

J.P.Morgan

# Guide to Investment Services and Brokerage Products

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INVESTMENT AND INSURANCE PRODUCTS ARE:

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

## **INVESTING WITH J.P. MORGAN WEALTH MANAGEMENT**

We're providing this Guide to Investment Services and Brokerage Products (the Guide) to help you learn more about:

- The different ways you can invest with us
- Our products and services, including those we offer from third-party providers
- Compensation received by J.P. Morgan Securities LLC, JPMorgan Chase Bank, N.A. and their affiliates (collectively, J.P. Morgan), as well as the compensation that J.P. Morgan Wealth Advisors and J.P. Morgan Wealth Partners (collectively, advisors) reasonably expect to be paid from the products and services we offer

We hope you find this Guide useful. We may make periodic updates and will notify you of any material changes. You can also access the most current version at [jpmorganinvestment.com](http://jpmorganinvestment.com).

Thank you for your interest in J.P. Morgan Wealth Management, and we look forward to helping you realize your investment goals.

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## WHO WE ARE, WHO WE SERVE AND HOW WE SERVE YOU

### A. WHO WE ARE

J.P. Morgan Securities LLC is a registered broker-dealer and investment advisor with the Securities and Exchange Commission (SEC). J.P. Morgan Securities LLC is also a member of the Financial Industry Regulatory Authority (FINRA), the Municipal Securities Rulemaking Board (MSRB), and the Securities Investor Protection Corp. (SIPC). J.P. Morgan Wealth Management (JPMWM) offers investment products and services through J.P. Morgan Securities LLC.

JPMWM offers a broad range of investments and other services to help you and other clients meet their needs, whether it's saving for retirement, a major purchase or education. We can help you create an integrated and comprehensive strategy on your terms through your investment accounts.

### B. WHO WE SERVE

JPMWM provides brokerage services and investment advisory services to clients in a number of ways, depending on their individual circumstances and how they prefer to engage with us. This includes working with a dedicated advisor located in a J.P. Morgan Wealth Management office or online.

Generally, to open an account you must have a valid residential U.S. address, a Social Security or taxpayer identification number, and be a U.S. citizen or resident alien. In most states, a trust, corporation, non-profit or government entity can also open an account. Some account types may not be available to all clients. We may also offer limited services to non-resident alien clients; please contact your advisor for additional information.

We may ask you to provide certain documentation when you open your account, and from time to time thereafter, to maintain our relationship.

### C. HOW WE SERVE YOU

Whether you're new to investing or have years of experience, we can help. We'll strive to put your needs first, offer informed advice and provide you with the highest level of investment service. Overall, we offer two primary ways to invest with us:

- Work with a dedicated advisor or team
- Trade on your own online, with access to our global research and market insights

This guide focuses mainly on working one-on-one with an advisor, who can provide you with a personalized investment strategy based on your financial goals, which can evolve over time.

#### **Our approach to personalized investing**

In addition to helping design an investment strategy for you and your family's unique goals, at your request, your advisor can also:

- Help you take a holistic view of your investments and asset allocation. This may include suggestions about tactical changes across your portfolio intended to help you reduce risk and potentially increase returns, and help with rebalancing.
- Provide views on the market and guidance during periods of market volatility to help you avoid ill-timed actions.
- Periodically review your investment goals and objectives to help you stay on track.

To ensure our advisors have the foundation they need to provide you with a personalized investment experience, they have access to a variety of resources and support. In making recommendations to you, our advisors select from products we believe can serve the best interests of our clients. Our advisors also have access to:

- Ongoing investment education and up-to-date market insights
- Securities research and information from our Capital Markets Solutions and other teams
- Internal specialists and support teams

## INVESTMENT ACCOUNTS & SERVICES

### A. DIFFERENT TYPES OF INVESTMENT ACCOUNTS

JPMWM offers both brokerage and investment advisory services. There are important differences between the two, including the types of services provided, the costs and how they are regulated. We encourage you to contact your advisor if you have any questions.

#### Brokerage Accounts

Brokerage accounts and related services primarily involve assisting you with the purchase and sale of securities based on your instructions. These accounts have a transaction-based cost structure, and you retain the final investment decision on all transactions in the account.

- As part of a brokerage relationship, we will handle the brokerage and related functions for your account, which may include: holding securities and cash; executing, clearing and settling transactions; collecting and processing dividends; issuing buy and sell confirmations and statements; and looking after the various details associated with the clearing and carrying of accounts. Unless you have specified otherwise, we will act as custodian of the assets in all brokerage accounts. For additional information regarding the services we provide with respect to brokerage accounts, refer to your *J.P. Morgan Securities Customer Agreement* or other applicable service-related documents, which may be amended from time to time. You may request additional copies of these agreements or other documents at any time.
- In exchange for our brokerage services, you generally pay a commission for each transaction and other applicable fees. For example, you generally pay a commission for agency transactions and a mark-up/mark-down for riskless principal transactions. A mark-up is the difference between a security's lowest current offering price and the price charged to the client, while a mark-down is the difference between the highest current bid price for a security and the lower price that a client receives when selling a bond. Therefore, in a brokerage account, your total costs will generally increase or decrease as a result of the frequency of transactions in the account and the type of securities you purchase. We may also be paid by third parties who compensate us based on what you buy.

When acting as a broker-dealer:

- We assist you with the purchase and sale of securities based on your instructions. Your approval will be required before any securities transaction takes place. We do not have discretion to act on your behalf in a brokerage account. This means that although we may provide advice or recommendations regarding the purchase or sale of securities, we do not make investment decisions for you, manage your investments, or monitor your account.
- When we provide "investment advice" to you regarding your qualified retirement plan account or IRA (collectively, "retirement accounts"), within the meaning of the Employee Retirement Income Security Act (ERISA) and/or the Internal Revenue Code, as applicable, we are fiduciaries under those laws governing retirement accounts. The way we make money creates some conflicts with your interests, so when providing such investment advice, including rollover and transfer recommendations for retirement accounts and investment recommendations for your brokerage retirement accounts, we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:
  - Meet a professional standard of care when making investment recommendations (give prudent advice);
  - Never put our financial interests ahead of yours when making investment recommendations (give loyal advice);
  - Avoid misleading statements about conflicts of interest, fees and investments;
  - Follow policies and procedures designed to ensure that we give advice that is in your best interest;

- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.
- Otherwise, when providing services as a broker-dealer, we are not acting as an investment advisor or a fiduciary under federal law, federal rule or federal regulation.<sup>1</sup> As such, we are permitted to sell securities to you and buy securities from you through our own account as principal, and act as agent for you and another client in the same trade. We will disclose this on trade confirmations sent to you. In full-service brokerage retirement accounts, we generally trade in an agency capacity where applicable.
- When we make recommendations to you, we do so in a broker-dealer capacity, not as your investment advisor, unless we have entered into a written investment advisory agreement with you.

### **Investment Advisory Accounts**

When acting as an investment advisor, we offer a variety of programs and services including discretionary and non-discretionary advisory programs. If you participate in a discretionary advisory program, we will have authority to make trades and other investment decisions on your behalf without seeking your prior approval. As part of our investment advisory programs and services, we provide ongoing account management and monitoring.

For these investment advisory programs and services, you generally pay a fee based on the value of your account assets. Additionally, trade execution and other applicable fees may also apply. All fees will be outlined in our agreements with you.

While serving as your investment advisor, we are acting as a fiduciary. As part of our fiduciary duty to you, among other things, we are required to make full and fair disclosure of all material facts relating to our advisory relationship with you, including conflicts between our interests and your interests, and we must obtain your informed consent before engaging in transactions with you for our own account or that of an affiliate or another client (to the extent otherwise permitted under applicable federal law). We act as an investment advisor only when we have entered into a written agreement with you that describes our advisory relationship and obligations to you.

### **Both Brokerage and Investment Advisory Accounts**

In both brokerage and investment advisory accounts that include professionally managed investment products such as mutual funds or exchange-traded funds (ETFs), you will be charged for additional operating expenses that are reflected in the product's share price. Additional expenses include, for example, investment management fees assessed by the manager of the fund. There may also be other fees and expenses that are not included as part of JPMWM's fees or compensation. There may also be other fees and expenses, in addition to those outlined above, as described in agreements and disclosures provided to you. You can find additional information about brokerage fees and expenses in Section 3, Brokerage Products.

While we will take care in developing and making recommendations to you as a broker-dealer or investment advisor, securities involve risk and you may lose money. There is no guarantee that you will meet your investment goals or that our recommended investment strategy will perform as anticipated. Review all the documents you are provided for the details of that product or service, the risks associated with the product and other important information.

## **B. DIFFERENT TYPES OF BROKERAGE ACCOUNTS**

You can always choose between a full-service and a self-directed brokerage account. The main differences between them are how you work with us, who you work with, the types of investment options and services available to you, and costs.

With full-service brokerage accounts, you can work with an advisor who can provide goals-based advice, guidance and help with specific investment needs. With self-directed brokerage accounts, you can open a J.P. Morgan Self-Directed Investing account where you will make your own decisions and will primarily engage with us online.

As a result of these differences, the fees that you pay will vary.

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<sup>1</sup> A fiduciary standard for broker-dealers may be set forth under the rules of certain states or as a condition to maintaining certain certifications. For state-specific information, where applicable, refer to Section 5.

Some account types, strategies, products and services may only be offered in one of the service models. For instance, certain mutual fund share classes, investment strategies or account types may only be available through J.P. Morgan Self-Directed Investing and others just through your advisor in a full-service brokerage account. You can open multiple accounts and choose to work with us in different ways depending on your objectives in each account.

Full-Service Brokerage Account	J.P. Morgan Self-Directed Investing Account
<ul style="list-style-type: none"> <li>• These accounts are designed for clients who wish to receive advice and guidance from a J.P. Morgan team but who want to make the final investment decision on all transactions. For example, we may recommend the purchase of a security in your account—but you make the final decision about whether or not to accept our recommendation.</li> <li>• These accounts have a transaction-based cost structure. Any recommendations we make are considered part of your brokerage services—there is no separate fee charged for our advice or recommendations.</li> <li>• You will primarily engage with a dedicated advisor on the phone or in-person.</li> <li>• In this account, you can trade a variety of investments, which we describe in Section 3.</li> <li>• You will not be able to invest in J.P. Morgan-issued structured investments or new issues/syndicates of equity or fixed income securities (IPOs) in full-service brokerage retirement accounts.</li> <li>• We may not recommend the purchase or investment in direct foreign equity securities nor debt instruments issued by J.P. Morgan in brokerage retirement accounts.</li> <li>• We must act in your best interest at the time we make a securities recommendation to you.</li> <li>• An account can hold cash for liquidity, funding for future investments or for emergency funds.</li> </ul>	<ul style="list-style-type: none"> <li>• These accounts are designed for individual clients who wish to trade online themselves, with access to insights and research. Accounts may include taxable brokerage, Traditional IRA and Roth IRA accounts.</li> <li>• We will not provide investment advice or offer any opinion about the suitability of any security, order, transaction or strategy.</li> <li>• You will make investment decisions and transactions based on your own evaluation of your personal financial situation, needs, risk tolerance and investment objective(s).</li> <li>• You will primarily engage with us online through J.P. Morgan Online<sup>SM</sup> or J.P. Morgan Mobile<sup>SM</sup>.</li> <li>• In this account, you trade online in products including U.S. equities, ETFs, mutual funds, options and fixed income.</li> <li>• We do not have a general obligation to act in your best interest and will not make recommendations to you.</li> <li>• An account can hold cash for liquidity, funding, for future investments or for emergency funds.</li> </ul>

### C. BROKERAGE ACCOUNTS FEES

We charge certain account fees or other amounts in the normal course of providing services or products to you. These charges may include fees for certain administrative services.

Full-Service Brokerage Account	J.P. Morgan Self-Directed Investing Account
<ul style="list-style-type: none"> <li>• Fees and charges may vary from one account to another based on a variety of factors. All such fees and charges are deducted from your linked bank account or brokerage account and are subject to change periodically.</li> <li>• For service fees, refer to Section 6, Appendix.</li> <li>• For product-specific fees and other charges, refer to Section 3, Brokerage Products.</li> </ul>	<p>For information on fees and commissions visit <a href="http://jpmorgan.com/online-investing-pricing">jpmorgan.com/online-investing-pricing</a>.</p>

## D. DIFFERENT TYPES OF INVESTMENT ADVISORY ACCOUNTS

In addition to brokerage accounts, clients have the ability to invest in a number of investment advisory programs, including discretionary and non-discretionary investment advisory programs, where they can receive advice on the selection of investment managers, mutual funds, ETFs and other securities offered through our investment advisory programs.

Discretionary Investment Advisory Account	Non-Discretionary Investment Advisory Account
<ul style="list-style-type: none"><li>• Discretionary Investment Advisory Accounts are accounts in which you authorize J.P. Morgan Securities LLC and/or another affiliated or unaffiliated Portfolio Manager to act as your investment advisor.</li><li>• You give J.P. Morgan Securities LLC and/or the Portfolio Manager the power to invest on your behalf by buying and selling securities in your account and making all investment decisions for your account.</li></ul>	<ul style="list-style-type: none"><li>• Non-Discretionary Investment Advisory Accounts are accounts in which you have sole discretion as to the purchase and sale of assets.</li><li>• Your advisor and/or J.P. Morgan Securities LLC gives you advice about securities that you may buy and sell, but you do not give J.P. Morgan Securities LLC the authority to invest on your behalf.</li><li>• You are responsible for the investment decisions over the assets invested in these accounts.</li></ul>

<b>Discretionary J.P. Morgan Automated Investing Advisory Account</b> <b>(The J.P. Morgan Automated Investing Program is expected to be decommissioned on or about April 20, 2024)</b>
<ul style="list-style-type: none"><li>• Invest online and on the J.P. Morgan Mobile® app.</li><li>• You select the model that fits you best. Portfolios range from conservative to aggressive and are constructed from J.P. Morgan ETFs.<sup>2</sup></li><li>• Our technology tracks your portfolio daily and rebalances as needed.</li><li>• Visit <a href="https://chase.com/personal/investments/online-investing">chase.com/personal/investments/online-investing</a> for more information.</li></ul>

## E. INVESTMENT ADVISORY ACCOUNT FEES

Fees and costs associated with our full-service investment advisory programs are available on request or at [jpmorgan.com/securities/securities/adv](https://jpmorgan.com/securities/securities/adv).

Fees and costs associated with J.P. Morgan Automated Investing can be found at [chase.com/online-investing-pricing](https://chase.com/online-investing-pricing).

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<sup>2</sup> J.P. Morgan Securities LLC has retained an affiliate, J.P. Morgan Investment Management Inc. (JPMIM), to have investment discretion over the construction of the model portfolios (including fund selection and replacements) for J.P. Morgan Automated Investing accounts. J.P. Morgan Securities LLC retains trading authority to implement the model portfolios and place orders consistent with each client's selected portfolio.

## F. RELATED BROKERAGE & INVESTMENT ADVISORY SERVICES

The following are some additional products and services we may provide.

