to Client accounts, for such fees received after that date; by renegotiating JPMS's agreement with its clearing broker to eliminate the receipt of revenue-sharing payments beginning on October 1, 2020; through disclosure in this Brochure; through internal policies and procedures that require investment advice to be appropriate for advisory Clients; by ensuring that individual Wealth Managers are not directly compensated for recommendations to purchase share classes of registered funds that pay fees to JPMS; by restricting Wealth Managers' recommendations to funds and share classes on JPMPWA's approved list; and by systematically evaluating when a lower fee share class of a registered fund on JPMPWA's approved list is available. It will not always be possible or in the Client's best interest for JPMPWA to select or to convert to SEC-registered mutual fund investments that do not pay fees to JPMS. Accordingly, despite the foregoing efforts to minimize conflicts of interest, JPMPWA Clients should not assume that they will be invested in or moved to the registered fund or share class with the lowest possible fees; however, between JPMPWA's efforts to move Clients to the lowest-cost share class and the advisory account credits described above, JPMPWA believes its Clients are invested in the share class that will be the lowest cost to Clients.

JPMS makes available to Clients several options for holding uninvested cash in Clients' JPMS brokerage accounts, including accounts for investment advisory Clients of JPMPWA. The primary, and default, option for those who qualify is the Eagle Sweep program. The Eagle Sweep Account is a deposit account opened and maintained by JPMS's clearing agent, Pershing, at JPMS's affiliated bank, JPMCB. JPMPWA's parent, JPMCB, and JPMS benefit from cash balances that are "swept" from Eagle Sweep Accounts, as discussed further below.

As a sweep vehicle alternative, JPMPWA also partners with Pershing to offer Clients whose accounts are custodied at Pershing with access to the Pershing Cash Sweep Program ("Pershing Cash"). By participating

in Pershing Cash, cash balances in a Client's account will be custodied at Pershing, and Pershing will pay interest rates on such cash to Clients, as determined by Pershing in its discretion.

Another option for holding uninvested cash in Clients' JPMS brokerage accounts is money market mutual funds and money market deposit accounts. JPMS earns income from cash balances that are "swept" from Client accounts into money market mutual funds and money market deposit accounts. JPMS earns and keeps an immaterial amount of the Rule 12b-1, revenue-sharing, service, and administrative fees it receives from the money market mutual funds to which cash balances are "swept" from JPMPWA Client accounts. JPMS generally receives less compensation when these fees are reduced or waived completely, or when there is no fee. JPMS keeps all 12b-1, revenue-sharing, service, and administrative fees it receives from these "sweep" money market mutual funds. Because JPMS retains these payments from the money market mutual funds' affiliates, JPMPWA has a conflict of interest with respect to the selection and retention of those money market mutual funds or share classes thereof. This conflict arises because those payments and fees create an incentive for JPMPWA Wealth Managers to choose those money market mutual funds or share classes over other funds or share classes that do not make such payments or that make lower payments, since doing so results in higher compensation for JPMS.

For JPMPWA investment advisory Clients whose brokerage accounts are custodied through Fidelity Brokerage Services LLC and its affiliate, National Financial Services LLC., there is available to eligible account holders the Eagle One Sweep Bank Deposit Sweep Program ("Eagle One Sweep BDSP") to hold cash balances while awaiting reinvestment. The cash balance awaiting reinvestment will be automatically swept into an interest-bearing FDIC insurance eligible Eagle One Sweep BDSP deposit account at JPMCB. JPMPWA's parent, JPMCB, benefits from cash balances that are "swept" from Eagle One Sweep BDSP, as discussed further below.

Clients whose accounts are custodied through Fidelity Brokerage Services LLC and its affiliate, National Financial Services LLC., also have an option to have cash balances in excess of FDIC insurance coverage swept into the Fidelity Government Money Market Fund (SPAXX), which is managed by Fidelity Management & Research Company LLC ("FMR"). FMR is not an affiliate of JPMPWA. For more information about SPAXX, please refer to the money market fund's prospectus.

When a JPMPWA Client deposits cash in an JPMS or Fidelity custodial account and the Client uses the Eagle Sweep Program or the Eagle One Sweep BDSP (together, the "Bank Sweep Programs"), as applicable, the funds are subject to Securities Investor Protection Corporation ("SIPC") coverage from the time of receipt in the brokerage account until the funds are swept to the Bank Sweep Program account, and the cash balance is only eligible for FDIC insurance attaches, to the extent provided for under the Federal Deposit Insurance Act and FDIC rules, when those funds are received at JPMCB. The FDIC insurance limit is \$250,000 per person, and a Client's other deposits at JPMCB in the same right and capacity will counts towards this limit. It is the Client's responsibility to monitor their total deposits at JPMCB to determine the extent of FDIC insurance coverage available to them, and JPMPWA does not conduct that monitoring for Clients.

Funds swept into JPMCB deposit accounts under Bank Sweep Programs provide JPMPWA's parent, JPMCB, a relatively low-cost source of funds for the Bank that can be lent or invested at higher rates, thus enabling JPMCB to earn a profit based on the spread between the rate paid to its customers and the interest earned by JPMCB on the assets. The availability of the Bank Sweep Programs create a conflict of interest with JPMPWA Clients because JPMPWA has an incentive to recommend that Clients "sweep" cash balances to JPMCB bank deposits in the Bank Sweep Programs for the reasons described below. The interest rates paid to customers on the Bank Sweep Programs are set by JPMCB in its sole discretion. JPMCB does not have a duty to provide the highest rates available will, at times, pay a low rate. In certain instances, JPMCB will pay rates of interest on Bank Sweep Program deposits that are lower than the prevailing market interest rates paid on accounts otherwise opened directly with JPMCB.



JPMCB may register a monthly per-account credit to JPMS in its internal books and records for each JPMS account, including each JPMPWA advisory Client account, that utilizes the Eagle Sweep Program. JPMCB employees may receive referral payments based on asset levels in accounts of Clients such employees have referred to JPMPWA or JPMS, which includes sweep deposit balances. Information regarding the Bank Sweep Programs, including information regarding the scope of FDIC insurance coverage and the existence of the conflicts of interest with respect to the programs has been provided to participating Clients in each program. These conflicts of interest are addressed as set forth below.

The asset-based management fee charged by JPMPWA to advisory Clients covers cash and cash equivalents, including cash allocated to Bank Sweep Program accounts at JPMCB. This fee and the benefits described above to JPMCB for the Bank Sweep Programs, and the fees and benefits described above to JPMS for the Eagle Sweep Program, create a conflict of interest for JPMPWA because it provides JPMPWA an incentive to maintain a larger cash balance in JPMPWA Client accounts using one of the Bank Sweep Programs. The Rule 12b-1 fees, revenue-sharing payments and service and administrative fees that JPMS receives from money market funds accessed by cash balance “sweep” also create a conflict of interest for JPMPWA because they provide JPMPWA an incentive to sweep Client assets into these funds. The conflicts of interest created by the application of the asset-based management fee to cash and cash equivalents are addressed as set forth below. Additionally, JPMPWA has a policy to monitor for cash balances in JPMPWA accounts that depart from the Client’s agreed-upon guidelines in the Client’s Investment Policy Statement. Further, JPMPWA’s Wealth Managers do not receive any extra compensation for cash allocated to a Bank Sweep Program or invested in money market mutual funds, which helps mitigate these conflicts of interest.

Wealth Managers may be directly compensated for referring Clients to JPMCB for Bank products and services. This compensation creates an incentive for Wealth Managers to refer Clients to Bank products or services so they can receive compensation and not necessarily because they are appropriate products or services for such Clients, which is a conflict of interest. Such compensation has in the past and likely will in the future comprise a meaningful part of the total compensation package for many Wealth Managers. Certain specific products and services offered by JPMCB and the related conflicts of interests are discussed further below.