	Full-Service Brokerage Account	J.P. Morgan Self-Directed Investing Account
<b>Custody</b>	<ul style="list-style-type: none"> <li>Under certain limited situations specific to Alternative Investments, J.P. Morgan Securities LLC provides custody services through JPMorgan Chase Bank, N.A. (JPMCB), as described in the Custody Agreement, sometimes referred to as "Accounts and Services Relating to Assets Held by JPMCB and Affiliated Banks," which is part of the Combined Terms and Conditions. Pursuant to that agreement, such services generally include recording, on our books, the plan's interest in property that JPMCB holds directly or indirectly for the account as custodial agent. JPMCB may also make purchases, sales and deliveries in accordance with instructions given by the plan sponsor.</li> </ul>	JPMWM does not charge its clients a Custody fee.
<b>Retirement Accounts</b>	<ul style="list-style-type: none"> <li>We offer Individual Retirement Accounts to our clients, including:               <ul style="list-style-type: none"> <li>Traditional IRAs – a type of tax-advantaged retirement account where your contributions may be tax-deductible, and any investment gains will not be taxed while in the IRA. When you withdraw your money, you will have to pay taxes on any amounts withdrawn comprising pre-tax dollars, including investment gain and deductible contributions.</li> <li>Roth IRAs – a type of tax-advantaged retirement account where your contributions are made with after-tax dollars (if you are eligible to contribute), but any investment gains will not be taxed while in the account, and your withdrawals will be tax-free if they are qualified.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>For service fees, refer to Section 6, Appendix.</li> <li>For product-specific fees and other charges, refer to Section 3, Brokerage Products.</li> </ul>
<b>529 Plan (Full-Service Only)</b>	<p>A 529 plan is an investment account that offers:</p> <ul style="list-style-type: none"> <li>Tax-deferred growth and tax-free withdrawals when the funds are used to pay for a designated beneficiary's qualified education expenses. Contributions may be tax-deductible in some states.</li> <li>Numerous professionally managed investment options from which to choose, including mutual funds and ETFs. You have full control over your plan's investments and withdrawals.</li> <li>529 plans may charge a program management fee and/or a state administration fee (generally 0%–0.50% in aggregate), in addition to the expense ratios of the underlying mutual funds.</li> <li>Many plans charge an annual account maintenance fee (generally \$20–\$25 annually). Such plans often reduce or eliminate this fee for in-state residents, clients who make automatic contributions, or for accounts above a minimum balance, typically \$25,000.</li> <li>529 plan investments include mutual fund Class A Shares and Class C Shares, and sales charges vary by plan. Certain 529 plans waive the front-end sales charge/load fee (no upfront fee) on Class A shares for J.P. Morgan Wealth Management clients with no additional qualification criteria. 12b-1 fees continue to apply. Refer to Section 3, Brokerage Products, for more information on mutual funds share classes and sales charges.</li> <li>529 plans managed by affiliates of J.P. Morgan Securities LLC increase the overall revenue of the firm. Refer to Section 3, Brokerage Products, for more information on proprietary mutual funds and affiliated service providers.</li> </ul>	

## Margin

The following applies to both Full-Service and Self-Directed Investing accounts **except** as indicated.

- Margin involves borrowing funds from J.P. Morgan Securities LLC in order to purchase an investment; you pay interest on this loan at the rate disclosed in your margin agreement and the Fees and Costs section below.
- Margin may also be used to sell securities short, which may be borrowed from J.P. Morgan Securities LLC (**Full-Service Only**).
- Securities in your margin account are collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, we can take action, such as issue a margin call and/or sell securities or other assets in other accounts with us, in order to maintain the required equity in the account.
- Your advisor is compensated based on interest paid for your margin loans (**Full-Service Only**).
- Before trading stocks in a margin account, you should carefully review the Margin Disclosure Statement at [finra.org/sites/default/files/InvestorDocument/p005895.pdf](http://finra.org/sites/default/files/InvestorDocument/p005895.pdf).

Interest will be charged as provided below on any credit extended to you by J.P. Morgan Securities LLC for the purpose of purchasing, carrying or trading in any security. The annual rate of interest you are charged may fluctuate with changes in the stated base rates. The changes in rates resulting from this fluctuation will be made without prior notice to you. The amount of interest charged to an account can be found on its monthly statement.

- \$0 to \$25,000: Prime<sup>3</sup> + 4.75%
- \$25,001 to \$50,000: Prime + 4.50%
- \$50,001 to \$100,000: Prime + 4.00%
- \$100,001 to \$500,000: Prime + 3.75%
- \$500,001 to \$1,000,000: Prime + 3.00%
- \$1,000,001 to \$3,000,000: Prime + 2.50%
- \$3,000,001 to \$10,000,000: SOFR + 2.35%
- \$10,000,001 and above: SOFR + 1.85%

### Full Service Only:

- Note that this pricing applies to accounts approved for margin on and after March 22, 2021. For pricing on accounts approved for margin prior to March 22, 2021, refer to the Truth in Lending section of the *Margin Agreement and Disclosures* you received when you opened your margin account or contact your advisor for more information.
- Short sales incur fees that are based on a fluctuating rate applied daily to the market value of the securities sold short. These fees, which are in addition to interest charged on any debit balances in your account created in connection with your short positions, are based on (i) the costs and expenses incurred by J.P. Morgan to settle and maintain those transactions, and (ii) service fees in connection with the establishment and/or maintenance of your short positions.

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<sup>3</sup> The annual rate of interest that you will be charged on any U.S. dollar-denominated credit is based on either the Prime interest rate (Prime) or the Secured Overnight Financing Rate (SOFR). The Prime interest rate is an important index used by banks to set rates on many consumer loan products, such as credit cards or auto loans. The Prime interest rate will move up or down in lockstep with changes made by the Federal Reserve Board. SOFR is a benchmark for dollar-denominated derivatives and loans. SOFR is based on transactions in the Treasury repurchase market.

**Fully Paid Lending**

- Fully Paid Lending involves making your fully owned U.S. equity positions available for lending to JPMS, giving you the opportunity to earn income through loan fees.
- The securities in the account you designate for Fully Paid Lending will be made available for lending. A new collateral account will be created for the program. If there is demand for your positions, JPMS will move cash into your collateral account and transfer the securities out of the account you designated for Fully Paid Lending.
- You will receive fees, paid monthly, for lending your securities. The amount of income you earn is subject to change and may depend on certain factors, including supply and demand.
- There is no guarantee that securities will be borrowed by JPMS. The securities lending market is driven by supply and demand. The types of securities that are attractive to borrowers are generally those which are limited in supply relative to demand.
- J.P. Morgan will receive compensation in connection with the use of the loaned securities.

You will not be charged any monetary fees associated with a Fully Paid Lending account. The fees, charges and expenses associated with the collateral account will be paid by JPMS.

However, the provisions of the Securities Investor Protection Act of 1970 (SIPA) may not protect you in respect to the loaned securities once the securities are removed from your account, and therefore, the collateral delivered to you may constitute the only source of protection in the event JPMS fails to return the loaned securities.

Refer to Section 4, Compensation and Potential Conflicts, for more information. You should also consult a tax professional regarding the tax implications of entering into such a loan with JPMS.

## PRODUCTS AVAILABLE FOR BROKERAGE ACCOUNTS

This section is intended to provide you with a general description of the various products available within a brokerage account. Before making any investment, you should evaluate if the product is suitable for your needs and financial situations, and your ability to take on risks.

As a reminder, while we will take reasonable care in developing and making recommendations to you, securities and investment products involve risk, and you may lose money. There is no guarantee that you will meet your investment goals or that our recommended investment strategy will perform as anticipated. Consult available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you or help you to find them.

### A. EQUITIES/STOCKS

#### Description:

What is a stock?

- Stocks represent an ownership interest in a company. When you own a company's stock, you can have an equity interest in the company or own a fractional portion of the company.
- A stockholder can achieve returns through price appreciation/depreciation and dividends.
- A stock's market value can change at any moment, depending on market conditions, investor perceptions or a host of other issues.
- Owning stocks typically gives you the right to vote on important company issues and policies.
- Stockholders have a claim on a company's assets if the company goes bankrupt. However, in the event of liquidation, stockholders will receive what is left after all of the company's creditors, including bond holders, have been paid.

There are different types of stocks:

- **Listed Common stock** – a stock that is made available by public companies to the public for purchase (typically through an initial public offering, or IPO) and may also refer to the secondary trading of these shares.
- **Preferred stock** – stock that entitles the holder to a fixed dividend, whose payment takes priority over that of common-stock dividends.
- **Restricted stock** – shares in a company issued in private transactions (for example, to employees as part of their pay) but which cannot be transferred until certain conditions have been met.

In addition to exchange-traded securities, we offer equities in the following ways:

- **Equity<sup>4</sup>** – We may participate in an initial public offering (IPO), which is the first sale of shares of a company to the public. This includes offerings by special purpose acquisition companies (SPACs), which are only shell companies at the time of the IPO.
- **Secondary Offering** – We also may participate in a Secondary Offering, which is the sale of shares of a company following an IPO (already trading in public market).

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<sup>4</sup> The firm leading the underwriting process may bring together several firms (or syndicate) to distribute the new offering.

## Fees

- As mentioned, you pay us a commission for each equity transaction, as follows:

Principal Money	Base Charge	% of Notional	Lot Charge (0-10) Lot Charge (10+)	Max Commission
Up to \$20,000	N/A	2.00%	N/A	2.00%
\$20,000 to \$99,999	N/A	1.50%	N/A	1.50%
\$100,000 to \$499,999	N/A	1.25%	N/A	1.25%
\$500,000 to \$999,999	N/A	1.00%	N/A	1.00%
\$1,000,000+	N/A	0.75%	N/A	0.75%

- Minimum and Maximum Commissions for Equity Transactions
  - Minimum: \$25 may apply on trades with a notional value >\$100
  - Maximum: 2% with the exception of \$25 minimum on trades
  - Any trades priced at zero will remain at zero

## Risks and other relevant information:

An investment in stocks involves a number of risks. The following discussion is not meant to be exhaustive, and the risks discussed do not comprise a complete list of all the risks relating to stocks. You should consider these risks as you choose your investments.

- The price of stocks may rise or fall because of changes in the broad market or a company's financial condition, or industry-specific risks, sometimes rapidly or unpredictably.
- If a company becomes insolvent, its stocks are repaid only after all other debts of the company have been repaid. This can result in a potentially severe reduction in, or total loss of, their value.
- Some stocks, often of smaller or new companies, trade less frequently or in smaller volumes. In addition, smaller or newer companies may be more vulnerable to economic, market and industry changes, and thus can be riskier.
- Stocks may not be registered, publicly listed or traded on an exchange, and they are more likely to be illiquid and therefore subject to a higher degree of liquidity risk than registered or listed securities.
- Issuers typically compensate J.P. Morgan Securities LLC for the distribution of new issues of securities. Similar to other products, compensation J.P. Morgan Securities LLC receives may be allocated as revenue to J.P. Morgan Securities LLC.
- SPAC securities have unique additional risks that you should consider. In particular, in a SPAC structure, the SPAC's ability to successfully effect a business combination and to be successful thereafter will be particularly dependent, in whole or in part, upon the efforts of the SPAC's key personnel. Although J.P. Morgan Securities LLC (or its affiliates) will not receive any special compensation (other than customary underwriting compensation) in connection with a SPAC IPO, J.P. Morgan Securities LLC may potentially provide other services and products to the SPAC and/or the SPAC's key personnel, which may enhance J.P. Morgan's relationships with such parties and enable J.P. Morgan to obtain additional business and generate additional revenue from such parties.
- Some securities (including certain funds or structured products) may hold, derive value from, or have exposure to "digital assets"<sup>5</sup> (for example, Bitcoin, Ether). These securities present unique risks because of the connection to the underlying digital assets, including, but not limited to, increased volatility; ongoing regulatory uncertainty, including lack of clear precedent in various jurisdictions surrounding digital assets, and increased sensitivity to news, speculation and manipulation. Likewise, various digital assets may differ

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<sup>5</sup> In a previous joint statement with the CFTC, the SEC has defined "digital assets" to include instruments that may qualify under applicable U.S. laws as securities, commodities, and security- or commodity-based instruments such as futures or swaps. These include cryptocurrency assets such as Bitcoin or Ether.

from one another in their technological characteristics, regulatory treatment, market convention and performance. You should consider these unique characteristics and whether these securities are suitable for you when making an investment decision.

- New issues/syndicates are not available for purchase in brokerage retirement accounts.
- Your advisor may not recommend the purchase of, or investment in, non-U.S. equity securities (excluding ADRs) in full-service brokerage retirement accounts.

#### **Resources to obtain additional information:**

Consult available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you or help you to find them.

### **B. FIXED INCOME/BONDS**

#### **Description:**

- Bonds are debt securities of an issuer. By buying a bond, the bondholder extends a loan to the bond issuer. In return, the bond issuer promises to pay the bondholder interest periodically and principal at maturity.
- Fixed income securities generally provide investors with a steady stream of income, creating a consistent cash flow to investors. An investor can also use fixed income to achieve returns through price appreciation/depreciation.
- The biggest risks of bonds and other fixed income investments include interest rate risk, credit risk and inflation risk, as described further below.
- There are different types of fixed income products. The following is an illustrative list of some, but not all, of the bonds available to investors.
  - **Government bonds** are debt issued by a federal government to support government spending. Government bonds can pay periodic interest payments called coupon payments. Government bonds are generally considered low-risk investments since the issuing government backs them. Examples include U.S. Treasuries, Japanese Government Bonds and UK Government Bonds.
  - **Municipal bonds** are loans investors make to local and state governments. They are issued by cities, states, counties or other local governments. Municipal bonds are generally exempt from federal taxation.
  - **Agency bonds** are bonds issued by a government agency. These bonds do not include those issued by the U.S. Treasury or municipalities and are not fully guaranteed in the same way as U.S. Treasuries. Agency bonds are also known as agency debt.
  - **Corporate bonds** are debt obligations issued by corporations to fund capital improvements, expansions, debt refinancing, share buybacks or acquisitions. Interest is subject to federal, state and local taxes.
    - **Investment grade corporate bonds** are typically issued by high-quality corporations, those with credit ratings between AAA and BBB-.
    - **High Yield corporate bonds** have a higher risk of default or other adverse credit event but typically pay higher interest rates than higher-rated bonds in order to make them attractive to investors. These bonds are typically less liquid.
  - **Emerging market debt** is a term used to encompass bonds issued by less developed countries. It does not include borrowing from governments, supranational organizations such as the IMF, or private sources, although loans that are securitized and issued to the markets can be included.
  - **Brokered CDs** are certificates of deposit sold by an intermediary, called a broker. Financial institutions use brokers to market their CDs to help them gain deposits. The rates on brokered CDs tend to be very competitive because the financial institution is competing directly with other institutions for deposits.

- In addition to exchange-traded securities, we may offer new bond issuances/syndicates, which are bond securities that have been registered and issued and are being sold on a market to the public for the first time.<sup>6</sup> New bond issuance/syndicate may not be purchased in full-service brokerage retirement accounts.
- Your advisor may not recommend the purchase of, or investment in, corporate bonds issued by J.P. Morgan and bonds denominated in foreign currencies in full-service brokerage retirement accounts

#### **Fees:**

JPMWM charges a mark-up/mark-down for bond transactions. A mark-up is the difference between a security's lowest current offering price and the price charged to the client, while a mark-down is the difference between the highest current bid price for a security and the lower price that a client receives when selling a bond. In brokerage retirement accounts, you generally pay a commission for agency transactions and a mark-up/mark-down for riskless principal transactions.

<b>Asset Class</b>	<b>Maximum Mark-Up (\$/Bond)</b>
High Grade	20.00
High Yield	25.00
Treasury Bills	1.00
Treasury Notes/Bonds	6.25
Municipal Bonds	25.00
U.S. Government Agencies	1.50

#### **Risks and other relevant information:**

Although fixed income investments are generally perceived to be more conservative than stocks, they are not without risk. Below are some of the major risks associated with the fixed income securities.

- Bond prices rise when interest rates fall and vice versa. Longer-term securities are more prone to price fluctuation than shorter-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to substantial gain or loss. Income is subject to the credit risk of the issuer of the bond. If an issuer defaults, no future income payments will be made.
- Credit risk is the risk that the issuer of a security may not honor its obligation to pay principal or interest, resulting in a loss to the investor. You should consider the credit risk of an issuer when making an investment decision.
- There are many fixed income products with different degrees of liquidity. There may be no market for a particular fixed income instrument, and you may not be able to sell the security at the desired time or price. Even when a market exists, there may be a substantial difference between the secondary market bid and ask price for a fixed income instrument.
- Even when a market exists, there may be a substantial credit spread, which is the difference in yield between two fixed income instruments that have similar maturity but different credit quality. For example, if a 10-year U.S. Treasury note has a yield of 4% and a corporate bond has a yield of 7%, the spread would be  $(7-4)*100 = 300$  basis points.
- The value of fixed income instruments generally moves in the opposite direction of credit spreads. Values decrease when credit spreads widen and increase when credit spreads narrow.
- Interest rate (or duration) risk is the risk that changes in prevailing market interest rates will affect the value of a fixed income security. The value of a fixed income security will generally move in the opposite direction of interest rates. Values decrease when interest rates rise and increase when interest rates fall.
- A callable bond permits the issuer to redeem the bonds before the maturity date. Investors in callable bonds may not receive the bond's original coupon rate for the entire term of the bond, and once the call date has

<sup>6</sup> The firm leading the underwriting process may bring together several firms (or syndicate) to distribute the new offering.

been reached, the market value of the bond may be capped at the call price.