JPMCB may offer a securities-based lending program that allows Clients to satisfy short-term cash needs as an alternative to selling assets, and Wealth Managers refer Clients to JPMCB’s program. To the extent such a securities-based lending program is offered, the minimum loan amount is generally \$500,000, the loans are typically structured as 12-month revolving lines of credit with auto-renewal, and the loans cannot be used to buy additional securities. JPMCB could seek to earn a profit from this program by making loans to Clients at interest rates higher than its cost of funds. The loans are secured by eligible marketable securities held at JPMS or FRTC. The use of securities as collateral exposes the Client to a risk of forced liquidation if the market declines, which can potentially disrupt a long-term investment plan or incur capital gains taxes, a risk which is magnified for positions that are concentrated in a single security or market sector. Depending on the nature of the referral, Wealth Managers receive compensation for the referral. In addition, Clients of JPMPWA will still incur their standard management fee for those assets in the JPMPWA account serving as collateral for the loan, along with any borrowing fees required by the loan. These borrowing fees are paid to JPMCB. This creates an incentive to refer Clients to JPMCB’s securities-based lending program which is a conflict of interest. To help mitigate any conflicts of interest associated with the referral process: Wealth Managers must determine that a securities-based lending is in the best interest of the Client before any referral is made for that Client; prior to making a referral, the Wealth Manager must inform the Client of the risks and limitations of such a loan; JPMPWA personnel associated with making a referral are separated from JPMCB personnel involved in the credit review and approval of loans including the securities-based lending team who will review the nature of the credit and provide the Client with additional product details and answer any additional questions a Client might have; Wealth Managers receive enhanced training on the advantages and disadvantages associated with the securities-

based lending program; JPMCB markets the securities-based lending program on only a minimal basis to Clients or prospects, relying instead on internal awareness of the program; all securities-based lending applications are required to go through a formal application, credit review and approval process conducted by JPMCB's securities-based lending team; and JPMS monitors referrals for potential issues.

### **Conflicts Related to Affiliations and Affiliated Activities**

In their separate capacities as registered representatives and/or insurance agents, JPMPWA management persons, investment adviser representatives, and employees who are separately licensed as registered representatives with JPMS or as insurance agents with Chase Insurance Agency, Inc. ("CIA") will be able to effect securities transactions, provide consulting services and/or purchase or refer insurance and insurance-related investment products for JPMPWA's advisory Clients, for which they will receive additional compensation. Clients, however, are not under any obligation to engage these individuals when considering the purchase/sale of securities or insurance.

Clients should be aware that the receipt of additional compensation by JPMPWA and its employees creates a conflict of interest due to its affiliated entities, which conflict of interest could impair the objectivity of JPMPWA and these individuals when making advisory recommendations. JPMPWA endeavors at all times to put the interest of its Clients first as part of its fiduciary duty as a registered investment adviser and takes the following steps to address this and other conflicts of interest arising due to JPMPWA's various affiliations:

- (1) JPMPWA discloses to Clients the existence of all material conflicts of interest, including the potential for JPMPWA and its employees to earn compensation from advisory Clients in addition to JPMPWA's advisory fees;
- (2) JPMPWA discloses to Clients that they are not obligated to purchase recommended investment products from JPMPWA's employees or related companies;
- (3) JPMPWA collects, maintains and documents accurate, complete and relevant Client background information, including the Client's financial goals, objectives and risk tolerance;
- (4) JPMPWA conducts reviews of Client accounts to verify that recommendations made to a Client are in the best interest of the Client, considering the Client's reported needs and circumstances;
- (5) JPMPWA requires that its employees seek prior approval of any outside business activity so that JPMPWA can ensure that any conflicts of interests in such activities are properly addressed;
- (6) JPMPWA periodically monitors these outside business activities to verify that any conflicts of interest continue to be properly addressed by JPMPWA; and
- (7) JPMPWA educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to Clients.

### **Conflicts Related to Private Fund Activities**

JPMPWA is the investment adviser to the Eagle Alternative Investments Funds, which generally invest in private funds that are managed by third-party fund managers. JPMPWA or a person affiliated with JPMPWA has, and in the future will likely have, business, family or personal relationships with such private funds, third-party fund managers and their managers, affiliated entities, or key principals. Similarly, affiliates of JPMPWA have, and in the future will likely have, business relationships with JPMPWA Clients who invest in Eagle Alternative Investments Funds. For example, JPMCB or its subsidiaries currently and, in the future, may lend to, accept deposits from, or provide banking, trust, custody, advisory, or other services to certain private funds, third-party fund managers and their managers, affiliated entities or key principals (or their respective family members and entities). These business relationships create conflicts of interest between JPMPWA and JPMPWA's Clients. JPMPWA's goal is to avoid conflicts of interest or

address any identified conflict consistent with the best interest of Clients. Addressing identified conflicts includes disclosing such conflicts or mitigating the conflicts through internal controls and review processes.

For purposes of complying with applicable bank regulations, Eagle Alternative Investments Funds often elect to be treated as bank holding companies with respect to an Eagle Alternative Investments Fund's ability to vote its interest in an underlying Private Fund advised by a third party investment manager. Accordingly, to the extent that the Eagle Alternative Investments Fund's interest in the underlying Private Fund exceeds a designated percentage of any "class" of "voting securities" of the underlying Private Fund (as such terms are defined in Federal Reserve Regulation Y), such excess interests are expected to become a non-"voting" interest under the terms of the limited partnership agreement of the underlying Private Fund (the "Underlying Fund LPA"). Even with such election, the Eagle Alternative Investments Fund shall seek to retain its ability, to the extent applicable, to vote to remove the underlying Private Fund's general partner for cause or to approve a replacement general partner who has been terminated or resigned. The Eagle Alternative Investments Fund shall also seek to retain its ability to vote or consent on matters involving a significant adverse change to its rights and benefits as a limited partner of the underlying Private Fund, the issuance of senior securities by the underlying Private Fund or the dissolution of an underlying Private Fund, as applicable. While the Eagle Alternative Investments Fund will seek to retain its ability to vote or consent on such important matters, it is possible that in the event that a vote of the limited partners of the underlying Private Fund is required under the Underlying Fund LPA or pursuant to applicable law, the Eagle Alternative Investments Fund might not be able to exert significant influence over the outcome of such vote even if it holds a significant economic interest in the underlying Private Fund. In addition, Eagle Alternative Investments Funds generally will limit their respective percentage ownership of the applicable underlying Private Fund in order to establish a regulatory presumption of non-control, at thresholds intended to simplify compliance with complex regulatory control tests. Such ownership limitation may result in the Eagle Alternative Investments Fund being excused from funding capital calls to the Private Fund and/or completely or partially withdrawing from the Private Fund at times and in amounts the Eagle Alternative Investments Fund would not otherwise seek to do so absent such limitations. It is possible that future changes or clarifications in statutes, regulations or interpretations concerning the permissible activities of bank holding companies, as well as further judicial or administrative decisions and interpretations of present or future statutes or regulations could restrict (or possibly prevent) JPMPWA from continuing to perform its services for Eagle Alternative Investments Funds. In such event, JPMPWA may agree to alter or restrict the exercise of its powers to the extent necessary to permit it to continue to serve each Eagle Alternative Investments Fund, while enabling such Eagle Alternative Investments Fund to continue to achieve its purposes and objectives. In determining its responses to applicable banking law, rules or regulation, JPMPWA and its affiliates, subject to any respective fiduciary obligations, will take account of its own business interests, which could conflict with the interests of the applicable Eagle Alternative Investments Fund or its investors.

### **Conflicts Related to Sub-Advisory Activities**

As described in Item 4, JPMPWA acts as a sub-advisor to Spearhead Capital Advisors, LLC, that acts as an investment manager for insurance companies, solely in respect of one or more separate investment accounts or sub-accounts, each of which is established by the applicable insurance company for the purpose of supporting benefits payable under an insurance policy characterized under Section 817(d) of the IRC as a "variable contract." JPMPWA receives fees for these sub-advisory services. If a Client expresses to a Wealth Manager an interest in purchasing a variable contract, or a Wealth Manager determines that it might be advisable for a Client to purchase a variable contract, the Wealth Manager can recommend that the Client purchase a variable contract from an insurance company with respect to which JPMPWA provides such sub-advisory services. Wealth Managers will have financial incentives to make such recommendations due to the fees payable to JPMPWA for its sub-advisory services. JPMPWA seeks to mitigate this conflict by reviewing whether such recommendations are in the best interest of the Client, taking into account the Client's reported needs and circumstances.

## **Conflicts Generally**

While JPMPWA endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions. Please refer to Item 11, Code of Ethics, Participation, or Interest in Client Transactions/Personal Trading, for further information regarding conflicts of interests with respect to Client accounts and investments.

## **Item 11 – Code of Ethics, Participation, or Interest in Client Transactions/Personal Trading**

### **Code of Ethics and Personal Trading**

JPMPWA maintains a comprehensive Code of Ethics (the “Code”) in accordance with Rule 204A-1 of the Advisers Act and other applicable laws and regulations. JPMPWA’s Code is based on the overriding principle that the JPMPWA employees have a fiduciary duty to JPMPWA Clients. JPMPWA employees shall conduct their activities in accordance with the following standards: Clients’ interests come first, conflicts of interest shall be avoided, compromising situations shall be avoided, and that there is a general prohibition against fraud, deceit, and manipulation. The Code sets forth specific rules and procedures that are consistent with these fiduciary standards. However, all activities by JPMPWA employees are required to conform to these standards regardless of whether the activity is specifically covered in the Code. The Code is provided to all JPMPWA employees and each employee is responsible to acknowledge receipt. Employees are required to promptly report any known or suspected violation of the Code.

Procedures established in the Code are intended to address any conflicts of interest and to prevent and detect prohibited activities in connection with personal trading or certain other activities on the part of JPMPWA employees. The provisions of the Code are applicable to any person employed by JPMPWA or JPMS (“Access Persons”) and their immediate family members living in the employee’s household unless otherwise noted as well as certain JPMCB employees that are deemed to be Access Persons.

JPMPWA requires all Access Persons to pre-clear their personal securities transactions for securities that are covered under its Code of Ethics.

The following are restrictions on personal trading activities or conduct by Access Persons in the Code of Ethics:

- Prohibition on Initial Public Offerings and Initial Coin Offerings;
- Pre-clearance requirement for Private Investments;
- Prohibition on Short-Term Trading Profits (30 day hold requirement);
- Restriction on rating changes and price target changes: One full trading day black out period for changes to JPMPWA’s recommended list;
- For investment professionals, a prohibition on buying or selling a security of an issuer traded in an associated Client account within 5 days (2 days prior to the Client trade, same day or 2 days after) the Client trade, except for De-Minimis trades defined as daily transactions in Covered Securities no greater than the share quantities and transaction values (or principal values) indicated as follows:
  - 5,000 shares and a transaction value of \$50,000 in a security whose market capitalization is \$5 billion or under; or
  - 10,000 shares and a transaction value of \$100,000 in securities whose market capitalization is above \$5 billion; or
  - principal value of \$100,000 in a fixed income security;

- Prohibition of Trading in JPMC stock during the period the Firm has designated as a “Closed Period”;
- Prohibition of borrowing and/or lending money or securities to and from Clients;
- Prohibition on conducting a “cross” trades or “transfer of ownership/interest” in an investment with a Client;
- Limits relating to gifts & entertainment given or received from any person or entity doing business with First Republic entities;
- Restriction on trading securities on JPMPWA’s Watch List and Restricted List;
- Pre-clearance requirements on certain outside business activities and political activities;
- Requirements to certify to the Code and report information required by the Code.

JPMPWA’s CCO is responsible for the implementation and administration of the Code. The Compliance department has the following monitoring responsibilities, including but not limited to pre-clearance of all JPMPWA employee personal trade requests in covered securities, monitoring of employee activity and maintenance of records in accordance with applicable laws and regulations. Any violation of the Code, including engaging in a prohibited transaction or failing to meet reporting requirements, could result in disciplinary action, up to and including, suspension or termination of employment. The Chief Compliance Officer is required to report to JPMPWA’s Compliance Committee any circumstance of fraud, deceit, or a manipulative practice that could be found to have been practiced on a Client of JPMPWA in connection with an employee’s unapproved personal trading and other material violations of the Code.

A full copy of the aforementioned Code of Ethics is available to any Client or prospective Client upon request to the Chief Compliance Officer (“CCO”) at the address or phone number provided on the cover page of this brochure.

Additionally, JPMC has firm-wide policies and procedures including JPMC’s Code of Conduct (the “Code of Conduct”). The Code of Conduct sets forth restrictions regarding confidential and proprietary information, information barriers, private investments, outside interests and personal trading. All JPMC employees are required to familiarize themselves, comply, and attest annually to their compliance with provisions of the Code of Conduct’s terms as a condition of continued employment.

### **Participation or Interest in Client Transactions and Other Conflicts of Interest**

#### **JPMPWA’s and its Related Persons’ Participation in Client Transactions**

From time to time, JPMPWA invests in securities on behalf of Clients that are of the same type in which JPMPWA employees, officers or directors also invest. Wealth Managers are exempt from pre-clearance rules when their interests are aligned, they invest in the same strategy as their Client, and they trade the same way alongside their Client (i.e., they buy or sell the same securities at the same time and at the same price and they aggregate and average prices on these purchases and sales). Employees can invest in the same private securities in which JPMPWA Clients invest; however, as noted above, employees who are Access Persons must pre-clear Private Investments. JPMPWA also assists with transfers of investors’ interest in private funds to persons related, or unrelated, to such investors. These transfers are initiated by investors and are generally subject to JPMPWA’s review and approval, when JPMPWA is the investment adviser to the private fund. JPMPWA monitors these transfers and neither JPMPWA nor any affiliate receive compensation related to these transfers.

Neither JPMPWA nor any related person acts as a general partner to a partnership in which Clients are solicited to invest or offered to advisory Clients, however; JPMPWA is an adviser to the Eagle Alternative Investment family of private pooled investment vehicles, and the conflict that this represents is described in the Private Placement Memorandum for each such fund.

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

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

### JPMC's Proprietary Investments

JPMPWA, JPMC, and any of their directors, partners, officers, agents or employees, also buy, sell, or trade securities for their own accounts or the proprietary accounts of JPMPWA and/or JPMC. JPMPWA and/or JPMC, within their discretion, may make different investment decisions and take other actions with respect to their proprietary accounts than those made for Client accounts, including the timing or nature of such investment decisions or actions. The proprietary activities, investments, or portfolio strategies of JPMPWA and/or JPMC give rise to a conflict of interest with the transactions and strategies employed by JPMPWA on behalf of its Clients and affect the prices and availability of the investment opportunities in which JPMPWA invests on behalf of its Clients. Further, JPMPWA is not required to purchase or sell for any client account securities that it, JPMC, and any of their employees, principals, or agents may purchase or sell for their own accounts or the proprietary accounts of JPMPWA or JPMC. JPMPWA, JPMC, and their respective directors, officers and employees face a conflict of interest as they will have income or other incentives to favor their own accounts or the proprietary accounts of JPMPWA or JPMC.