- U.S. government securities are issued directly by the U.S. government and are guaranteed by the U.S. Treasury; however, other U.S. government securities issued by an agency of the U.S. government may not carry such a guaranty. The U.S. government may not provide financial support to its agencies if not required to do so by federal law. Similar risks apply to securities issued by state government agencies and municipalities.
- Many of the risks in fixed income securities apply to other investments as well. For instance, inflation risk (the risk that returns will not keep pace with inflation) affects every investment. Foreign investments also have currency risk (the risk that currency exchange rate fluctuations may reduce gains or increase losses on foreign investments). Exchange rate volatility also may affect the ability of an issuer to repay its foreign currency denominated debt, thereby increasing credit risk.
- Issuers typically compensate J.P. Morgan Securities LLC for the distribution of new issues of securities. Similar to other products, compensation we receive may be allocated as revenue to J.P. Morgan.

#### **Resources to obtain additional information:**

Consult available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you or help you to find them.

### **C. STRUCTURED INVESTMENTS**

#### **Description:**

- Structured Investments (or Structured Products), in general terms, are fixed tenor securities that establish payoff profiles and detail potential benefits and risks linked to market outcomes. The underlying reference assets may include one or more of a single equity or debt securities, indexes, commodities, interest rates, foreign currencies or digital assets, as well as baskets of these reference assets or market measures.
- Structured Products typically have two underlying component parts—a note and a derivative, which is often an option. The note, in some instances, may pay interest, or a coupon rate, at a specified rate and interval. (Refer to Section 3.F for further information about derivatives.)
- When packaged into a single security, the components of a Structured Product have the ability to adjust the underlying reference asset's overall risk and return profile.
- Potential investors should consider whether to invest in Structured Products in light of their own circumstances, investment objectives, tax position and financial condition. Structured Products will be offered by prospectus, term sheet or offering memorandum, and the offering document will provide more detailed information regarding the Structured Product. Potential investors should consider carefully all the information and risk factors set forth in the term sheet or pricing supplement along with all the information set forth in the offering memorandum.
- Some Structured Products are certificates of deposit of a bank, with the principal amount of the investment protected by FDIC insurance (up to applicable limits) in the case of a bank failure. For more information regarding the FDIC insurance coverage and any applicable limits, visit [FDIC.gov](http://FDIC.gov).

#### **Fees:**

- J.P. Morgan is typically paid a distribution fee of up to 3% of the notional amount of the security. Details on the specific fees and costs associated with each note will be contained in the term sheet for the Structured Product.
- The issue price of a Structured Product will reflect the costs associated with issuing, selling, structuring and hedging a Structured Product and will include compensation to an issuer or its affiliate for structuring work involved in packaging a Structured Product as one instrument.
- Costs and compensation will vary with each Structured Product. A Structured Product may also include an annual fee embedded in an index or calculation, payable to the issuer or index sponsor (which may be J.P.

Morgan or a non-J.P. Morgan affiliate issuer) for structuring or calculating a proprietary index or formula.

- In addition, the issue price of a Structured Product purchased in a brokerage account will include a fee to compensate J.P. Morgan for marketing and distributing the Structured Product.
- If a Structured Product has an early redemption feature and is redeemed prior to maturity, the compensation will not be prorated to the period during which the Structured Product was outstanding and, as a result, the rate of compensation will be higher.

#### **Restrictions:**

- **Issuers** – Only Structured Products issued by J.P. Morgan-approved counterparties will be recommended. All approved counterparties are periodically reviewed.
- **Payoff profiles** – Payoff profiles offered are documented and vetted through appropriate internal approval channels.
- **Paperless delivery** – You must be enrolled in paperless delivery of all investor materials to be approved for Structured Products. If we do not have your electronic consent and email address on file, you will not be able to invest in this product.
- Clients need to meet suitability criteria to transact in Structured Products.
- Structured Products may not be available for all investors or account types.

#### **Risks and other relevant information:**

- Investments in Structured Products may not be suitable for all investors. These types of investments entail varying degrees of risk and, while some Structured Products offer full or partial principal protection, others can result in the loss of the full amount invested. In addition, Structured Products are subject to the issuer's financial ability to meet its payout obligations.
- Structured Products may not be publicly listed or traded on an exchange and therefore may be illiquid investments.
- Prior to maturity, Structured Products will generally only be repurchased by the issuer and only upon terms and conditions acceptable to it, and Structured Notes may not be transferable or negotiable. In the event that an issuer consents to early liquidation, you will likely not fully participate in any benefits of the Structured Product, such as principal protection, buffers or enhanced returns.
- Investing in a Structured Product is not the same as investing directly in the underlying asset. The return on a Structured Product at maturity may not be the same as the return on a direct investment in the underlying asset, and the maximum payment on a Structured Product may be subject to a cap, which would limit appreciation potential compared to a direct investment. Because the amounts payable with respect to a Structured Product are generally calculated based on the value or level of the underlying asset on a specified date or over a limited period of time, the volatility of the asset increases the risk that the return on the Structured Product may be adversely affected by a fluctuation in the level of the underlying asset. The volatility of an asset, particularly a currency or commodity, may be affected by political or economic events, including governmental actions, or by the activities of participants in the relevant markets.
- Issuers of Structured Products generally hedge their exposure on the Structured Product. Such hedging may involve the issuer, directly or through its affiliates, entering into transactions involving the securities, commodities, or currencies or other instruments underlying the Structured Product, or derivative instruments, such as swaps, options or futures, on the underlying asset. By engaging in transactions of this kind, the issuer could adversely affect the value of a Structured Product and could achieve substantial returns from its hedging transactions, while the value of the Structured Product may decline. Issuers and their affiliates also may engage in trading, including trading for hedging purposes, for their proprietary accounts or for other accounts under their management; in the securities, commodities, or currencies or other instruments underlying a Structured Product; or in other derivative instruments related to the underlying asset. These trading activities could adversely affect the value of a Structured Product. The issuer and its

affiliates may also introduce competing products into the marketplace which adversely affect the value of a Structured Product.

- We have a conflict of interest when recommending Structured Products issued by J.P. Morgan affiliates because it increases the overall revenue of J.P. Morgan Securities LLC.
- When playing multiple roles and performing duties, J.P. Morgan Securities LLC's and J.P. Morgan's economic interests and your economic interests in Structured Products potentially could be adverse. It is also possible that J.P. Morgan Securities LLC's or its affiliates' hedging or trading activities in connection with Structured Products could result in substantial returns for J.P. Morgan Securities LLC or its affiliates while the value of Structured Products decline.
- For certain Structured Products, J.P. Morgan Securities LLC may engage in up to 50% of the hedging activities – known as “split hedging” – with third-party issuers who issue the Structured Products. There is a conflict of interest when engaging in split hedging because this may increase the overall revenue of J.P. Morgan Securities LLC.
- Use of Structured Products may not be suitable for all investors. Neither J.P. Morgan Securities LLC nor any of its affiliates render tax or legal advice. Therefore, clients are strongly encouraged to consult with outside tax and legal professionals regarding the potential that the use of Structured Products may generate undesired tax liabilities and penalties.

**Resources to obtain additional information:**

Consult available offering documents for any security we recommend for a discussion of risks associated with the Structured Product. We can provide these documents to you or help you to find them.

**D. SECURITIZED PRODUCTS**

**Description:**

Securitized Products are financial products that pool various types of contractual debt such as residential mortgages, commercial mortgages, auto loans or credit card debt obligations (or other non-debt assets which generate receivables) and package the related cash flows to third-party investors as securities, pass-through securities or collateralized debt obligations (CDOs). Holders are repaid from the principal and interest cash flows collected from the underlying debt and redistributed through the capital structure of the securitization. Securities backed by mortgage receivables are called mortgage-backed securities (MBS), while those backed by other types of receivables are asset-backed securities (ABS).

**Fees:**

We charge a mark-up/mark-down for Securitized Products transactions. As noted above, a mark-up is the difference between a security's lowest current offering price and the price charged to the client, while a mark-down is the difference between the highest current bid price for a security and the lower price that a client receives when selling a bond.

Asset Class	Minimum Mark-Up	Maximum Mark-Up
Agency Mortgage-Backed Securities (\$/Bond)	\$0.0625	\$2.50
Non-Agency High-Grade Mortgage-Backed Securities (\$/Bond)	\$0.0625	\$2.50

**Restrictions:**

JPMWM clients are required to meet certain criteria to transact in these products.

**Risks and other Relevant Information:**

- Risks generally include interest rate risk, basis risk, liquidity risk, prepayment risk, reinvestment risk and credit/default risk. While in some transactions the issuer may retain most of the economic credit risk associated with securitized assets, the credit risk of certain asset types may be small compared with these other risks.

- Securities not backed by government agencies expose investors to greater credit risk/default risk. Credit/Default risk is the borrower's inability to meet interest and principal payment obligations on time, and there is potential for no return of principal. Events of default may occur when certain obligations relating to the underlying collateral are not sufficiently met as detailed in its prospectus. A key indicator of a particular security's default risk is its credit rating. Different classes within a deal's structure may be rated differently, with senior classes of most issues receiving the highest rating, and subordinated classes receiving correspondingly lower credit ratings due to increased chance of loss.
- Movements in market interest rates may have a greater effect on securitized products, such as those linked to mortgages, than on other fixed-rate obligations because rate movements may affect prepayment rates of the underlying asset and, consequently, the securitized product's average life and yield. Prepayments often accelerate in a declining interest rate environment and decline in a rising interest rate environment. Investors should carefully consider the effect that sharp moves in interest rates would have on the performance of their investment.
- Default risk is the borrower's inability to meet interest payment obligations on time. For ABS, default may occur when certain obligations relating to the underlying collateral are not sufficiently met as detailed in its prospectus. A key indicator of a particular security's default risk is its credit rating. Different tranches within the ABS are rated differently, with senior classes of most issues receiving the highest rating and subordinated classes receiving correspondingly lower credit ratings. Almost all mortgages, including reverse mortgages and student loans, are now insured by the government.
- Fluctuations in interest rates affect floating rate ABS prices less than fixed rate securities, as the index against which the ABS rate adjusts will reflect interest rate changes in the economy. Interest rate changes may affect the prepayment rates on underlying loans that back some types of ABS, which can affect yields. Home equity loans tend to be the most sensitive to changes in interest rates, while auto loans, student loans and credit cards are generally less sensitive to interest rate.

**Resources to obtain additional information:**

Consult available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you or help you to find them.

**E. DERIVATIVES**

**Over-the-Counter Derivatives Description:**

- Over-the-Counter (OTC) Derivatives take one of four basic forms, although the forms can be overlapping and one transaction can involve elements of all four forms. These basic forms are 1) swaps, 2) options, 3) forwards, and 4) hybrid instruments, the latter of which are debt obligations with an embedded swap, option or forward.
- Derivatives can be settled in cash or settled by physical delivery of property against cash. Derivatives that are regulated by the SEC as securities include (a) non-cleared security-based swaps; (b) any put, call, straddle, option or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof); (c) any put, call, straddle, option or privilege entered into on a national securities exchange relating to foreign currency; or (d) any warrant or right to subscribe to or purchase any of the foregoing.
- Derivatives are typically used for hedging systematic or market risks such as, among other things, currency fluctuations, market movements, interest rate movements or inflation.
- A common feature of Derivatives is that the obligations of one or both of the parties are based on the value or market price of one or more underlying financial or commodity markets to which the transaction is linked. You should not enter into an OTC Derivative unless you understand, at a minimum:
  - The fundamentals of the market underlying the Derivative;
  - The legal terms and conditions of the documentation for the Derivative;
  - The extent of the economic risk(s) to which you are exposed as a result of such Derivative (and determine that such risk is suitable for you in light of your financial circumstances and objectives);

- The tax treatment of the Derivative; and
- The regulatory treatment of the Derivative.

#### **Fees:**

Fees for OTC Derivatives are determined on a contract by contract basis, typically calculated as a percentage of the notional amount of the trade, depending on tenor, notional, asset class and complexity of trade. Details on the fees are contained in the OTC term sheet and confirmation for each trade.

#### **Restrictions:**

- Restrictions are based on an approved product list
- Clients need to meet certain criteria to trade
- Some OTC Derivatives are subject to Dodd-Frank requirements

#### **Risks and other relevant information:**

The following points should be considered in deciding whether to enter into a particular OTC Derivative:

- **Market risk:** To the extent the obligations or rights associated with an OTC Derivative are linked to prices or values in a particular market, you will be exposed to a risk of loss as a result of price or value movements in that market.
- **Credit risk:** You will be dependent upon the financial capacity of J.P. Morgan to meet its obligations under each OTC Derivative contract prior to settlement, and you may incur unsecured credit risk with respect to those obligations.
- **Price transparency:** Because the prices and characteristics of non-cleared OTC Derivatives are individually negotiated and there is no central source for obtaining prices, dealers in non-cleared OTC Derivatives may quote different prices for similar transactions. J.P. Morgan does not warrant that its prices will always be the best prices available.
- **Option risk:** Option transactions can be very risky. The risk of selling (writing) options is considerably greater than the risk involved in buying options. If you buy an option, you cannot lose more than the premium. If you sell (write) an option, the risk can be unlimited. Fluctuations in currency exchange rates may affect the value of any OTC Option on securities trading in, or denominated in, a foreign currency, as well as the value of any payment or delivery of securities in connection with such OTC Option.
- **Leverage risk:** Certain OTC Derivatives can be structured to allow for significant leverage. The use of leverage may have the effect of magnifying an investor's losses or gains and can cause an investor to be highly exposed to risk with very little capital or cash investment. As a result, a relatively small, unexpected change in the notional amount of an investor's position could have a much larger adverse impact on the principal amount invested.
- **Collateral:** Collateral may be required to support your obligations under OTC Derivatives. Additional collateral may be required after you have entered into an OTC Derivative.

#### **Resources to obtain additional information**

Consult available offering or transaction documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you or help you to find them.

#### **Listed Options Description:**

- Listed Options are a type of derivative security traded on an exchange. Specifically, options are contracts that grant the right, but not the obligation, to buy or sell an underlying asset at a set price on or before a certain date.
  - **Call Options** are financial contracts that give the option buyer the right, but not the obligation, to buy an underlying asset at a specified price within a specific time period. The underlying asset can be a stock, bond or commodity.
  - **Put Options** are contracts giving the owner the right, but not the obligation, to sell, or short, a specified

amount of an underlying asset at a pre-determined price within a specified timeframe.

- There are three types of listed options, namely American style, European style and Bermudan style.
  - **A European option** may only be exercised on expiration.
  - **An American option** may be exercised on any trading day on or before expiry.
  - **A Bermudan option** may be exercised only on specified dates on or before expiry.
- Uncovered Options
  - An uncovered (or naked) option transaction occurs when an investor buys or sells (writes) an option without owning a position in the underlying asset. There are special risks associated with uncovered option writing that potentially expose the investor to significant loss. Therefore, this type of strategy may not be suitable for all investors, including those generally approved for options transactions.
  - The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position and may incur large losses if the value of the underlying instrument increases above the exercise price.

#### Fees:

Single and Multiple contract less than \$1.

Principal Money	Multiplier	Add-On	Multiplying Adjustment
Up to \$1,000.99	0.0975	\$0.00	1.0969
\$1,001-10,000.99	0.0590	\$39.00	1.0969
\$10,001.00 +	0.0490	\$139.00	1.0969

Greater than \$1 per contract (Single Contract Trade).