### **JPMC Acting in Multiple Commercial Capacities**

JPMC is a diversified financial services firm that provides a broad range of services and products to its clients and is a major participant in the global currency, equity, commodity, fixed-income and other markets in which JPMPWA's Client accounts invest or may invest. JPMC is typically entitled to compensation in connection with these activities and JPMPWA's Clients will not be entitled to any such compensation. In providing services and products to clients other than JPMPWA's Clients, JPMC, from time to time, faces conflicts of interest with respect to activities recommended to or performed for JPMPWA's Client on one hand and for JPMC's other clients on the other hand. For example, JPMC has, and continues to seek to develop banking and other financial and advisory relationships with numerous U.S. and non-U.S. persons and governments. JPMC also advises and represents potential buyers and sellers of businesses worldwide. JPMPWA's Client accounts have invested in, or may wish to invest in, such entities represented by JPMC or with which JPMC has a banking, advisory or other financial relationship. In addition, certain clients of JPMC, including JPMPWA's Clients, may invest in entities in which JPMC holds an interest, including a JPMorgan Affiliated Product. In providing services to its clients and as a participant in global markets, JPMC from time to time recommends or engages in activities that compete with or otherwise adversely affect a JPMPWA Client account or its investments. It should be recognized that such relationships can preclude JPMPWA's Clients from engaging in certain transactions and can also restrict investment opportunities that may be otherwise available to JPMPWA's Clients. For example, JPMC is often engaged by companies as a financial adviser, or to provide financing or other services, in connection with commercial transactions that are potential investment opportunities for JPMPWA's Clients. There are circumstances in which advisory accounts are precluded from participating in such transactions as a result

of JPMC's engagement by such companies. JPMC reserves the right to act for these companies in such circumstances, notwithstanding the potential adverse effect on JPMPWA's Clients. In addition, JPMC derives ancillary benefits from providing investment advisory, custody, administration, prime brokerage, transfer agency, fund accounting and shareholder servicing and other services to JPMPWA's Clients, and providing such services to JPMPWA's Clients may enhance JPMC's relationships with various parties, facilitate additional business development and enable JPMC to obtain additional business and generate additional revenue. For example, allocating a Client's account's or a certain JPMorgan Affiliated Product's assets to a third-party private investment fund or product enhances JPMC's relationship with such third-party investment fund or product and their affiliates and could facilitate additional business development or enable JPMC or JPMPWA to obtain additional business and generate additional revenue.

The following are descriptions of certain additional conflicts of interest and potential conflicts of interest that may be associated with the financial or other interests that JPMPWA and JPMC may have in transactions effected by, with, or on behalf of its clients. In addition, many of the activities that create these conflicts of interest are limited and/or prohibited by law, unless an exception is available.

#### JPMC Service Providers and Its Relationships with Issuers of Debt or Equity Instruments in Client Portfolios

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

#### JPMC Service Providers and their Funds in Client Portfolios

JPMC faces conflicts of interest when certain JPMorgan Affiliated Products select service providers affiliated with JPMC because JPMC receives greater overall fees when they are used. Affiliates provide investment advisory, custody, administration, fund accounting and shareholder servicing services to certain JPMorgan Affiliated Products for which they are compensated by such funds. In addition, certain investment funds managed by advisers who are not affiliated with JPMPWA ("Unaffiliated Products") in which JPMPWA invests on behalf of its Clients, in the normal course of their operations, may engage in ordinary market transactions with JPMC, or may have entered into service contracts or arrangements with JPMC. For example, JPMPWA may allocate Client assets to an Unaffiliated Product that trades OTC derivatives with JPMC. Similarly, JPMC provides custodial, brokerage, administrative services or other services to Unaffiliated Products in which JPMPWA invests on behalf of its Clients. These relationships could potentially influence JPMPWA in deciding whether to select such funds for its Clients or recommend such funds to its Clients.

### Clients' Investments in Affiliated Companies

Subject to applicable law, from time to time JPMPWA may invest on behalf of its Clients in fixed income or equity instruments or other securities that represent a direct or indirect interest in securities of JPMC, including JPMC stock. JPMPWA will receive advisory fees on the portion of client holdings invested in such instruments or other securities and may be entitled to vote or otherwise exercise rights and take actions with respect to such instruments or other securities on behalf of its clients. Generally, such activity occurs when a client account includes an index or enhanced index strategy that targets the returns of certain indices in which JPMC securities are a component. Investments in JPMC securities by an index or enhanced index strategy must be made consistent with applicable law and subject to position limits and other constraints. JPMPWA has a conflict of interest because JPMC, its subsidiaries and their personnel, benefit from transactions that support or increase the market demand and price for JPMC securities. The conflict is mitigated because purchases and sales of JPMC securities in client accounts are limited to transactions that align to the relative weighting of JPMC securities in a Client's account to the current weightings of the index tracked by a Client account. In cases where a Client's account does not specifically track an index, JPMPWA has implemented guidelines for rebalancing a Client's portfolio, or engaging in tax management services, when it involves the purchase or sale of the securities of JPMPWA or one of its affiliates and minimizes the level of investment in securities of JPMPWA and its affiliates.

Clients' direct or indirect investments in the securities, secured loans or other obligations of companies affiliated with JPMC or in which JPMPWA or JPMPWA's other Clients have an equity, debt, or other interest may result in other Clients of JPMPWA, JPMPWA, or its Affiliates being relieved of obligations. For example, a client account may acquire securities or indebtedness of a company affiliated with JPMC directly or indirectly through syndicate or secondary market purchases, or may make a loan to, or purchase securities from, a company that uses the proceeds to repay loans made by JPMC. The purchase, holding and sale of investments by JPMPWA on behalf of its clients are beneficial to JPMC's own investments in and its activities with respect to such companies.

### Investment Opportunities Sourced by JPMC

From time to time, JPMPWA's affiliates, including, but not limited to, JPMC's investment, commercial, and private banking divisions and JPMC corporate functions, introduce to JPMPWA a potential transaction involving the sale or purchase of private securities, loans, real estate, infrastructure, or transportation investments that may be suitable for a private fund or Client account managed by JPMPWA. If such fund or account pursues the resulting transaction, JPMC will have a conflict in its representation of JPMPWA's Client over the price and terms of the fund's investment or disposal. In addition, JPMPWA's affiliates could provide investment banking, advisory, or other services to competitors of JPMPWA's Clients with respect to the prospective or existing investments held by such clients or with respect to certain investments that JPMPWA's Clients are considering, or are in the process of acquiring. Such activities will present JPMC with a conflict of interest vis-à-vis JPMPWA's Client's investment and may also result in a conflict with respect to the allocation of resources to those entities.

### Restrictions Relating to JPMC Directorships/Affiliations

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



### JPMC's Use and Ownership of Trading Systems

JPMC may effect trades on behalf of its client accounts through exchanges, electronic communications networks, alternative trading systems and similar execution systems and trading venues (collectively, "Trading Systems"), including Trading Systems in which JPMC has a direct or indirect ownership interest. JPMC will receive indirect proportionate compensation based upon its ownership percentage in relation to the transaction fees charged by such Trading Systems in which it has an ownership interest. An up-to-date list of all Trading Systems through which JPMC might trade and in which JPMC has an ownership interest can be found at <https://www.jpmorgan.com/wealth-management/wealth-partners/legal/ecn>. Such Trading Systems (and the extent of JPMC's ownership interest in any Trading System) may change from time to time. JPMC addresses this conflict by disclosure to its clients.

### Principal Transactions, Cross and Agency Cross Transactions

Although JPMPWA does not generally do so, JPMPWA, acting on behalf of its Clients' advisory accounts, can enter into transactions in securities and other instruments with or through JPMC, and cause accounts to engage in principal transactions, cross transactions, and agency cross transactions, as permitted by applicable law and JPMPWA's policy. A "principal transaction" occurs if JPMPWA, acting on behalf of its Clients' advisory accounts, knowingly buys a security from, or sells a security to, JPMPWA's or its affiliate's own account.

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

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

### **Conflicts Relating to JPMorgan Affiliated Products**

JPMPWA has a conflict of interest to the extent that Client accounts hold interests in JPMorgan Affiliated Products because certain of JPMPWA's affiliates benefit from increased allocations to the JPMorgan Affiliated Products, and may receive management, distribution, placement, administration, custody, trust services, or other fees for services provided to such products. JPMPWA has a financial incentive to use a JPMorgan Affiliated Product and favor affiliated service providers over non-affiliated products and service providers because one or more of JPMPWA's affiliates generally receive investment management and other fees for managing and servicing such JPMorgan Affiliated Products. As such, JPMPWA's affiliates will receive more total revenue when a Client's portfolio is invested in such JPMorgan Affiliated Products than when it is invested in third-party products.

Mutual funds and ETFs registered under the Investment Company Act of 1940, as amended ("Registered Funds") all have various internal fees and other expenses, that are paid by managers or issuers of the Registered Funds or by the Registered Fund itself, but that ultimately are borne by the investor. At times, JPMC receives administrative and servicing and other fees for providing services to both JPMorgan Affiliated Products that are Registered Funds and third party funds that are held in a Client's portfolio. These payments may be made by sponsors of Registered Funds (including affiliates of JPMPWA) or by the

Registered Funds themselves and based on the value of the Registered Funds in the Client's portfolio. Certain Registered Funds or their sponsors have other business relationships with JPMC outside of its portfolio management role or with the broker-dealer affiliates of JPMC, which may provide brokerage or other services that pay commissions, fees and other compensation.

At times, JPMPWA has an incentive not to withdraw its Client's investment from a JPMorgan Affiliated Product in order to avoid or delay the withdrawal's adverse impact on the fund. Certain accounts managed by JPMPWA or its affiliates have significant ownership in certain JPMorgan Affiliated Products. JPMPWA and its affiliates face conflicts of interest when considering the effect of redemptions on such funds and on other unitholders in deciding whether and when to redeem its units. A large redemption of units by JPMPWA acting on behalf of its discretionary clients could result in the JPMorgan Affiliated Product selling securities when it otherwise would not have done so, and increasing transaction costs. A large redemption could also significantly reduce the assets of the fund, causing decreased liquidity and, depending on any applicable expense caps, a higher expense ratio or liquidation of the fund. JPMPWA has policies and controls in place to govern and monitor its activities and processes for identifying and managing conflicts of interest.

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

Certain unaffiliated asset management firms (each, an "unaffiliated asset manager") through their funds and separately managed accounts currently hold a 5% or more ownership interest in JPMC publicly traded stock. Ownership interests in this range or of greater amounts present a conflict of interest when JPMPWA purchases publicly traded securities of the unaffiliated asset manager or invests in funds that are advised by such unaffiliated asset manager, on behalf of Client accounts. JPMPWA does not receive any additional compensation for Client accounts' investments in publicly traded securities or funds of an unaffiliated asset manager as a result of its ownership interest in JPMC stock. JPMC monitors ownership interests in JPMC for regulatory purposes and to identify and mitigate actual and perceived conflicts of interest. As of February 24, 2023, the Vanguard Group, Inc., and BlackRock, Inc. hold more than a 5% interest in JPMC.

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

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

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

JPMPWA is not permitted to use MNPI in effecting purchases and sales in public securities transactions. The intentional receipt of MNPI gives rise to a conflict of interest since JPMPWA may be prohibited from

rendering investment advice to clients regarding the public securities of such issuer and thereby potentially limiting JPMPWA's ability to sell such securities. Similarly, where JPMPWA declines access to (or otherwise does not receive or share within JPMC) MNPI regarding an issuer, JPMPWA may base its investment decisions with respect to assets of such issuer solely on public information, thereby limiting the amount of information available to JPMPWA in connection with such investment decisions. In determining whether or not to elect to receive MNPI, JPMPWA will endeavor to act fairly to its clients as a whole.

In addition, JPMC from time to time subscribes to or otherwise elects to become subject to investment policies on a firm-wide basis, including policies relating to environmental, social, and corporate governance. JPMPWA may also limit transactions and activities for reputational or other reasons, including when JPMC is providing (or may provide) advice or services to an entity involved in such activity or transaction, when JPMC or a Client is or may be engaged in the same or a related activity or transaction to that being considered on behalf of the advisory account, when JPMC or another account has an interest in an entity involved in such activity or transaction, or when such activity or transaction on behalf of or in respect of the advisory account could affect JPMC, JPMPWA, their clients, or their activities. JPMC may become subject to additional restrictions on its business activities that could have an impact on JPMPWA's Client accounts activities. In addition, JPMPWA may restrict its investment decisions and activities on behalf of particular advisory accounts and not other accounts.

#### **Conflicts Related to the Use of Index Products**

JPMPWA's affiliates may develop or own and operate stock market and other indices based on investment and trading strategies developed by JPMPWA or its affiliates or assist unaffiliated entities in creating indices that are tracked by certain ETFs or certain Client accounts utilized by JPMPWA. Some of the ETFs advised by JPMIM (the "JPMorgan ETFs") seek to track the performance of certain of these indices. In addition, JPMPWA may manage Client accounts which track the same indices used by the JPMorgan ETFs or which may be based on the same, or substantially similar, strategies that are used in the operation of the indices and the JPMorgan ETFs. The operation of the indices, the JPMorgan ETFs and Client accounts in this manner may give rise to potential conflicts of interest. For example, Client accounts that track the same indices used by the JPMorgan ETFs may engage in purchases and sales of securities relating to index changes prior to the implementation of index updates or the time as of which the JPMorgan ETFs engage in similar transactions because the Client accounts may be managed and rebalanced on an ongoing basis, whereas the JPMorgan ETFs' portfolios are only rebalanced on a periodic basis corresponding with the rebalancing of an index. These differences may result in the Client accounts having more favorable performance relative to that of the index and the JPMorgan ETFs or other Client accounts that track the index. Furthermore, JPMPWA may, from time to time, manage Client accounts that invest in these JPMorgan ETFs.

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

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

accounts may have to compete for positions. There is no specific limit on the number of accounts which may be managed by JPMPWA or its related persons. Once held by a Client, certain investments compete with other investments held by other Clients of JPMPWA. JPMPWA has controls in place to monitor and mitigate these potential conflicts of interest. See Item 12, Brokerage Practices below for further details on this subject.

#### Conflicts of Interest Created by Contemporaneous Trading

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

In addition, it may be perceived as a conflict of interest when activity in one account closely correlates with the activity in a similar account, such as when a purchase by one account increases the value of the same securities previously purchased by another account, or when a sale in one account lowers the sale price received in a sale by a second account. Furthermore, if JPMPWA manages accounts that engage in short sales of securities in which other accounts invest, JPMPWA could be seen as harming the performance of one account for the benefit of the account engaging in short sales if the short sales cause the market value of the securities to fall. Also, certain private funds managed by JPMPWA or its affiliates hold exclusivity rights to certain investments and therefore, other clients are prohibited from pursuing such investment opportunities.