*Single contract greater than \$1*

Principal Money	Multiplier	Add-On	Multiplying Adjustment
Up to \$2,499	0.015	\$14.30	1.0969
\$2,500 to \$4,999	0.0105	\$25.55	1.0969
\$5,000 +	—	\$77.50	1.0969

*Multiple contracts greater than \$1 (using single contract calculation)*

Principal Money	Multiplier	Add-On	Contract Multiplier	Multiplying Adjustment
Up to \$2,499	0.015	\$14.30	# of contracts	1.0969
\$2,500 to \$4,999	0.0105	\$25.55	# of contracts	1.0969
\$5,000 +	—	\$77.50	# of contracts	1.0969

*Multiple contracts greater than \$1 (using multiple contract calculation)*

Principal Money	Multiplier	Add-On	Lot Add-On	Multiplying Adjustment
Up to \$2,499	0.015	\$14.30	\$7 per contract (10 contracts or less) /\$5 per contract (11 contracts or more)	1.0969
\$2,500 to \$4,999	0.0105	\$25.55	\$7 per contract (10 contracts or less) /\$5 per contract (11 contracts or more)	1.0969
\$5,000 to \$19,999	0.01075	\$24.30	\$7 per contract (10 contracts or less) /\$5 per contract (11 contracts or more)	1.0969
\$20,000 +	0.0075	\$89.30	\$7 per contract (10 contracts or less) /\$5 per contract (11 contracts or more)	1.0969

**Restrictions:**

Listed option exchanges may, from time to time, restrict the types of transactions that are permitted.

**Risks and other relevant information:**

- Options trading involves additional risk, is not suitable for all investors, and is subject to approval. Before buying and selling options, investors should understand all of their rights and obligations associated with trading options. For example, the risk of selling (writing) options is considerably greater than the risk involved in buying options. If you buy an option, you cannot lose more than the premium. If you sell (write) an option, the risk can be unlimited. Fluctuations in currency exchange rates may affect the value of any OTC Option on securities trading in, or denominated in, a foreign currency, as well as the value of any payment or delivery of securities in connection with such OTC Option.
- In addition, options can be structured to allow for significant leverage. The use of leverage may have the effect of magnifying an investor's losses or gains and can cause an investor to be highly exposed to risk with very little capital or cash investment. As a result, a relatively small, unexpected change in the notional amount of an investor's position could have a much larger adverse impact on the principal amount invested.
- J.P. Morgan Securities LLC or an affiliate may act as Primary Market Maker or Competitive Market Maker in option trades executed on an options exchange, may have a position (long or short) in such securities, and may be on the opposite side of public orders executed in such securities.

**Resources to obtain additional information:**

- Consult available offering or transaction documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you or help you to find them.
- Prior to buying or selling an option, investors must read a copy of the Characteristics and Risks of Standardized Options, also known as the options disclosure document issued by the Options Clearing Corporation. It explains the characteristics and risks of exchange-traded options. To access it, go to [theocc.com/about/publications/character-risks.jsp](http://theocc.com/about/publications/character-risks.jsp).

**Foreign Exchange Description:**

A foreign exchange spot transaction involves two parties agreeing to exchange currency at the exchange rate at the time of trade, or "on the spot." A foreign exchange spot transaction is normally settled within two days.

**Fees:**

Forward<sup>7</sup> and spot transactions in foreign exchange are executed by JPMorgan Chase Bank, N.A. and are subject to a mark-up (if you are the buyer) or mark-down (if you are the seller) of up to 2.00% of the notional amount per transaction.

**Risks and other relevant information:**

- Foreign currencies or baskets of currencies may be very volatile and may experience significant drops in value over a short period of time. The value of a foreign currency will depend on, among other economic indicators, movements in exchange rates. Risks and special considerations with respect to foreign currencies include, but are not limited to, economic uncertainties, currency devaluations, political and social uncertainties, exchange control regulations, high rates of interest, a history of government and private sector defaults, significant government influence on the economy, less rigorous regulatory and accounting standards than in the United States, relatively less developed financial and other systems, and limited liquidity and higher price volatility of the related securities markets.
- Your advisor may not recommend the purchase of, or investment in, foreign currencies in full-service brokerage retirement accounts.

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<sup>7</sup> A forward contract, or futures contract, involves an agreement of contract terms on the current date with the delivery and payment at a specified future date.

## Resources to obtain additional information

Consult available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you or help you to find them.

## F. MUTUAL FUNDS

### Description:

- Many investors turn to mutual funds to meet their long-term financial goals. They offer the benefits of diversification and professional management and are seen as an easy and efficient way to invest. A mutual fund is an investment company that pools assets from many investors and invests the money in stocks, bonds, and other securities or assets in some combination. The holdings of the mutual fund are its “portfolio.” Each share of the mutual fund represents an investor’s proportionate ownership of the fund’s holdings and the income those holdings may generate.
- There is a wide variety of mutual funds, covering a range of strategies and risks, including stock, fixed income, balanced, multi-asset and index funds. Although many mutual funds available through JPMWM will follow a traditional long-only investment strategy, some mutual funds may utilize more complex investment strategies similar to those employed by private alternative investment vehicles, such as hedge funds and private equity funds. Refer to the section titled “Complex Registered Mutual Funds and Exchange-Traded Products” for more information regarding these products.
- All mutual funds carry risk. Your investment will go up and down in value. You can lose some or all of your money. Your earnings can fluctuate too.
- All mutual funds have costs that lower your investment returns.
- The mutual funds and share classes available through JPMWM are limited and will change from time to time. It is important to work with your advisor to determine which funds and share classes are available for purchase in your account.
- Before you invest, be sure to read the fund’s prospectus, Key Information Document for offshore funds or Program Disclosure Brochure for 529 plans, to learn about the fund you’re considering. The fund prospectus contains important information regarding the fund’s investment objectives, strategies, risks, charges, expenses and other matters significant to your investment choice. By clearly understanding the investment you’re considering, you’ll be better prepared to make a sound investment decision. To obtain a prospectus, or Key Information Document for offshore funds, please contact your advisor.

### Fees & Expenses:

#### Fees and charges paid directly by investors – share classes

- In general, there are fees you pay to a mutual fund company and/or financial intermediary when you purchase a mutual fund share class. Each share class invests in the same investment portfolio of securities but has different sales charges and expenses. Among the most common retail brokerage share classes, and the ones generally available through the J.P. Morgan Securities LLC platform, are Class A and Class C shares. Certain other mutual fund share classes are subject to conditions and restrictions and may not be available for purchase by all investors. Investors should be aware that the share class of a fund available through the J.P. Morgan Securities LLC brokerage platform may differ from the share class available to similar accounts managed by or held at J.P. Morgan Securities LLC or its affiliates, including the J.P. Morgan Private Bank (Private Bank), and that certain lower cost fund share classes may be available outside of the J.P. Morgan Securities LLC brokerage platform. Clients should contact their advisor(s) for information about any limitations on share classes available through the brokerage platform.
- The following is a summary of share classes and fees associated with client mutual fund purchases in a J.P. Morgan Securities LLC brokerage (that is, not fee-based advisory) account. For additional information about mutual fund fees, you should refer to the fund’s prospectus.

- **Class A Shares – Front-End Sales Charge** – Class A shares generally include a front-end sales charge (or load) that’s included in the purchase price of the shares and is determined by the amount you invest. These loads generally range from 0%-5.75% and are disclosed in the prospectus. The more you invest, the lower your purchase cost as a percentage of your investment. Many mutual fund families offer volume discounts, known as “breakpoints,” based on the amount of investment. Information regarding a mutual fund’s breakpoints may be found in the prospectus. Class A shares usually have lower 12b-1 fees (annual marketing or distribution fees, described below) than C share classes offered by the fund and therefore may be the less costly method to purchase mutual funds for long-term investors. Many mutual funds provide that purchases of \$1 million or more of Class A shares will not be subject to a front-end sales charge. However, the purchaser will incur a deferred or back-end sales charge if any of the shares are sold within a specified time period, generally 12-18 months. In addition, certain investors may be entitled to a sales charge or load waiver based, for example, on account type or employment affiliation (refer to Waivers below).
- **Class C Shares – Contingent Deferred Sales Charge** – These are sales charges that are applied upon redemption of mutual fund shares within a specified number of years (varies by prospectus). These charges generally range up to 1% for C shares. These charges can be reduced or eliminated based on how long the shares are held and as described in the prospectus. While C shares generally do not include front-end sales charges, they do contain higher 12b-1 fees and may have a sales charge if you sell within the first year. In addition, 12b-1 fees never convert to a lower amount, and over a longer period of time, the higher total fund expenses will result in lower returns than Class A shares.
- **Waivers** – It’s important to read the prospectus and work with your advisor to learn how a particular fund establishes eligibility for mutual fund sales charge reductions and waivers. A mutual fund’s breakpoint schedule and waiver eligibility rules can be found in the fund’s prospectus or Statement of Additional Information (SAI). If you believe you are eligible for a front-end sales charge waiver, please notify your advisor.
- **Share Class Availability** – In your full-service brokerage account, you generally may purchase either Class A or Class C shares. Be aware that many mutual funds offer institutional, retirement, no-load or other share classes that have lower aggregate fees than Class A or Class C shares. Because J.P. Morgan Securities LLC receives higher compensation from mutual funds for Class A and/or Class C shares relative to less expensive share classes that may otherwise be available, there is a conflict of interest. If you believe you are eligible for a lower price share class, please contact your advisor for availability.<sup>8</sup>
  - Approved institutional, retirement, no-load and other fund share classes are available to you through JPMWM asset-based fee advisory programs. In these programs, you typically pay an annual fee based on a percentage of the value of the assets held in your account, including the value of the fund shares. These programs provide features and benefits that may not be available in a full-service brokerage account that receives sales loads. The total cost of purchasing and holding mutual fund shares through an asset-based fee advisory program may be more or less than investing in mutual fund shares in a JPMWM brokerage account that is serviced by your advisor.
  - No-load mutual funds may be purchased directly through many mutual fund companies without intervention of a financial intermediary and without payment of a service fee. Consult the prospectus for the fund in which you are interested for direction on how to do so.
  - Private Bank, a different line of business, only recommends J.P. Morgan funds (with limited exceptions) and provides its clients an institutional level share class.
  - You may purchase load-waived and no-load mutual funds in your J.P. Morgan Self-Directed Investing

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<sup>8</sup> Some mutual fund families enable an automatic conversion of C shares to A shares (or another eligible share class as disclosed in the fund’s prospectus) of the same fund in the month following the anniversary of the purchase date after a number of years. For example, if you purchase fund shares through a J.P. Morgan Securities LLC brokerage account, you are eligible for the Class C share conversion rights set forth in the fund’s prospectus after 6 years. If a fund family’s prospectus allows for automatic Class C share conversions sooner than 6 years from the date of purchase, the earlier prospectus conversion requirements will apply.

account. Representative-assisted trades are subject to a transactional fee.

- For more information about mutual fund fees, refer to the fund prospectus or contact your advisor.

### **Fees and expenses paid to or indirectly through the Mutual Fund**

- **Fund fees and expenses** – The ongoing costs of running a fund are called its fees and expenses. The fund pays these fees and expenses from the fund's assets before distributing any earnings to investors, which reduces the returns of the fund. You can find the fees and expenses of a fund by looking at its "expense ratio," which is disclosed in a fund's fact sheet and prospectus/summary prospectus. The expense ratio is the fund's total annual costs as a percentage of its assets, or net asset value (NAV). Types of fees and expenses include:
  - **Management fees** – The management fee is paid to the fund's investment adviser for running the fund and managing its assets.
  - **Distribution [and/or Services] (12b-1) Fees** – Fees paid by some mutual funds pursuant to Rule 12b-1 of the Investment Company Act of 1940. Rule 12b-1 fees allow funds to use fund assets to pay the costs of marketing and distribution of the fund's shares. Some 12b-1 plans also authorize and include "shareholder service fees," which are fees paid to respond to investor inquiries and provide investor information about their investments. A fund may pay fees for shareholder servicing without adopting a 12b-1 plan. If paid as part of a fund's 12b-1 plan, such fees will be included in the fund's fee table. If paid outside a 12b-1 plan, then these fees will be included in the "Other expenses" category described below.
  - **Other expenses** – Other costs, such as recordkeeping, legal and accounting services, custody, transfer agency, administration and other cost for servicing shareholders, are also included in the fund's expenses.
- **Additional fees on transactions** – In addition to sales charges, you may need to pay other fees on certain mutual fund transactions, including:
  - **Redemption fees** – Some funds may charge fees to investors who redeem their shares within a specified time period (generally within a few months of purchasing them). These fees are typically up to 2% and are usually returned to the portfolio to offset the trading costs.
  - **Exchange fees** – Exchange privileges allow shareholders to exchange their investment in a fund for another within the same fund family. However, in some cases, you may be charged a small exchange fee for doing so.

For complete information about mutual fund fees associated with specific funds, you should refer to the fund's prospectus and SAI, or Key Information Document for offshore funds. You can find information about sales charges in the standardized fee table located near the front of a fund's prospectus under the heading "Shareholder Fees" and information about the expenses you pay indirectly through fund assets in the standardized expense table under the heading "Annual Fund Operating Expenses."

### **Compensation J.P. Morgan Securities LLC receives from mutual fund companies<sup>9</sup>**

- **Distribution [and/or Service] (12b-1) Fees** – J.P. Morgan Securities LLC receives Service/12b-1 fees from some of the mutual fund companies on its brokerage platform. Like other fees and expenses in a mutual fund, these fees will reduce investment returns. The exact amount of such fees paid out varies among funds and share classes but is disclosed in the applicable fund prospectus. The typical ranges of Service/12b-1 fees in mutual funds on the platform are as follows: A shares: 0.00%–0.50% (most frequently 0.25%), C shares: 0%–1% (most frequently 1%).
- **Administrative servicing/recordkeeping fees** – Mutual funds or their fund affiliates may pay us fees for providing certain administrative services, which may include maintaining and updating separate records for each client, preparing and delivering client statements, tax reporting, proxy voting and solicitation, processing purchase and redemption orders, processing dividends, distributing prospectuses and other fund reports,

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<sup>9</sup> The fee ranges quoted in this section are generally for the funds approved for purchase on the JPMWM full-service brokerage platform. Similar fees may be taken by J.P. Morgan in connection with other funds that are not approved, but held upon client request, and applicable rates may differ.

and responding to client inquiries. The fees for these services are typically called “administrative servicing fees,” or “recordkeeping fees.” These fees may also be referred to as “shareholder servicing fees.” The fees may be based on the number of fund positions held by J.P. Morgan clients (generally in the range of \$0–\$20 per position) or based on assets, expressed as a percentage (generally in the range of 0%–0.25%). These fees generally are paid from investor assets in mutual funds, but in some cases are subsidized in part by affiliates or the distributor of the mutual funds (such affiliate payments may be referred to as “revenue sharing”).

- **Revenue sharing** – Separate from the sales charges, 12b-1 fees and shareholder servicing fees described above and in the mutual fund’s prospectus, mutual fund sponsors or distributors (known as “fund partners”) may make additional payments to us or our affiliates in certain sales channels based on overall sales and/or assets. These payments are typically called revenue sharing and are paid from the entity’s revenues or profits, not from the fund’s assets, but the entity’s revenues or profits may reflect fees paid to them by the fund.

J.P. Morgan Securities LLC may receive payments as a percentage of:

- The total purchase amount of one of these mutual funds. Percentage payments currently range from 0% to 0.25%; and
- The amount you hold in your account (for any fund you hold in your account, and for as long as you hold that fund). Percentage payments range from 0% to 0.09%.

In addition, we may receive a fixed annual payment from the mutual fund of up to \$50,000.

We may allow representatives of all our approved mutual funds, including J.P. Morgan Funds, access to our advisors for educational and promotional purposes, subject to conditions imposed by us. Some funds allocate more resources for these purposes, which could cause advisors to become more familiar with those funds and focus on them when meeting with clients. Funds or their affiliates may pay for sales meetings, seminars and conferences we hold in conducting our business, subject to conditions we impose. The extent to which a fund is willing to pay for these activities is solely determined by the fund’s advisers or affiliates, not by us. For additional information and a list of fund partners from whom J.P. Morgan Securities LLC receives revenue sharing, refer to Appendix B.

- **Conflicts of interest** – The level of payments to us varies in any given year. Payments for sales of one fund’s shares may be more or less than the payments we receive from other mutual funds’ advisers, distributors or other entities, and in certain instances, the payments could be significant. While any such payments will not change the net asset value or price of a fund’s shares, the payments create a conflict of interest, as there may be an incentive to promote and recommend those funds whose sponsors make significant payments. Similarly, we have a conflict in recommending mutual funds that pay these fees instead of ETFs or other securities or products that do not pay any of these fees.

### **Advisor Compensation for Mutual Funds Sales**

Depending on the type of mutual fund and share class you buy, as well as account type, Advisors receive a portion of the 12b-1 fees and sales charges or finder’s fees paid to J.P. Morgan Securities LLC by mutual fund companies. Advisor compensation is described further in the in this booklet, but here we highlight some specific things you should know about mutual fund compensation for advisors.

To mitigate potential conflicts of interest created by offering mutual funds with different 12b-1 fees, sales charges or finder’s fees, and thus opportunity for advisors to receive more or less revenue credit based on the specific mutual fund you buy, we have taken the steps described below. This does not impact any fees or expenses paid by you as described above and detailed in the mutual fund prospectus.

- Regardless of the sales charge paid by you at the time of purchase, or the finder’s fee paid by the mutual fund distributor, the portion of payment credited to an advisor is generally the same for any given purchase amount within the following fund classifications: Equity mutual funds (0.15%–4.00%), Fixed Income mutual funds (0.15%–3.30%), Fixed Income Short Duration mutual funds (0.40%–1.95%), and Asset Allocation/Other mutual funds (0.15%–4.00%).
- Advisors also receive a portion of ongoing 12b-1 fees on A shares: 0%–0.25% and C shares: 0.50%–1.00%, depending on the specific mutual fund you buy.

The above compensation schedule for mutual funds is at the discretion of J.P. Morgan Securities LLC and subject to change.

### **Proprietary Mutual Funds and Affiliates Service Providers**

Affiliates of J.P. Morgan Securities LLC provide investment management and other services, such as shareholder servicing, custody, fund accounting, administration, distribution and securities lending, to the J.P. Morgan Mutual Funds for which those affiliates receive fees. Therefore, J.P. Morgan as a firm will receive greater compensation if its clients buy shares of the J.P. Morgan Mutual Funds than if they buy shares of non-affiliated mutual funds.

## **G. MONEY MARKET FUNDS**

### **Description:**

- These funds seek to pay higher returns than interest-bearing bank accounts. Money market funds invest in high-quality, short-term debt securities and pay dividends that generally reflect short-term interest rates. However, they are not bank accounts, not FDIC-insured and not guaranteed to maintain their value.
- During extreme market volatility, money market funds may impose:
  - “Redemption gates” that could temporarily prevent you from selling your shares.
  - “Liquidity fees” that could charge up to 2% for selling your shares.
- Fund companies must designate money market funds (at the strategy level) as retail, institutional or government.
  - Retail money market funds have policies and procedures reasonably designed to limit all beneficial owners to “natural persons” (for example, individuals, but not corporations) and maintain a stable \$1.00 NAV.
  - Institutional money market funds may also impose a “floating NAV” (no longer maintaining a stable price) that would allow the value of its shares to fluctuate in extreme conditions.
  - Government money market funds invest at least 99.5% of their total assets in cash, government securities or equivalents and maintain a stable \$1.00 NAV.

### **Restrictions:**

The money market funds and share classes available through J.P. Morgan Securities LLC are limited and will change from time to time. It is important to work with your advisor to determine which funds and share classes are available for purchase in your account.

### **Disclosures Language:**

An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency, nor is it guaranteed by any private entity, such as its investment adviser or custodian. Although money market funds strive to preserve the value of the investment, it is possible to lose money by investing in them.

### **Fees and expenses paid to or indirectly through a money market fund:**

- **Fund fees and expenses** – The ongoing costs of running a fund are called its fees and expenses or its annual fund operating expenses. The fund pays these fees and expenses from its assets before distributing any earnings to investors, which reduces the returns of the fund. You can find the fees and expenses of a fund by looking at its “expense ratio,” which is disclosed in a fund’s fact sheet and prospectus/summary prospectus. The expense ratio is the fund’s total annual costs as a percentage of its assets, or NAV. Types of fees and expenses may include:
  - **Management fees** – The management fee is paid to the fund’s investment advisor for researching and selecting securities in the portfolio, as well as some administrative expenses.
  - **12b-1 fees** – Fees paid by some money market funds pursuant to Rule 12b-1 of the Investment Company Act of 1940. Rule 12b-1 distribution fees allow funds to use fund assets to pay the costs of marketing and distribution of the fund’s shares. Some 12b-1 plans also authorize and include “shareholder service fees,” which are fees paid for personal services provided to shareholders and/or the maintenance of

shareholder accounts. A fund may pay fees for shareholder servicing without adopting a 12b-1 plan. If paid as part of a fund's 12b-1 plan, such fees will be included in the fund's fee table. If paid outside a 12b-1 plan, then these fees will be included in the "Other expenses" category described below.

- **Other expenses** – Other costs, such as recordkeeping, legal and accounting services, custody, transfer agency and administration, and other cost for servicing shareholders, are also included in the fund's expenses.
- **Additional fees on transactions** – In addition to sales charges, you may need to pay other fees on certain money market fund transactions, including:
  - **Liquidity fees** – In times of extreme market volatility, some money market funds may charge fees to investors who redeem their shares, typically up to 2%.
  - **Exchange fees** – Exchange privileges allow a shareholder to exchange their investment in a fund for another within the same fund family. However, in some cases, you may be charged a small exchange fee for doing so.
  - **Redemption fees** – These fees may be imposed when shareholders redeem shares of the fund.
- For complete information about money market fund fees associated with specific funds, you should refer to the fund's prospectus and SAI. You can find information about sales charges in the standardized fee table located near the front of a fund's prospectus under the heading "Shareholder Fees" and information about the expenses you pay indirectly through fund assets in the standardized expense table under the heading "Annual Fund Operating Expenses."

#### **Compensation J.P. Morgan receives from Money Market Fund Companies:<sup>10</sup>**

- **12b-1 distribution fees** – J.P. Morgan Securities LLC may receive 12b-1 distribution fees from the money market funds approved for its full-service brokerage platform. Like other fees and expenses in a money market fund, 12b-1 distribution fees will reduce investment returns. The exact amount of such fees paid out varies among funds and share classes but is disclosed in the applicable fund prospectus. The typical range of 12b-1 distribution fees for approved money market funds is 0%-0.35%.
- **Servicing and administrative fees** – Money market funds or their fund affiliates may pay J.P. Morgan Securities LLC fees for providing certain shareholder services, administrative services and/or recordkeeping. Shareholder services may include responding to investor inquiries and providing investors information about their investments. Administrative services and/or recordkeeping may include maintaining and updating separate records for each client, preparing and delivering client statements, tax reporting, proxy voting and solicitation, processing purchase and redemption orders, processing dividends, distributing prospectuses and other fund reports, and responding to client inquiries regarding administrative services and/or recordkeeping. Such fees may be based on the number of positions held by J.P. Morgan clients or based on assets, expressed as a percentage. Depending upon the share class and specific arrangements with fund families, as compensation for these shareholder services, administrative services and/or recordkeeping, J.P. Morgan Securities LLC may receive fees payable by fund companies for these services that may be bundled into one fee, typically between 0% and 0.80% for approved money market funds, which may include up to a 0.25% service fee whether paid from of a 12b-1 plan or outside of a 12b-1 plan. These fees generally are paid from investor assets in money market funds, but in some cases are subsidized in part by affiliates or the distributor of the funds (such affiliate payments may be referred to as "revenue sharing").
- **Revenue sharing** – Separate from the sales charges, 12b-1 distribution fees, and servicing and administrative fees noted above and described in the fund's prospectus, money market fund sponsors or distributors (known as "fund partners") may make additional payments to J.P. Morgan Securities LLC or its affiliates in certain sales channels for providing additional marketing, sales and/or support services. These payments are typically called revenue sharing and are paid from the entity's revenues or profits, not from the fund's assets, but the

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<sup>10</sup> The fee ranges quoted in this section are generally for the funds approved for purchase on the JPMWM full-service brokerage platform. Similar fees may be taken by J.P. Morgan in connection with other funds that are not approved, but held upon client request, and applicable rates may differ.

entity's revenues or profits may reflect fees paid to them by the fund. J.P. Morgan Securities LLC may receive a payment as a percentage per year of the amount held in these money market funds. Percentage payments generally range from 0% to 0.19% for approved money market funds.

J.P. Morgan Securities LLC may allow representatives of all its approved money market funds, including the J.P. Morgan Money Market Funds, access to its advisors for educational and promotional purposes, subject to conditions imposed by J.P. Morgan Securities LLC. Some funds allocate more resources for these purposes, which could cause advisors to become more familiar with those funds and focus on them when meeting with clients. Funds or their affiliates may pay for sales meetings, seminars and conferences J.P. Morgan Securities LLC holds in conducting its business, subject to conditions imposed by J.P. Morgan Securities LLC. The extent to which a fund is willing to pay for these activities is solely determined by the fund's advisers or affiliates, not by J.P. Morgan Securities LLC. For additional information and a list of fund partners from whom J.P. Morgan Securities LLC receives revenue sharing, refer to Appendix B.

- **Conflicts of interest** – The level of payments to J.P. Morgan Securities LLC varies in any given year. While any such payments will not change the net asset value or price of a fund's shares, the payments create a conflict of interest, as there may be an incentive to promote and recommend those funds whose sponsors make significant payments.
- **Advisor compensation from money market funds** – Depending on the type of money market fund and share class you buy, as well as account type, advisors may receive some or all of the compensation described in the Compensation to J.P. Morgan above, generally up to 0.10% of the total.

#### **Proprietary Money Market Funds and Affiliates Service Providers:**

Affiliates of J.P. Morgan Securities LLC provide investment management and other services, such as shareholder servicing, custody, fund accounting, administration, distribution and securities lending, to the J.P. Morgan Money Market Funds for which those affiliates receive fees. Therefore, J.P. Morgan as a firm will receive greater compensation if its clients buy shares of J.P. Morgan Money Market Funds than if they buy shares of non-affiliated money market funds.

## **H. EXCHANGE-TRADED PRODUCTS**

### **Description:**

- Exchange-Traded Products (ETPs) seek to provide investors with exposure to financial instruments, financial benchmarks or investment strategies across a wide range of asset classes. In addition to Exchange-Traded Funds (ETFs), which are index funds or trusts that are listed on an exchange and which are linked to the collective performance of an entire stock or bond portfolio, ETPs include Closed-End Funds (CEFs) and Exchange-Traded Notes (ETNs<sup>11</sup>).
- Like mutual funds, certain ETPs, such as ETFs, are SEC-registered investment companies that offer investors a way to pool their money in a fund that makes investments in stocks, bonds, other assets or some combination of these investments and, in return, receive an interest in that investment pool. Other types of ETPs, such as ETNs, are structured as trusts or partnerships that may physically hold a precious metal, a portfolio of futures or other derivative contracts on certain commodities or currencies, or are secured debt obligations of financial institutions.
- Unlike mutual funds, which have their net asset values calculated at the end of each trading day, the prices for ETPs typically change within the trading day, fluctuating with supply and demand. Therefore, for example, the price of an ETF may be different than its net asset value. ETP trading occurs on national securities exchanges and other secondary markets, rather than the investment company selling shares directly to, or redeeming their shares directly from, investors (as is the case with mutual funds).
- Leveraged, inverse or volatility ETPs are highly complex financial instruments and, due to the effects of compounding, their performance over longer periods of time may differ significantly from their stated daily objective. Leveraged and inverse ETPs typically are designed to achieve their stated performance objectives

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<sup>11</sup> You will not be able to invest in J.P. Morgan issued ETNs in full-service brokerage retirement accounts.

on a daily basis. Some investors might invest in these ETPs with the expectation that the ETPs may meet their stated daily performance objectives over the long term, as well. Investors should be aware that performance of these ETPs over a period longer than one business day can differ significantly from their stated daily performance objectives. Leveraged and inverse ETPs may pursue a range of investment strategies through the use of swaps, futures contracts and other derivative instruments and are inherently more volatile than their underlying benchmark or index. Additionally, leveraged ETPs positions will be subject to applicable maintenance margin requirements that may be greater than or differ from margin requirements on their non-leveraged counterparts.

- There are costs associated with owning ETPs. Before investing in ETPs, you should consider the products' investment objectives, risks, charges and expenses. Contact your advisor for a prospectus or, if available, a summary prospectus containing this information. ETPs are subject to market fluctuation and the risks of their underlying investments; ETPs are also subject to management fees and other expenses. Unlike mutual funds, ETP shares are bought and sold at market price, which may vary from the published value of the ETP and are not individually redeemed from the fund. For example, the market price of an ETP may be higher or lower than its NAV.
- Refer to the section titled "Complex Registered Mutual Funds and Exchange-Traded Products" for more information regarding these products.

**Fees:**

<b>Exchange-Traded Funds minimum commission per transaction: \$42.00 Principal Money</b>	<b>Base Charge</b>	<b>% of Notional</b>	<b>Lot Charge (0-10) Lot Charge (10+)</b>	<b>Max Commission</b>
Up to \$20,000	N/A	2.00%	N/A	2.00%
\$20,000 to \$99,999	N/A	1.50%	N/A	1.50%
\$100,000 to \$499,999	N/A	1.25%	N/A	1.25%
\$500,000 to \$999,999	N/A	1.00%	N/A	1.00%
\$1,000,000+	N/A	0.75%	N/A	0.75%

**Minimum and Maximum Commissions for Equity Transactions**

- Minimum: \$25 on trades with a notional value >\$100.
- Maximum: 2% with the exception of \$25 minimum on trades.
- Any trades priced at zero will remain at zero.

The schedule details how "full rate" commissions are calculated for equity transactions. Actual fees and charges may vary from one account to another based on a variety of factors and are at the discretion of J.P. Morgan Securities LLC. In addition, all such fees and charges, including the following commission rates, are subject to change periodically. Refer to your confirm or contact your J.P. Morgan Securities LLC advisor for the actual commission amount payable by the plan at any given point in time or with respect to a specific trade. Also note that J.P. Morgan Securities LLC or an affiliate may act as principal on certain transactions. In such cases, J.P. Morgan Securities LLC or an affiliate receives compensation from clients by adding a mark-up to purchases and deducting a mark-down from sales. This mark-up or mark-down will be reflected in the price when J.P. Morgan Securities LLC or an affiliate acts as principal.

**Restrictions:**

JPMWM may restrict activity in certain types of financial instruments including, but not limited to, crypto-linked instruments. Contact your J.P. Morgan team for product availability through your full-service brokerage account.

**Risks and other relevant information:**

- The prospectus of an ETP contains important information regarding the investment objectives of the ETP, its merits, risks, charges, expenses and other matters of interest, and must be read carefully before a decision is made to invest. JPMWM will provide a copy of the prospectus to you upon request.

- ETPs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. In addition, there is no guarantee that an ETP will track the exact performance of its index.
- Like mutual funds, some ETPs may not, for example, have the liquidity of traditional ETPs, provide periodic pricing or valuation information to investors, and be subject to the same regulatory requirements as traditional ETPs. These non-traditional ETPs also typically pursue alternative investment strategies. While traditional ETPs generally focus their investment strategies on long-term buy-and-hold stock and bond investing, non-traditional ETPs generally employ more complex trading strategies, such as selling securities short in anticipation of a drop in their price, using leverage, and purchasing options and futures. Some non-traditional funds also focus their investment strategies on investing in gold, commodities (such as copper and oil) or real assets such as real estate. These strategies have generally been associated with alternative investment products such as hedge funds, may charge higher fees, have higher expenses and have a higher risk of the complete loss of the investment compared to traditional ETPs.