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

A conflict could arise when JPMC or one or more Client accounts invest in different instruments or classes of securities of the same issuer than those in which other Clients invest. In certain circumstances, JPMC or one or more Client accounts that have different investment objectives could pursue or enforce rights with respect to a particular issuer in which other Clients of JPMPWA or JPMC have also invested. These activities are adverse to the interests of such other Clients, and transactions for a Client account will be impaired or effected at prices or terms that are less favorable than would otherwise have been the case had a particular course of action with respect to the issuer of the securities not been pursued with respect to such other Client account or JPMC. For example, if JPMC or a Client of JPMPWA holds debt instruments of an issuer and another client holds equity securities of the same issuer, and the issuer experiences financial or operational challenges, JPMC acting on behalf of itself or the Client who holds the debt instrument may seek a liquidation of the issuer, whereas the other Client who holds the equity securities may prefer a reorganization of the issuer. In addition, an issuer in which a Client invests may use the proceeds of the Client's investment to refinance or reorganize its capital structure, which could result in repayment of debt held by JPMC or another Client. If the issuer performs poorly following such refinancing or reorganization, the Client's results will suffer whereas JPMC's and/or the other Client's performance will not be affected because JPMC and the other Client no longer have an investment in the issuer. Conflicts are magnified with respect to issuers that become insolvent. It is possible that in connection with an insolvency, bankruptcy, reorganization, or similar proceeding, a Client will be limited (by applicable law, courts or otherwise) in the positions or actions it will be permitted to take due to other interests held or actions or positions taken by JPMC or other Clients of JPMPWA.

### Conflicts Related to Allocation and Aggregation

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

JPMPWA has established policies, procedures, and practices to manage the conflicts described above. JPMPWA's allocation and order aggregation practices are designed to achieve a fair and equitable allocation and execution of investment opportunities among its Clients' accounts over time, and these practices are designed to comply with securities laws and other applicable regulations. See Item 12, Brokerage Practices for a complete description of JPMPWA's allocation and aggregation practices.

## **Item 12 – Brokerage Practices**

JPMPWA generally has discretionary authority to determine the securities to be bought or sold for Clients, the amount of such securities, the broker-dealer to be used and the commission to be paid, subject to a Client's established guidelines. JPMPWA will use its best efforts to obtain the best available price and most favorable execution under the circumstances with respect to all portfolio transactions executed on behalf of advisory Clients. JPMPWA does not take discretionary authority over the stock of JPMC.

When selecting or recommending a broker and negotiating commission rates for placing trades on behalf of Client accounts, JPMPWA considers the full range and quality of brokerage services available. Both qualitative and quantitative factors are considered.

Qualitative factors include:

- timeliness and accuracy of trade confirmations
- ability to place trades in difficult market environments
- financial condition of the broker
- research services provided as a part of the overall relationship

Quantitative factors include:

- timeliness of execution
- liquidity of securities traded
- ability to avoid market impact when executing transactions

### **Research and Soft Dollar Benefits**

JPMPWA does not use soft dollars.

### **Brokerage for Client Referrals**

JPMPWA has had and will likely have in the future relationships with affiliated and unaffiliated broker-dealers wherein JPMPWA receives Client referrals. This results in a conflict of interest with the Client since JPMPWA has an incentive to select a broker-dealer based on receiving these referrals rather than selecting the broker with the most favorable execution. JPMPWA seeks to mitigate this conflict through Directed Brokerage as explained below.

JPMPWA does not make commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions for Client referrals; however, a potential conflict of interest arises between the Client's interest in obtaining best price and execution and JPMPWA's interest in receiving future Client referrals. Under such circumstances, therefore, Clients should be aware of their various brokerage options, including utilizing the services of the referring broker, choosing another broker, or utilizing a firm retained by JPMPWA to provide custody and execution services.

### **Directed Brokerage**

Clients may direct JPMPWA to effect securities transactions in the Client's account through their custodian or a specific broker-dealer. This instruction is considered a "directed brokerage arrangement". In such circumstances, the Client is responsible for negotiating the terms and arrangements for their account with that broker-dealer. JPMPWA will not seek better execution services or prices from other broker-dealers or be able to aggregate the Client's transactions, for execution through other broker-dealers, with orders for other accounts advised or managed by JPMPWA. As a result, JPMPWA may not obtain best execution on behalf of the client, who may pay materially disparate commissions, greater spreads or other transaction costs, or receive less favorable net prices on transactions for the account than would otherwise be the case. If a Client's broker-dealer cannot execute a transaction on the Client's behalf, or in JPMPWA's sole discretion, JPMPWA determines that the transaction should not be executed by the Client's broker-dealer, JPMPWA has a duty of best execution and may aggregate Client transactions, as well as, effect the transaction through a different broker, dealer, or bank, including those affiliated with JPMPWA (please see "Best Execution" below for more details).

### **Best Execution**

JPMPWA's principal objective in selecting broker-dealers and entering Client trades is to obtain best execution for Clients' transactions. JPMPWA reviews the full capacity and quality of a broker's services in order to achieve the best possible execution for clients. Best execution is not limited solely to the consideration of the best available commission rate. Immediate price and total cost are evaluated in conjunction with many other factors: execution capability, financial condition of the broker, broker responsiveness, and research value. JPMPWA follows specific procedures to ensure that its Wealth Managers and traders continually strive to obtain the most favorable overall execution when placing client orders. JPMPWA's Best Execution Council oversees JPMPWA's best execution obligations.

### **Aggregation/Allocation of Trades**

The JPMPWA Equity trading desk considers each Wealth Manager team as a separate internal customer. Its default allocation methodology is to allocate trades across such teams on a pro rata basis. Where possible, JPMPWA will aggregate orders of Clients. In situations where aggregated trades are executed in multiple lots at varying prices, each participating Client's proportionate share will reflect the average price paid or received with respect to the aggregate order.

The JPMPWA Fixed Income trading desk seeks to aggregate trades on behalf of more than one Client subject to such aggregation being in the best interests of all participating Clients. Subsequent trades for the same security entered during the same trading day can be aggregated with any previously unfilled orders. Allocation decisions are made in conformance with basic fiduciary principles, so as to ensure fair and equitable treatment of each Client participating in the aggregated trade. Instances in which Client trades will not be aggregated include, but are not limited to, the following:

- Clients whose account guidelines have certain requirements unique to that Client which would make trade aggregation impractical or not in the best interest of all Clients;
- The timing of the trades entered during the trading day; and
- Traders and/or Wealth Managers determine that aggregation is not appropriate due to market conditions.

Further, JPMPWA will be unable to aggregate trades among Client accounts where the participating Clients have directed the use of different brokers or where individual Wealth Managers place such trades directly through JPMPWA's and its affiliate JPMS's trading platforms rather than through the JPMPWA or JPMS trading desks. In addition, trades placed in the accounts of Clients that do not grant JPMPWA discretionary authority over the account have in the past and likely will in the future be placed after those entered in the accounts of Clients that have granted such authority. Under these circumstances, and depending on the type of security traded, the nondiscretionary Client's trade has in the past and likely will in the future be executed on a different day and/or at a different price, which could be more or less favorable than the price obtained for Clients granting discretionary authority.

## **Item 13 – Review of Accounts**

### **Periodic Reviews**

JPMPWA Wealth Managers are responsible for ongoing review of Client accounts. Client portfolios are also supervised by the Portfolio Monitoring Team who review the asset allocation versus approved ranges for each investment objective.

### **Review Triggers**

More frequent reviews are triggered by a change in investment objectives; risk tolerance; tax considerations; large deposits or withdrawals; large sales or purchases; or changes in economic climate.

### **Regular Reports**

Investment advisory Clients receive standard account statements from their custodian at least quarterly. Some Clients are provided written periodic reports that contain more details about holdings; details include but are not limited to cost basis; current market prices; rates of return; estimated annual income; and yield.

### **Trade Errors**

It is JPMPWA's policy that trading errors must be corrected at no cost to the Client and the promise of future trade commissions must not be used to compensate a broker/dealer for absorbing the cost of a trade error. JPMPWA has in the past kept gains from trade errors at its discretion. Implemented in the beginning of 2022, net gains, if any, from trading errors caused by an employee of JPMPWA are remitted as a donation to charity at the end of the calendar year.

## **Item 14 – Client Referrals and Other Compensation**

JPMCB may refer clients of the Bank to JPMPWA and vice versa. JPMPWA encourages Bank referrals and may offer compensation, recognition and awards for bankers who refer business to JPMPWA, and the Bank encourages JPMPWA referrals and may offer compensation, recognition and awards for JPMPWA Wealth Managers and Wealth Advisors who refer business to the Bank. Additionally, JPMS, FRTC, FRTC-DE, and FRTC-WY refer clients to JPMPWA and vice versa. JPMPWA may offer compensation to the Bank, JPMS, FRTC, FRTC-DE, and FRTC-WY for these referrals, and those entities share that compensation with their employees who make the referrals.

This practice presents a conflict of interest for JPMPWA because an incentive exists to recommend the products of the aforementioned Bank and trust companies based upon the compensation received by JPMPWA rather than on a Client's needs. This practice also presents a conflict of interest for the aforementioned Bank and trust companies because an incentive exists to recommend JPMPWA products based upon the compensation received by such Bank and trust companies rather than on the Bank's client's needs. However, when providing investment advisory services to Clients, JPMPWA is a fiduciary and is required to act in the best interest of Clients. JPMPWA addresses this conflict through disclosure in this Brochure, through disclosure at the time of referral, and by adopting internal policies and procedures that

require investment advice to be in the best interest of advisory Clients (in accordance with the Client-approved Investment Policy Statement).

Notwithstanding the foregoing, JPMPWA reserves the right to reject any referral in its sole discretion and will only offer investment advice where it can do so in a mutually beneficial manner with the Client in accordance with its fiduciary duties under the Advisers Act and other applicable laws and regulations.

As discussed above in Item 10, JPMCB may offer a securities-based lending program, and Wealth Managers may refer Clients to JPMCB's program. Depending on the nature of the referral, Wealth Managers may receive compensation for the referral, which creates an incentive to refer Clients to JPMCB's securities-based lending program and is a conflict of interest, as discussed above in Item 10. JPMPWA takes steps to help mitigate conflicts of interest associated with the referral process as described in Item 10 above.

### **Additional Compensation**

JPMPWA compensates some of its employees whereby the employee upon bringing a new Client to JPMPWA receives a portion of the fees paid by the Client to JPMPWA, as described above in Item 5. Additionally, some JPMPWA Wealth Managers are also registered with JPMS as broker-dealer representatives. In such capacities, JPMPWA Wealth Managers provide brokerage and related services to Clients, including recommending the purchase and sale of individual stocks, bonds, mutual funds, private investment funds, and other securities, and sales of life insurance policies and annuities. This practice presents a conflict of interest because it gives JPMPWA Wealth Managers an incentive to recommend investment products based upon the compensation received rather than on a Client's needs. However, when providing investment advisory services to Clients, JPMPWA Wealth Managers are fiduciaries and are required to act in the best interest of Clients. JPMPWA addresses this conflict through disclosure in this brochure and by adopting internal policies and procedures that require Wealth Managers to provide investment advice that is consistent with the fiduciary duty for advisory Clients (based upon information in the Client-approved Investment Policy Statement).

JPMPWA provides investment advisory services to Clients through managed account programs (dual contract) sponsored by unaffiliated broker-dealers and other financial intermediaries. In a dual contract program, JPMPWA provides its advisory services pursuant to an advisory agreement directly with the Client. A Client can separately arrange with one or more unaffiliated third parties for custody, financial advisory and certain trading services to be provided. For these accounts, JPMPWA is appointed to act as an investment adviser through a process generally administered or assisted by the managed account program sponsor. Clients participating in a program, generally with assistance from the sponsor, can select JPMPWA to provide investment advisory services for their account (or a portion thereof) for a particular strategy.

JPMPWA receives an economic benefit from certain third-party custodians by having fees reduced or by not being charged for utilizing specialized investment adviser electronic information downloads, access to specialized institutional brokerage trading and customer service teams, and specialized batched statements. From these services, JPMPWA is then able to more efficiently and readily manage Clients' accounts. These benefits present a conflict of interest because it gives JPMPWA an incentive to recommend custody based upon the benefits JPMPWA received rather than on a Client's needs. However, when providing investment advisory services to Clients, JPMPWA is a fiduciary and is required to act in the best interest of Clients. This conflict is addressed through disclosure in this brochure and by adopting internal policies and procedures that require it provide investment advice consistent with the fiduciary duty for advisory Clients (based upon information in the Client-approved Investment Policy Statement).

JPMPWA is a party to a referral arrangement with an unaffiliated third-party manager, pursuant to which JPMPWA has, in the past, acted as a promoter for the unaffiliated third-party manager. While JPMPWA does not currently anticipate referring any new Clients to the unaffiliated third-party manager, it does



receive referral fees from the unaffiliated third-party manager for one or more prior referrals. Due to JPMPWA's ongoing receipt of such referral fees, it is in JPMPWA's interest for the Client(s) it referred to the unaffiliated third-party manager to continue their relationship with the unaffiliated third-party manager. Going forward, to the extent any services provided by JPMPWA under its agreement with the unaffiliated third-party manager constitute an endorsement under SEC Rule 206(4)-1, JPMPWA will seek to make conflicts of interest disclosures to the recipient of such endorsement, as required by its agreement with the unaffiliated third-party manager. JPMPWA is party to referral arrangements with unaffiliated third-party promoters, constructed in accordance with Rule 206(4)-1 of the Advisers Act, whereby third-party promoters will refer potential clients to JPMPWA in exchange for compensation based on a percentage of advisory fees collected. The details of referral arrangements by JPMPWA to the third-party managers, or by third-party promoters to JPMPWA, are disclosed to Clients at the time of referral.

JPMS serves as a placement agent for certain funds on JPMPWA's Eagle Alternative Investments Funds platform. Neither the investors in the Eagle Alternative Investment Funds nor the Eagle Alternative Investments Funds pay a fee to JPMS for serving as private placement agent. JPMPWA, using its own assets, pays JPMS a flat fee, which is intended to reimburse JPMS for its reasonable expenses in providing private placement services.

## **Item 15 – Custody**

JPMPWA is not a qualified custodian (bank or broker-dealer) and does not generally have custody of Client assets. However, because certain Clients authorize JPMPWA to receive its advisory fees out of the assets in such Clients' accounts by sending invoices to the respective custodians of those accounts, because JPMPWA in some cases has the ability to transfer funds through the use of a standing letter of authorization [or because of its rights as the manager of certain Eagle Alternative Investments Funds], JPMPWA is likely to be deemed by the SEC to have custody of the assets in those accounts for the purposes of the SEC's Custody Rule, Rule 206(4)-2. Such Clients generally will receive account statements directly from their third-party custodians and should carefully review these statements. Clients should contact JPMPWA immediately if they do not receive account statements from the custodian on at least a quarterly basis.