**Resources to obtain additional information:**

Consult available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you, or help you to find them.

**I. ALTERNATIVE INVESTMENTS**

**Hedge Funds, Private Equity Funds, Real Estate Funds**

**Description:**

- Non-traditional, or alternative, investment strategies include investments in hedge funds, private equity funds, real estate funds and other unregistered funds (including funds that invest in such funds). Such funds are sometimes referred to as private investments or private funds because they are typically organized pursuant to exemptions from registration under federal securities laws and therefore are not offered to the general public. Private funds may invest in various types of assets and financial instruments, including, but not limited to: digital assets; real estate including publicly-traded stock of existing real estate companies and real estate investment trusts (REITs); and non-publicly traded companies. This list is not exhaustive; the private fund's PPM should be carefully consulted for further information.
- Although interests in private investment funds sometimes may be resold in privately negotiated transactions, the prices realized on these sales could be less than the original investment and are likely to be less than the current net asset value.
- Private funds are offered only by confidential private placement memorandum or similar document (the PPM). The PPM provides important detailed information regarding fees, merits, risks, investment objectives and strategies, and other matters of interest, and must be read carefully before a decision is made on whether to invest.
- J.P. Morgan affiliates may organize and offer interests in private funds and may have an ownership interest in such funds. In addition, J.P. Morgan affiliates may provide advisory, management, administrative or other services to J.P. Morgan, and will normally be compensated separately for such functions. J.P. Morgan Securities LLC or another J.P. Morgan affiliate may act as placement agent for such interests and in such case will be compensated by the private funds for providing placement services. Such compensation is in addition to fees and commissions you pay in connection with purchasing an interest or in connection with your investment management, brokerage or custody account.

**Fees:**

In its capacity as placement agent, J.P. Morgan charges clients an origination fee of up to 2% of the amount invested. In addition, J.P. Morgan also earns a placement fee, paid by the private fund (or sponsor thereof) whose interests are being offered, in an amount of up to 3% of the amounts invested by J.P. Morgan clients. The amounts of any such fees will be disclosed to clients prior to their making an investment. The origination fee is separate from, and in

addition to, advisory, management, administrative, placement, performance, servicing or other fees J.P. Morgan may earn from the fund sponsor or the fund for services provided to the fund.

### **Restrictions:**

Only J.P. Morgan-approved hedge funds, private equity funds, real estate funds and other private funds will be recommended. All approved funds are periodically reviewed.

Only clients meeting certain requirements are eligible to participate through an eligible advisor. These requirements vary by product but may include, among others, qualifying as an “accredited investor” within the meaning of Rule 501(a) under the United States Securities Act of 1933, as amended, and/or qualifying as a “qualified purchaser” as defined in the Investment Company Act of 1940, as amended. Consult the available offering documents for a discussion of the applicable requirements.

### **Risks and other relevant information:**

- Private funds:
  - Often engage in leveraging and other speculative investment practices that may increase the risk of the complete loss of the client’s investment;
  - Can be highly illiquid because no trading market exists and there are restrictions on resale, transfer, withdrawal or redemption of interests;
  - Can be hard to value, and provide infrequent pricing or valuation information;
  - May involve complex tax structures and delays in distributing important tax information;
  - Are not subject to the same regulatory requirements as mutual funds; and
  - Often charge performance fees in addition to management fees.
- Although private equity and real estate fund interests sometimes may be resold in privately negotiated transactions, the prices realized on these sales could be less than the original investment and are likely to be less than the current net asset value. Most private fund investments require the client to maintain an account with J.P. Morgan or one of its affiliates for so long as the client owns the private fund.
- As described above under “Fees,” J.P. Morgan receives payments from private funds (or sponsors thereof) for the investments made by J.P. Morgan clients. The fees paid to J.P. Morgan by the sponsor or company whose interests are being offered create a potential conflict of interest in the form of an additional financial incentive to J.P. Morgan for making available to its clients such opportunities.

### **Resources to obtain additional information:**

Consult available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide these documents to you or help you to find them.

### **Private Investments**

#### **Description:**

The Private Investments program makes available opportunities to invest in private companies, real estate, venture capital, growth equity and other private investments, including affiliated managed products, to certain highly-qualified clients through their full-service brokerage account. Investment opportunities through the Private Investments program are normally offered pursuant to exemptions from registration under the federal securities laws and are therefore highly illiquid.

#### **Fees:**

In its capacity as placement agent for a Private Investments program opportunity, J.P. Morgan may charge clients an origination fee which, if charged, will be up to 2% of the amount invested. J.P. Morgan may also earn a placement fee, paid by the sponsor or the company whose interests are being offered. If paid, such placement fee will be in an amount of up to 6% of the amounts invested by J.P. Morgan clients, or will be up to 50% of the performance compensation received by the investment opportunity sponsor with respect to amounts invested by J.P. Morgan clients.

## Restrictions:

Only clients meeting certain requirements are eligible to participate through an eligible advisor. These requirements vary by product but may include, among others, qualifying as an “accredited investor” within the meaning of Rule 501(a) under the United States Securities Act of 1933, as amended, qualifying as a “qualified purchaser” as defined in the Investment Company Act of 1940, as amended, and qualifying as an “institutional account” as defined in FINRA Rule 4512(c). Consult the available offering documents for a discussion of the applicable requirements.

## Risks and other relevant information:

- The fees paid to J.P. Morgan by the sponsor or company whose interests are being offered creates a potential conflict of interest in the form of an additional financial incentive to J.P. Morgan for making available such opportunities through the Private Investment program.
- There is generally no secondary market for such opportunities, and no assurance can be given as to the likelihood that an active trading market will develop or the liquidity of such a market; accordingly, no assurance can be given that an investor will be able to sell, transfer, assign or otherwise dispose of an interest in an opportunity. Opportunities may have little or no operating history, and the information available about unregistered opportunities will be less extensive than is available for an entity whose securities are registered. There is no assurance that any opportunity will return the capital invested or that there will be any return on any capital you invest.

## Resources to obtain additional information:

Consult any available offering documents for any security we recommend for a discussion of risks associated with the product. We can provide those documents to you or help you to find them.

## J. ANNUITIES

### Description:

What is an annuity?

- An annuity is a contract between you and the insurance company, where you make a lump sum or series of payments in exchange for certain guarantees related to income, death benefits, accumulation and tax deferral, to name a few.
- There are different types of annuities, many of which are designed to meet specific needs and help consumers achieve their retirement goals. Refer to “Types of Annuities” section below for a description of each type distributed by JPMWM.
- Annuities are created by insurance companies and are filed with the various state insurance commissioners for approval. JPMWM distributes the annuity product on behalf of the insurance company through Chase Insurance Agency Inc. (CIA) and variable annuities through J.P. Morgan Securities LLC.
- It is important to note that insurance products are not bank deposits, and are not insured by the FDIC or any other agency of the United States, nor are they obligations of, nor insured or guaranteed by JPMorgan Chase Bank, N.A. (JPMCB), CIA, J.P. Morgan Securities LLC or their affiliates, except where specifically disclosed. Brokerage services are offered through J.P. Morgan Securities LLC, member of FINRA and SIPC and an affiliate of JPMCB. All guarantees are based on the claims-paying ability of the issuing insurance company.

### Types of Annuities:

- **Fixed Rate Annuities** – Fixed Rate Annuities accumulate funds or distribute income at guaranteed rates and in guaranteed amounts. Fixed Rate Annuities earn interest at a set rate, for a specified period of time. A Fixed Rate Annuity may be a good choice if you are seeking predictable returns, tax-deferred growth and principal protection. Fixed Rate Annuities also offer an income option that converts the balance of the Fixed Rate Annuity into a guaranteed income stream through annuitization. Chase Insurance Agency, Inc., also makes available fixed annuities that do not include Guaranteed Return of Premium (GROP). Crediting rates for an annuity with GROP are typically lower than for an annuity contract that does not provide GROP feature. When purchasing a fixed annuity, it is important to discuss with your representative whether principal protection is

important to you relative to your investment objectives and liquidity needs.

- **Fixed Indexed Annuities** – Fixed Indexed Annuities are designed to provide a return based on the performance of an underlying index such as the S&P 500. While the benchmark index does track to the market, the client is not directly exposed to the market. Typically, the clients' return is either a percentage of the underlying index's performance, or the return is capped at a certain percentage of the index's performance. Fixed Indexed Annuities provide the client the opportunity to have growth based on market performance while having 100% downside protection in down markets.
- **Single Premium Immediate Annuities (SPIAs)** – SPIAs are designed to provide an immediate income stream through annuitization of the purchase payment. SPIAs typically require the income benefit to commence within 13 months of purchase. A client will lose access to their premium in exchange for a guaranteed lifetime income payment. Note: As with any annuity, guarantees are based on the claims-paying ability of the issuing insurance company.
- **Variable Annuities** – Variable Annuities accumulate funds or distribute income based on the performance of the underlying investment options chosen by the contract owner. Some of the features Variable Annuities may provide include: (1) Guaranteed Lifetime Income; (2) Standard or Enhanced guaranteed minimum death benefits, (3) tax deferral, or (4) principal guarantees. A Variable Annuity offers a range of investment options. The value of your investment as a Variable Annuity owner will vary depending on the performance of the investment options you choose. The investment options for a Variable Annuity are typically investment subaccounts or funds that invest in stocks, bonds, money market instruments or some combination of the three.
- **Buffered Annuities** – Buffered Annuities are designed to provide a return based on the performance of an underlying index such as the S&P 500, and similar to Fixed Indexed Annuities, while the index does track to the market, the client is not directly exposed to the market. The two key differences between a Buffered Annuity and a Fixed Indexed Annuity is that a Buffered Annuity will typically provide higher caps or percentage of the index performance, while providing limited downside protection options, for example 10% or 20% downside protection vs. a Fixed Indexed Annuity which provides 100% downside protection. Note: Some Buffered Annuities may have a living benefit rider that can provide guaranteed lifetime income.
- **Advisory Fee-Based Variable Annuities** – An Advisory Fee-Based Variable Annuity is distributed by advisors for an ongoing annual asset-based advisory fee. Advisors selling Advisory Fee-Based Annuities do not receive commissions for the sale of the Variable Annuity, but instead the advisor and the associated investment adviser charge a fee for the investment advice related to asset allocation of the underlying subaccounts/funds in the Variable Annuity.
- **Private Placement Variable Annuities** – A Private Placement Variable Annuity accumulates funds based on the performance of the underlying investment options chosen by the contract owner. Private Placement Variable Annuities can only be purchased by accredited investors and qualified purchasers. The underlying investment options in the private placement variable annuity are typically alternative investment options such as hedge funds, private credit, real estate, etc. Other investment options which invest in stocks, bonds or money market instruments may also be available within the product for liquidity purposes. In the private placement variable annuity, the underlying alternative funds will have specific fees, subscription rules, redemption rules and other details which will be provided in the fund specific offering memorandum. The value of your investment as a private placement variable annuity owner will vary depending on the performance of the investment options you choose.

#### **Fees:**

Annuity product fees, including contingent deferred sales charges, are collected by the insurance carrier. Depending on the type of annuity and the issuing insurance company, clients will incur certain product fees associated with their annuity. These fees range from fees to cover the cost of insurance to investment management fees. Refer to your contract and/or prospectus for specific fees charged by the insurance company. The following outlines the fees typically incurred on annuities by product type:

## Fixed Rate Annuities

- Fixed Rate Annuities typically do not have explicit fees, for example Mortality and Expense fees or fund expenses.
- **Surrender charges** – If applicable, surrender charges are incurred if the annuity is fully or partially liquidated or withdrawn in excess of the “free withdrawal amount” afforded by the contract during the surrender charge period. These charges offset the cost the insurance carrier incurs for various acquisition costs and early liquidation of investments they make to back the guarantees. Surrender charges are stated in terms of a schedule that defines the percent of the surrender charge for that particular year and usually declines until the contract term matures. These charges can be as high as 9% on a declining scale over the surrender charge period. The length of a Fixed Rate Annuity’s surrender charge matches the guarantee period of the interest rate credited to the contract. For example, our 3-year Fixed Rate Annuities have a 3-year rate guarantee with a 3-year surrender charge period, and our 5-year Fixed Rate Annuities have a 5-year rate guarantee with a 5-year surrender charge period.

## Fixed Indexed Annuities

- Fixed Indexed Annuities typically do not have an explicit cost unless there is a living benefit or enhanced death benefit rider.
- Certain Fixed Indexed Annuities may offer crediting methods with a spread. A spread, which is similar to a fee, will be taken from the positive index performance for a particular segment investment. Generally, the main difference between a spread and a fee is that a fee can result in negative index performance, whereas a spread may reduce the amount of interest earned down to zero and will not bring your overall performance negative.
- **Living benefit rider fees** – These fees are charged to cover the cost of providing guaranteed lifetime income. These fees can be as high as 1.20%. The fee can be charged daily, quarterly or annually and is assessed against the contract value or the benefit base.
- **Death benefit rider fees** – These fees are charged to cover the cost of providing a death benefit guarantee. These fees can be as high as 0.50%. The fee is charged annually and is assessed against the benefit base.
- **Surrender charges** – If applicable, surrender charges are incurred if the annuity is liquidated or excess withdrawals are taken prior to the contract terms maturing. These charges offset the cost the carrier incurs for various acquisition costs and early liquidation of investments it makes to back the guarantees. Surrender charges are stated in terms of a schedule that defines the percent of the surrender charge for that particular year until the contract term matures. These charges can be as high as 9% on a declining scale over the surrender charge period. Our Fixed Indexed Annuities without a living benefit rider have a 5-year surrender charge while our Fixed Indexed Annuities with a living benefit rider have a 7-year surrender charge.
- **Market Value Adjustment (MVA)** – If applicable, MVAs are charges that may be levied if all or a portion of the contract value is withdrawn during the surrender charge period. MVA charges can be negative or positive depending on the difference between the market rates in effect at the time the contract was issued and the market rates in effect at the time of the withdrawal. These charges offset potential losses the insurance company may incur for early liquidation of investment they make to back the guarantees and benefits of the annuity.

## Variable Annuities

- **Mortality & Expense (M&E) fees** – These fees pay for the insurance guarantees in the annuity, such as guaranteed lifetime income or a death benefit. These fees can be as high as 1.55% and are charged against the contract value daily.
- **Contract fee** – This fee covers the maintenance of the contract, such as producing statements, mailings and other client services. It is usually a flat fee that can be as high as \$50, and it is charged annually. The contract fee is normally waived above certain contract amounts, anywhere from \$50,000 to \$100,000.

- **Average fund expense** – This fee covers the investment management and operating expense of the underlying investment subaccounts. These fees can be as high as 1.75% and are usually charged daily against the contract value.
- **Surrender charges** – If applicable, contingent deferred sales charges (CDSC) are only incurred if the annuity is liquidated or withdrawn in excess of the contract's "free withdrawal amounts" taken during the surrender charge period. These charges offset the cost the insurance carrier incurs for various acquisition costs and early liquidation of investments it makes to back the guarantees. CDSCs are stated in terms of a schedule that defines the percent of the surrender charge for that particular year, until the contract term matures. These charges can be as high as 8% on a declining scale over the surrender charge period.
- **Living benefits rider fees** – These fees are charged to cover the cost of providing guaranteed lifetime income. In general, this fee is 1.60% or less. The fee can be charged daily, quarterly or annually and is assessed against the contract value, benefit base or combination. Refer to the prospectus for specific expenses.
- **Enhanced death benefit fees** – These fees are charged to cover the cost of providing guaranteed and/or stepped-up death benefits. Similar to living benefit rider fees, enhanced death benefit fees can be as high as 0.65%. They can be charged daily, quarterly or annually and are assessed against the contract value or the benefit base.