On occasion, JPMPWA provides Clients with separate reports or certain information about the account. Clients should compare these carefully to the account statements received from the custodian. If Clients discover any discrepancy between the account statement provided by JPMPWA and the account statement provided by the custodian, they should contact JPMPWA immediately.

Additionally, in limited and incidental situations where JPMPWA is deemed to have custody by virtue of its affiliation with a Trust Company and also where Wealth Managers of JPMPWA act as Trustees in their personal capacity, JPMPWA is subject to a surprise audit.

JPMPWA's Clients use their custodians to provide custody, trading and other services as it relates the terms of the IMA. Different custodians offer higher or lower trading costs and overall service offerings differ from custodian to custodian.

In the event Client assets are maintained by a related person, JPMPWA will obtain a report of the internal controls relating to the custody of those assets from an independent public accountant registered with and subject to regular inspection by the Public Company Accounting Oversight Board.

Finally, JPMPWA is likely to be deemed to have custody of the assets in certain Eagle Alternative Investments Funds, due to the boards of directors/managers of the Eagle Alternative Investments Funds providing JPMPWA the authority to expend the capital and revenues of the Eagle Alternative Investments Funds in the furtherance of the Eagle Alternative Investments Fund's business. Some examples of this include the ability to instruct payment of third-party service provider invoices or to make payments directly on behalf of the Eagle Alternative Investment Funds (e.g., to pay state taxes). JPMPWA has several controls in place to ensure the safety of the Eagle Alternative Investments Funds' assets, including: (i) assets of the

Eagle Alternative Investment Funds are maintained with a qualified custodian; (ii) only authorized signatories have the authority to approve or make payments; (iii) the Eagle Alternative Investment Funds' third-party administrators perform monthly and/or quarterly reconciliations; (iv) an annual audit of each Eagle Alternative Investments Fund's financial statements is performed by an independent auditor registered with the Public Company Accounting Oversight Board ("PCAOB"); and (vi) a copy of the Eagle Alternative Investments Fund's audited financials is provided to each investor.

JPMPWA would not be deemed to have custody of the assets in the Eagle "Access Funds" that are located on iCapital Network's Technology platform. JPMPWA's ability to access the Access Funds' assets is limited in practice and by written agreement.

## **Item 16 – Investment Discretion**

As a general rule, JPMPWA receives discretionary investment authority from its Clients at the outset of an advisory relationship, unless a Client has elected only non-discretionary advisory services. Depending on the terms of the applicable Investment Management Agreement, JPMPWA's authority often includes the ability to select and negotiate with brokers/dealers through which transactions are executed and commissions paid (if any). JPMPWA is guided by any Client-imposed guidelines and/or restrictions in the Client-approved Investment Policy Statement when making portfolio investment decisions. JPMPWA generally is not required to provide notice to, consult with, or seek the consent of a Client prior to engaging in transactions unless a Client is receiving non-discretionary advisory services.

## **Item 17 – Voting Client Securities**

The majority of Clients that elect discretionary advisory services grant JPMPWA the authority to vote proxies as established by the advisory contracts or comparable documents. However, Clients can choose to receive their proxies or other solicitations directly from their custodian or a transfer agent, and vote any or all, in their sole discretion. Clients should contact their Wealth Managers directly with questions on a particular proxy solicitation.

In accordance with JPMPWA's fiduciary duties, JPMPWA has adopted and implemented policies and procedures it believes are reasonably designed to ensure that proxies are voted in the best interest of Clients. In addition to SEC requirements governing advisers, the proxy voting policies reflect environmental, social and governance and the long-standing fiduciary standards and responsibilities for ERISA accounts.

It is the policy of JPMPWA to vote Client proxies in the best interest of the Client. It is also the policy of JPMPWA to disclose proxy voting policies and procedures to Clients, to provide copies of the policies and procedures upon request, and to advise Clients how they can obtain information on how proxies were voted by JPMPWA. The information requested by the Client will be furnished free of charge and within a reasonable period of time. JPMPWA can be contacted by calling a Client's Wealth Manager. JPMPWA will vote in a way that it believes is consistent with its fiduciary duty and will cause the value of the issue to increase the most or decline the least. Consideration will be given to both short- and long-term implications when considering the optimal vote.

Any general or specific proxy voting guidelines provided in writing by a Client or its designated agent will supersede this policy. Clients can have their proxies voted by an independent third-party or other named fiduciary or agent, at the Client's expense.

Proxies for securities in accounts managed by sub-advisors will be voted by the sub-advisors and will not be voted by JPMPWA, unless specifically agreed to by JPMPWA.

As a matter of practice, it is JPMPWA's policy not to reveal or disclose to any Client how JPMPWA voted (or intends to vote) on a particular proxy until after such proxies have been counted at a shareholder's meeting. JPMPWA will generally refrain from disclosing such information to unrelated third parties.

In certain markets, proxy voting involves logistical issues which can affect JPMPWA's ability to vote such proxies, as well as the desirability of voting such proxies. These issues include but are not limited to: (i) untimely notice of, shareholder meetings; (ii) restrictions on a foreigner's ability to exercise votes; (iii) requirements to vote proxies in person; (iv) "share blocking" (requirements that investors who exercise their voting rights surrender the right to dispose of their holdings for some specified period in proximity to the shareholder meeting); (v) potential difficulties in translating the proxy; (vi) requirements to provide local agents with unrestricted powers of attorney to facilitate voting instructions; and (vii) regulatory or contractual threshold constraints.

JPMPWA engages an unaffiliated third-party proxy vendor, Institutional Shareholder Services, Inc. ("ISS"), to administer proxy voting on JPMPWA's behalf. ISS will pre-populate their votes based on their guidelines. To the extent that ISS automates and electronically pre-populates its voting recommendations prior to submission deadlines, JPMPWA reserves the right to vote against ISS's recommendations. It is JPMPWA's policy to provide sufficient ongoing oversight of ISS to ensure that the proxies are voted in the best interests of JPMPWA Clients. When applicable, JPMPWA considers additional soliciting material that becomes available from issuers. To avoid material conflicts of interest, JPMPWA will generally vote proxies according to the ISS Proxy Voting Guidelines and when applicable Socially Responsible Investment Voting Guidelines. There are a limited number of situations where JPMPWA might vote against ISS recommendations. In those situations, JPMPWA will document the reasons JPMPWA chose to vote against ISS recommendations.

If a Client receives non-discretionary advisory services, the Client retains the responsibility to exercise voting rights and execute corporate actions.

### **Class Action Lawsuit Recoveries**

When a Client elects discretionary advisory services, for the sake of efficiency, JPMPWA has engaged the services of an unaffiliated firm, Chicago Clearing Corporation, to participate in class action shareholder lawsuits, including mediations, on a best efforts basis, for securities beneficially owned by Clients during relevant class action periods. Chicago Clearing Corporation earns a contingency fee of seventeen and a half percent (17.5%) of all monies recovered for Clients through the filing and administration of class action lawsuit claims. Clients can choose to track their holdings versus relevant shareholder class action lawsuits, opt in or opt out of the class action, and/or complete the paperwork instead and in lieu of Chicago Clearing Corporation, in the Client's sole discretion.

If a Client receives non-discretionary advisory services, the Client retains the responsibility to respond to or complete paperwork related to class action lawsuits pertaining to securities held or formerly held in the account or the issuers of those securities.

## **Item 18 – Financial Information**

JPMPWA does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance and therefore a balance sheet of JPMPWA is not required to be disclosed.

JPMPWA has no financial condition to disclose that is reasonably likely to impair its ability to meet contractual commitments to Clients at this time.

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