### Buffered Annuities

Buffered Annuities typically do not have an explicit cost unless: (1) the product designs include a Product Fee, or (2) a portion of the investment is allocated to the Variable Investment Options, or (3) the product offers a mandatory or optional living benefit or enhanced death benefit rider for an additional cost.

Certain Buffered Annuities may offer crediting method(s) with a spread. If the index performance is positive, the spread (or rate) is subtracted from the index return at the end of the term to determine performance. A spread is similar to a fee; however, a spread will not result in negative performance.

- **Living benefit rider fees** – These fees are charged to cover the cost of providing guaranteed lifetime income. These fees can be as high as 1.50%. The fee can be charged daily, quarterly or annually and is assessed against the contract value or the benefit base.
- **Death benefit rider fees** – These fees are charged to cover the cost of providing a death benefit guarantee. These fees can be as high as 0.35%. The fee can be charged daily, quarterly or annually and is assessed against the contract value or the benefit base.
- **Average fund expense** – If applicable, this fee covers the investment management and operating expense of the underlying mutual funds. These fees can be as high as 1.29% and are usually charged daily against the value of the underlying subaccount. Refer to your contract or prospectus for individual fund expenses.
- **Surrender charges** – If applicable, surrender charges are incurred if the annuity is liquidated, or withdrawals in excess of the penalty free withdrawal amounts are taken during the surrender charge period. These charges offset the cost the carrier incurs for various acquisition and early liquidation of investments they make to back the guarantees. Surrender charges are stated in terms of a schedule that defines the percent of the surrender charge for that particular year until the contract term matures. Buffered Annuities have either a five- or six-year surrender charge schedule. These charges can be as high as 9% on a declining scale over the surrender charge period.
- **Market Value Adjustment (MVA)** – If applicable, MVA are charges that may be levied if all or a portion of the contract value is withdrawn during the surrender charge period. MVA charges can be negative or positive depending on the difference between the market rates in effect at the time the contract was issued and the market rates in effect at the time of the withdrawal. These charges offset potential losses the insurance company may incur for early liquidation of investment they make to back the guarantees and benefits of the annuity.
- **M&E and administrative fees** – If applicable, these fees pay for the insurance guarantees in the annuity, such as guaranteed lifetime income or a death benefit.

- These fees can be as high as 1.30% and are charged against the value of the underlying subaccounts daily.
- **Product fee** – These fees pay for the various contract benefits and insurance guarantees in the annuity such as guaranteed lifetime income or a death benefit. The product fee of 1.25% is calculated as a percentage of the contract value as of the previous quarterly contract anniversary.

### Advisory Fee-Based Variable Annuities

- Fees and costs associated with our full-service advisory programs are available on request or at [jpmorgan.com/adv](http://jpmorgan.com/adv).

### Private Placement Variable Annuities

- Consult any available fund offering documents for a discussion of fees associated with the fund. Please contact your advisor to assist with obtaining information or documents.

### Compensation:

- Annuity commissions are not fees and are not taken from the contract value.
- JPMWM operates its insurance business through Chase Insurance Agency Inc. (CIA) and in affiliation with J.P. Morgan Securities LLC for variable annuity products. CIA maintains agreements with insurance companies to represent them in selling and servicing their insurance and annuity products and to receive compensation. Pursuant to those selling agreements with the carriers, CIA receives compensation based upon a percentage of the total purchase payments and/or a percentage of the total contract value of the annuity contract. J.P. Morgan Securities LLC also receives compensations for variable annuities. The amount of compensation paid may vary by product type, so more compensation may be received by your advisor for selling one annuity product type versus another annuity product type, creating a potential conflict of interest. However, the portion of compensation that is passed on to the advisor is level by product type. For additional information on the compensation paid by the issuing insurance company for annuity products, refer to the applicable prospectus or other documents provided by your advisor or the insurance carrier.
- Clients that select an Advisory Fee-Based Variable Annuity pay an annual investment advisory asset-based fee to J.P. Morgan Securities LLC. This fee is paid out of the annuity contract assets to J.P. Morgan Securities LLC for investment advisory services. Clients should review the prospectus to the Advisory Fee-Based Variable Annuity and the Form ADV disclosure brochure of J.P. Morgan Securities LLC for information about the advisory Variable Annuity asset allocation program and the applicable fees for the program. Fees and costs associated with advisory programs are available on request or at [jpmorgan.com/adv](http://jpmorgan.com/adv).
- For Private Placement Variable Annuities, advisor compensation is paid as a portion of the fund management fees which are deducted from the contract value. Refer to the fund specific offering memorandum for fund fee information.

### Paid to CIA and Advisors

Products that JPMWM actively makes available to clients:

- **New Sales and Additional Payments:** CIA receives compensation for the initial sale of annuity products and, where applicable, for subsequent payment into a contract as follows:
  1. **Fixed Rate Annuities:** Commissions paid to CIA are 1.75% of which the advisor will receive up to 1.50% at time of sale with no trailing commission every subsequent year.
  2. **Fixed Indexed Annuities:** Commissions paid to CIA and the advisor are 1.45% at time of sale/.50% trailing commission every subsequent year.
  3. **Fixed Indexed Annuities with Income Riders<sup>12</sup>:** Commissions are 1.45% at time of sale/.75% trailing commission every subsequent year.

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<sup>12</sup> Certain Fixed Index Annuities may have an optional Income rider wherein the compensation paid will be based on if the rider was selected or was not selected and would align with the respective compensation above.

4. **Buffered Annuities:** Commissions are 1.45% at time of sale/1.00% trailing commission every subsequent year.
  5. **Variable Annuities:** Commissions paid to CIA are 2.15% of which the advisor will receive 1.45% at time of sale/1.00% trailing commission every subsequent year.
  6. **Single Premium Immediate Annuities:** Commissions are 4% at time of sale with no trailing commission.
  7. **Private Placement Variable Annuities:** Commissions are paid as a quarterly trailing commission and range from .27%-.75%, varies based on the underlying funds chosen.
- **Annuitization:** Some deferred annuity contracts can also generate commissions if the contract is converted into a series of guaranteed income payments, referred to as annuitization. Refer to your contract and or prospectus for specific amounts.

#### **In-Service Contracts:**

In-service contracts are contracts that JPMWM services, but does not currently make available to clients. In-service contracts may generate commissions to CIA and its agents. The amount of commission received by CIA and its agents is based on the compensation arrangement that was in effect at the time of the origination of the contract.

#### **Restrictions:**

- JPMWM has guidelines on when certain products/riders are suitable and may impose age restrictions that are younger than those stated in the contract and/or prospectus.
- Waivers may not be available in all states.
- Annuity product availability may vary by market and advisor segment.

#### **Risks and other relevant information:**

##### **Fixed Rate Annuities**

- Fixed Rate Annuities are designed to provide a stated return for a stated period of time. An annuity that includes a Guarantee Return of Premium (GROP) will prevent any surrender penalties from reducing the original investment upon full surrender of the contract during the surrender charge period. If GROP is not available on the annuity contract, the original investment amount is not protected upon full surrender of the contract. During the surrender charge period, surrender penalties may reduce the annuity value below the original investment amount. Refer to the annuity contract for further information.

Note: Early withdrawals, excess withdrawals and partial surrenders may be subject to surrender penalties, loss of earnings credited to the contract or tax penalties.

- A Fixed Rate Annuity typically does not have cost-of-living adjustments to keep pace with inflation, so your spending power from the earnings you receive may decline over time. If inflationary protection is a priority for you, you may want to consider financial products other than a Fixed Rate Annuity.

##### **Fixed Indexed Annuities**

- A Fixed Indexed Annuity typically does not have cost-of-living adjustments to keep pace with inflation, so your spending power from the earnings you receive may decline over time. If inflationary protection is a priority for you, you may want to consider financial products other than a Fixed Indexed Annuity.
- Some Fixed Indexed Annuities distributed by CIA may utilize a J.P. Morgan proprietary index (the "Index"). As the Index sponsor, J.P. Morgan earns its revenue by trading over-the-counter derivatives with the insurance company. The OTC derivatives are used by the insurance company to hedge the risks they assumed by issuing the Fixed Indexed Annuities.

##### **Single Premium Immediate Annuities (SPIA)**

- SPIAs are designed to provide an immediate income stream through annuitization of the purchase payment. SPIAs typically require the income benefit to commence within 13 months of purchase. Since immediate annuities provide lifetime income via annuitization once income starts, there is no longer a deferred or surrender value to the annuity. You should carefully consider your ability to meet emergency expenses prior

to converting your assets into an income stream.

## **Variable Annuities**

- Securities (including Variable Annuities), certain insurance products and annuities involve investment risks, including the possible loss of value. Variable Annuities are not guaranteed, and the value may go up and down. There is no assurance that the investment objectives of any Variable Annuity subaccount will be met. Past performance is no guarantee of future results. The value of a Variable Annuity will fluctuate depending on the performance of the investment subaccounts chosen as a result of market conditions and other factors. Upon liquidation, the value of a Variable Annuity may be more or less than the original purchase price. Annuity guarantees are based on the claims-paying ability of the issuing insurance company.
- Variable Annuities are designed as an investment for long-term goals. They are generally not suitable for short-term goals because you may be subject to charges or other penalties if you withdraw your money early. Note that if you sell or withdraw money from a Variable Annuity too soon after your purchase, the insurance company will typically impose a “surrender charge.” Surrender charges will reduce the value of, and the return on, your investment. Carefully review the annuity contract and where applicable the investment subaccount prospectuses.
- Your contract value is not guaranteed. It may increase or decrease based on investment performance, additions and withdrawals. Election of a Variable Annuity living benefit rider does not guarantee a rate of return on your contract value—only a percentage of the withdrawal amount.
- Certain Variable Annuities distributed by CIA may offer one or more mutual funds advised or sub-advised by J.P. Morgan Investment Management Inc. as investment option(s) (“the Fund”) for contract holders. J.P. Morgan Investment Management Inc., which is an affiliate of CIA, is paid advisory or subadvisory fees for managing the assets of each such Fund creating a potential conflict of interest.
- Note that Advisory Fee-Based Variable Annuities and Private Placement Variable Annuities are types of Variable Annuities and are subject to the same risks and considerations. Private Placement Variable Annuities are subject to the same risks as those described in the Alternative Investments section of this Guide, including that underlying alternative investments can be highly illiquid because no trading market exists and there are restrictions on resale, transfer, withdrawal or redemption of interests. Carefully review the fund specific offering memorandum for details on fund related risks.

## **Buffered Annuities**

- A Buffered Annuity typically does not have cost-of-living adjustments to keep pace with inflation, so your spending power from the earnings you receive may decline over time. If inflation protection is a priority for you, you may wish to consider financial products other than a Buffered Annuity.
- Buffered Annuities are designed as an investment for long-term goals. They are not suitable for short-term goals because you may not be able to readily access your funds once invested in one of the Buffered Annuity segments, and you may be subject to charges or other penalties if you withdraw your money early. While Buffered Annuities provide certain downside market protections, your contract value is not guaranteed. That value may increase or decrease based on the performance of the underlying indices.

## **Resource(s) to obtain additional information:**

- Prior to sale, advisors are required to deliver the annuity buyers' guide, which is a regulatory requirement. The guide details what consumers should know and what they should ask their advisor when contemplating an annuity, including fees and cost. Clients are also provided a prospectus if required.
- In order to initiate the purchase of any annuity, a Summary Statement of Charges form is included as part of the application documents the client must sign. The Summary Statement of Charges form is specific to each product type and details the cost and fees associated with the product.
- Your contract will be delivered to you after it is issued by the insurance carrier. The contract details contains all the fees, terms, and conditions of the annuity and contains carrier service numbers and websites where additional information can be obtained.

## K. LIFE INSURANCE

### Description:

What is life insurance?

- A life insurance policy is a contract between you and the insurance company, in which you pay premiums and the insurance company, in turn, promises to pay a death benefit to your named beneficiary when the insured dies.
- There are different types of life insurance products, many of which are designed to meet specific needs and help clients achieve their protection and retirement goals.
- Life insurance products are created by insurance carriers and are filed with the various state insurance commissioners. CIA and JPMS make life insurance products available on behalf of the insurance company.
- It is important to note that insurance products are not bank deposits, and are not insured by the FDIC or any other agency of the United States, nor are they obligations of, nor insured or guaranteed by JPMorgan Chase Bank, N.A., CIA, J.P. Morgan Securities LLC, or their affiliates, except where specifically disclosed. Brokerage services are offered through J.P. Morgan Securities LLC, member of FINRA and SIPC and an affiliate of JPMCB.

### Variable Life Insurance:

- A variable life insurance policy is a type of life insurance product and is a policy between you and an insurance company. It is intended to meet certain insurance needs, investment goals, and tax planning objectives. It is a policy that pays a specified amount to your beneficiary(ies) upon your death. It also has a cash value that varies according to the amount of premiums you pay, the policy's charges, fees and expenses, and the performance of the underlying investment options chosen by you. A variable life insurance policy offers a range of investment options. The investment options for a variable life insurance policy are typically investment subaccounts or funding options that invest in stocks, bonds, money market instruments or some combination of the three.

### Charges and Fees:

Life Insurance product charges and fees are paid by you to the insurance carrier. Charges and fees vary by product. Refer to your policy and/or prospectus for the underlying investment options for specific charges and fees charged by the insurance company. The following outlines the charges and fees typically incurred for variable life insurance:

- **Sales fees imposed on premiums** – These fees cover the insurance company for sales expenses and certain policy-related state and federal tax liabilities, and are typically a percentage of the amount of premium paid. They reduce the amount of the premium payment applied to the policy.
- **Cost of Insurance** – This monthly charge covers the cost of insurance on the policy and is designed to compensate the insurance company for the anticipated cost of paying death benefits in excess of the policy value. The amount charged is based on the Net Amount at Risk (death benefit less policy value) multiplied by the cost of insurance rate. The cost of insurance rate varies for each insured based on factors including the insured person's age, gender, health, and death benefit amount. An additional amount called a "flat extra charge" may apply for certain risks associated with health conditions, occupations, avocations or aviation.
- **Mortality and Expense (M&E) Risk Charge** – This charge covers the risks the insurance company assumes with respect to the policy. The mortality risk assumed is that the Insured may live for a shorter period than originally estimated. The expense risk assumed is that the administrative and sales costs are higher than expected, and that policy owner behavior does not match the insurance company's expectations.
- **Policy (Administrative) fee** – This ongoing fee covers the insurance company's costs of issuing and administering the policy, such as producing statements, mailings, processing claims, and other client services.
- **Underlying fund expenses** – This fee covers the investment management and operating expense of the underlying investment options. These expenses are deducted from fund assets.

- **Surrender charges** – If applicable, this charge applies if the policy owner fully surrenders their policy, makes a withdrawal, or decreases the face amount during the surrender charge period, which is typically in the early years of the policy. It is also important to note that any face amount increases may have its own unique surrender charge periods. These charges offset the various acquisition costs the insurance carrier incurs, which it would otherwise not recover in the event of early surrender. The surrender charge varies by the age of the insured, the number of years since the date of policy issue or the date of a face amount increase, and the face amount. A personalized schedule of surrender charges is included with each policy.
- **Loan interest** – The policy owner may borrow against the cash surrender value of the policy, subject to certain limits. Outstanding policy loans and accrued loan interest will reduce the policy's death benefit and cash surrender value. The policy will be charged interest on any loan amount outstanding, typically charged annually as a percentage of the loan balance.
- **Transfer fees** – These fees cover the cost of transferring money among investment options. The fee is typically assessed when transfers exceed a certain amount in any given policy year.

### Other Optional Insurance Features and Charges:

Life insurance products may contain other optional insurance features, including, but not limited to, the following, which may or may not be included with the base policy. These other optional insurance features may have charges and fees, which vary by product, pursuant to the terms of the policy and/or riders. Refer to your policy, rider(s) and/or prospectus(es) for the underlying investment options for specific charges and fees charged by the insurance company. The following outlines the charges and fees typically incurred for these features, subject to availability and/or eligibility requirements:

- **No-lapse features and lapse protection riders** – These features keep the policy in effect when it may have otherwise lapsed, even if the policy does not have sufficient cash value to pay the policy's charges. These features may be available based on the number of years the policy is in effect or the amount of premiums that have been paid.
- **Accelerated death benefits** – These features pay a portion of the policy's death benefit while the insured is still alive, if they are chronically or terminally ill.
- **Long-term care insurance benefits** – These features provide coverage for the cost of long-term care, if the insured is certified as chronically ill. They are generally provided in the form of a long-term care rider on the base policy.
- **Disability benefits** – These features maintain the policy in effect if the insured becomes disabled and cannot pay policy charges. Some may waive the monthly deduction charges if the insured becomes totally disabled. Others may pay a specified monthly amount to cover the premium, if the insured becomes totally disabled.
- **Overloan protection benefit** – This feature, if exercised, helps prevent the policy from lapsing due to loans.
- **Change of insured benefit** – This feature permits a change in the person who is insured under the policy.
- **Enhanced surrender value benefit** – This feature provides a separate enhanced surrender value if you surrender your policy during the first few policy years.
- **Accidental death benefit** – This feature provides payment of a benefit, in addition to the death benefit, upon the insured's accidental death.
- **Term insurance on additional insured** – This feature provides term life insurance on the insured's immediate family.
- **Return of premium death benefit** – This feature provides an additional death benefit payable upon the death of the insured.
- **Additional term insurance** – This feature provides term life insurance on the insured, in addition to that under the base policy.

- **Estate protection** – This feature provides for an additional death benefit amount if both joint insureds die within the first few years of the policy.
- **Policy split options** – This feature provides for the policy to be exchanged for two separate policies under certain circumstances.
- **Indexed interest strategy charge** – This charge is deducted when an Index Segment is added to an Indexed Interest Strategy. This charge is intended to compensate the insurance carrier for the costs of hedging and investment-related expenses associated with the capped indexed interest strategies it may provide.
- **Premium reserve rider** – This feature allows you to pay additional premiums beyond the amount you pay for your policy, and have these additional amounts accumulate in the same manner as the policy premiums, without being reduced by policy charges and expenses. This feature is subject to certain fees and account credits.
- **Healthy engagement benefits** – These features typically encourage the insured to lead a healthier lifestyle by either providing an opportunity to add credits to the policy value based upon the insured's ongoing participation in activities that promote a healthy lifestyle, or programs that educate and motivate the insured to develop and maintain a healthy lifestyle.
- **Conversion benefit** – This feature allows you to convert certain insurance coverages into a new policy.

#### **Compensation:**

- Life Insurance commissions are not fees and are not taken from the policy's cash value.
- J.P. Morgan operates its insurance business through CIA and in affiliation with J.P. Morgan Securities LLC for variable life insurance. CIA maintains agreements with insurance companies to represent them in selling and servicing their insurance and annuity products and to receive compensation. Pursuant to those selling agreements with the carriers, CIA receives compensation based on a percentage of the total purchase payments. J.P. Morgan Securities LLC also receives compensations for variable life insurance.
- J.P. Morgan partners with Broker General Agents who receive compensation associated with the sale of Life Insurance.

For additional information on the compensation paid by the issuing insurance company for life insurance products, refer to the applicable prospectus of the insurance carrier.

#### **Paid to CIA and Advisors:**

**New sales and additional payments** – For life insurance products that J.P. Morgan actively makes available to clients, CIA receives commissions in the range of 7% to 125% of first-year commissionable premiums. CIA may also receive a trail payment in the range of 1% to 3% of subsequent premiums, if any. The amount of commission varies depending on the insurance carrier, coverage and the premium amount.

#### **In-Service Policies:**

In-service policies are policies that J.P. Morgan services, but does not currently make available for clients to purchase. In-service policies may generate commissions to CIA and its agents. The amount of commission received by CIA is based on the compensation arrangement that was in effect at the time of the origination of the policy.

#### **Restrictions:**

- JPMWM has guidelines on when certain products/riders are suitable for a client, and may impose age restrictions that are younger than those stated in the policy and/or prospectus.
- Life insurance product availability may vary by market and advisor segment. Life Insurance is made available through our Private Client Advisors and not Financial Advisors.

#### **Risks and other relevant information (Variable Life Insurance):**

- Variable Life Insurance involves investment risks, including the possible loss of value. Variable Life Insurance products are not guaranteed, and the value may go up and down. There is no assurance that the investment

objectives of any Variable Life Insurance subaccount will be met. Past performance is no guarantee of future results. The value of a Variable Life Insurance policy may fluctuate depending on market conditions, the performance of the investment subaccounts chosen, and other factors. Upon liquidation, the value of a Variable Life Insurance policy may be more or less than the original purchase price. Life insurance guarantees are based on the claims-paying ability of the issuing insurance company.

- Variable Life Insurance products are designed for long-term protection goals with an investment component. They are generally not suitable for short-term goals because you may be subject to charges or other penalties if you withdraw your money early. Note that if you fully surrender or partially surrender from a Variable Life Insurance policy too soon after your purchase, the insurance company will impose a “surrender charge.” Surrender charges will reduce the value of, and the return on, your cash value. Carefully review the life insurance policy and where applicable the investment subaccount prospectuses.
- Your policy's cash value is not guaranteed. It may increase or decrease based on investment performance, additions, and surrenders.
- Variable life insurance may not be suitable for all investors. Neither CIA, JPMS nor any of its affiliates render tax or legal advice. Therefore, clients are strongly encouraged to consult with outside tax and legal professionals regarding the potential that the Variable Life Insurance may generate undesired tax liabilities and penalties.

#### **Resource(s) to obtain additional information:**

- Prior to sale, advisors are required to deliver the life insurance buyers' guide, which is a regulatory requirement. The guide details what clients should know and what they should ask their advisor when contemplating a life insurance policy, including fees and cost. Clients are also provided a prospectus if required.
- When the policy is issued, it is mailed directly to the policy owner's address of record, or email account when electronic delivery is requested. The policy form contains all the fees, terms, and conditions of the policy inclusive of insurance carrier service numbers and websites where additional information can be obtained.

#### **L. J.P. MORGAN PREMIUM DEPOSIT**

##### **Description:**

- J.P. Morgan Premium Deposit is an FDIC-insured deposit product from JPMorgan Chase Bank, N.A., which is available to clients with eligible JPMWM brokerage accounts looking to earn additional income on excess cash balances.
- JPMorgan Chase Bank, N.A. is an affiliate of J.P. Morgan Securities LLC.
- The rate paid on balances held in J.P. Morgan Premium Deposit will vary based on business and economic conditions.
- Eligibility for J.P. Morgan Premium Deposit may be based on certain factors including, but not limited to, client type, account type, initial deposit minimums, balance maximums and other requirements which are subject to change.
- Balances held in J.P. Morgan Premium Deposit are eligible to receive FDIC insurance up to applicable limits.
- You can only access balances in J.P. Morgan Premium Deposit through your JPMWM brokerage account.

##### **Fees:**

No fees, charges or commissions will be imposed on your J.P. Morgan Securities LLC account as result of, or otherwise in connection with, holding J.P. Morgan Premium Deposit.

**Risks and other relevant information:**

- You are responsible for monitoring your deposits held at JPMorgan Chase Bank, N.A. for FDIC insurance purposes. Account balances, including balances in J.P. Morgan Premium Deposit, held in the same legal ownership are aggregated for purposes of determining applicable FDIC-insurance limits.
- The rate paid by J.P. Morgan Premium Deposit may be higher or lower than the rate available to direct depositors at JPMorgan Chase Bank, N.A. and/or other investment products available to you through your JPMWM brokerage account. You should compare the terms, rate of return, required minimum amounts, charges and other features of J.P. Morgan Premium Deposit with those of other deposit accounts and alternative cash investments.
- Through J.P. Morgan Premium Deposit, JPMorgan Chase Bank, N.A. will receive stable, cost-effective source of funding. JPMorgan Chase Bank, N.A. intends to use deposits made by customers who deposit into J.P. Morgan Premium Deposit to fund current and new businesses, including lending activities and investments.

**Compensation:**

Your J.P. Morgan Securities LLC Advisor may receive an annualized credit of up to 0.10% of the average daily balances in J.P. Morgan Premium Deposit.

**Resource(s) to obtain additional information:**

For more information about J.P. Morgan Premium Deposit, review the J.P. Morgan Premium Deposit Disclosure document at [jpmorgan.com/PremiumDepositDisclosure](http://jpmorgan.com/PremiumDepositDisclosure).

**M. SUSTAINABLE INVESTMENTS**

Sustainable investments may include additional risks. For example, investment in sustainable or environmental, social, and governance (“ESG”) investing strategies, including mutual funds and ETFs (“ESG Strategies”), may limit the types and number of investment opportunities and ESG Strategies could underperform other strategies that do not have a sustainable or ESG focus. ESG Strategies may invest in securities or industry sectors that underperform the market as a whole or underperform other strategies screened for ESG standards. ESG Strategies can be more concentrated in particular industries or sectors that share common characteristics and are often subject to similar business risks and regulatory burdens. Because investing on the basis of sustainable criteria can involve qualitative and subjective analysis, there can be no assurance that the methodology utilized by, or determinations made by the advisor or J.P. Morgan, will align with the beliefs or values of the client. Additionally, other advisors and firms can have a different approach to sustainable investing from that of the advisor or J.P. Morgan with respect to the same theme or topic. Any ESG Strategies that you and/or your advisor select will be developed based on your personal preferences, investment objectives and other relevant considerations that are unique to you based on your financial goals.

## COMPENSATION & POTENTIAL CONFLICTS

J.P. Morgan Securities LLC and its affiliates earn compensation in various ways, which you should be aware so you can better evaluate the recommendations you receive from your advisor and J.P. Morgan Securities LLC. Depending on the type of account and transaction, J.P. Morgan Securities LLC earns revenue from our clients, our affiliates and, for some products and services, from third parties, including product vendors, underwriters and investment managers whose products and services are purchased by clients. We also receive compensation as a result of intercompany profit-sharing and servicing agreements.

In a brokerage account, you generally compensate us and the registered advisors located in a J.P. Morgan Wealth Management office through costs incurred with each transaction. This differs from an investment advisory account relationship in which the compensation is fee-based, not transaction-based, and the client pays a set fee or a fee based on the percentage of assets in the account in an advisory program. Miscellaneous account and administrative charges, as noted earlier, associated with your account will also be charged to your account.

### A. ADVISOR COMPENSATION

We design our compensation program to encompass best practices, support our business objectives and enhance shareholder value. J.P. Morgan's system plays a significant role in our ability to attract, retain and motivate the highest quality workforce. Compensation creates incentives for advisors to, among other things, recommend certain product and services, generate business and solicit assets to our firm. J.P. Morgan policies and procedures exist to mitigate conflicts of interest, where possible. Refer to below components of the compensation plan, outlining ways in which different conflicts of interests manifest themselves.

#### Cash Compensation

The basis for the compensation to your advisor is primarily the fees and commissions paid in connection with the products and services that you and other clients choose and it varies based on certain factors. These factors include the total revenue generated by clients and accounts covered by the advisor, the type of clients covered by the advisor and the types of products and services purchased, sold or received by such clients. Here we describe how advisors are generally compensated for serving Individual or retail clients.

The underlying calculation of an advisor's compensation is based on revenue attributable to that advisor.

Revenue generally includes commissions, mark-ups/mark-downs and fees collected on fee-based products and services and revenue earned on banking-related products. The percentage of revenue paid to your advisor varies and is subject to change but generally increases as revenue attributable to your advisor increases. For most advisors, the range is generally a 30% to 52% payout on revenue.

Advisors may also receive financial incentives to join and/or remain at J.P. Morgan Securities LLC. These incentives, which are in addition to the compensation received in connection with revenue attributable to them, may take various forms, including an up-front loan arrangement, annual cash payment, restricted JPM stock, performance awards and buyout of forfeited deferred compensation or retention arrangements. Performance awards can be revenue-based, asset-based or a hybrid of both and will be contingent upon meeting requirements set forth in the respective advisor's employment contract.

In addition, the advisor may be eligible to receive a Length of Service Award, which is earned on an annual basis once the advisor achieves 5 years of service in that role. The award is granted in the form of restricted JPM stock valued from 1% to 3% of additional payout of annual revenue for an eligible advisor and is designed to reward advisors for continued service to their clients and the company.

Advisors can also earn a Net Flows of an additional 2% to 5% of their payout or annual revenue in the form of restricted JPM stock. In order to qualify, an advisor must have at least 4 years of service in that role as and meet the firm's requirements for positive eligible net flows across the clients they service.

Advisors do not provide investment advice and so do not receive revenue credit with respect to transactions in J.P. Morgan Self-Directed Investing or J.P. Morgan Automated Investing accounts.

### **Margin**

The advisors receive compensation from the interest and fees paid by the client on margin debit balances held by the client in any account. As a result, J.P. Morgan Securities LLC and the advisor have a financial incentive for the client to incur margin debt to buy securities in the client's account because the client will be required to pay J.P. Morgan Securities LLC interest and fees on the debt, and they have a further financial incentive for the client's margin debit balance.

Furthermore, if you have a margin account with us, as permitted by federal law, we may also use certain securities in your account, among other things, for settling short sales and lending the securities for short sales, and as a result we receive compensation in connection therewith. Advisors therefore have a financial incentive to recommend margin.

### **Non-Cash Compensation**

Advisors may receive certain non-cash compensation under limited circumstances. J.P. Morgan has implemented policies and procedures intended to ensure that its employees avoid actual or perceived conflicts of interest when giving or receiving non-monetary compensation from relevant parties, and comply with all applicable federal laws and regulations. To that end, J.P. Morgan generally prohibits the acceptance of gifts, entertainment or other non-monetary compensation in connection with the services we provide to any particular client, or in return for any business of the firm. Exceptions may be made for certain nominal non-cash gifts to employees of less than \$100 meeting certain criteria, including potentially from third-party investment managers. Meals, refreshments and entertainment in the course of a host-attended business-related meeting or other occasion may also be permitted in limited circumstances. Travel or accommodation expenses are prohibited. J.P. Morgan policies set conditions for each of these types of payments, and do not permit any gifts or entertainment unless it is clear that the gift-giving person is not trying to influence or reward the employee inappropriately in connection with any business decision or transaction and the gift is unsolicited. Providers participating in J.P. Morgan Securities LLC programs are not required to make any of these types of payments.

### **Other Non-Cash Compensation and Subsidies**

Third-party providers (such as fund companies) may participate in JPMWM-sponsored internal training and education conferences and meetings, seminars and sales meetings and may make payments to, or for the benefit of, JPMWM or its advisors to reimburse for certain expenses incurred for these events. Providers may also sponsor their own educational conferences or due diligence meetings and only pay for expenses while onsite for the event of advisors attending these events. JPMWM's policies require that the training or educational portion of these conferences comprises substantially all of the event and such conferences and meetings are subject to review and approval.

Furthermore, JPMWM may provide sponsorship opportunities and access to our branch offices and advisors to such providers for educational, marketing and other promotional efforts. Any payments made by providers could lead advisors to focus on products managed by these providers when recommending products to clients instead of those from other providers that do not commit similar resources to educational, marketing and other promotional efforts. As a general matter, clients should be aware that the receipt of economic benefits from others, in and of itself, creates a potential conflict of interest.

### **Transitioning First Republic Advisors**

Advisors formerly with First Republic Securities Company, LLC (which merged into J.P. Morgan Securities LLC) are compensated according to a transitional compensation structure for a period of approximately 6 months from the date they begin opening client accounts that clear through J.P. Morgan Securities LLC. For additional information please contact your advisor.

## **B. COMPENSATION TO J.P. MORGAN AND AFFILIATES**

J.P. Morgan Securities LLC is compensated from various sources, as described under Section 3 and more fully below, in addition to the account fees and transactions costs.

## **Purchasing J.P. Morgan Affiliated Funds and ETFs and related compensation**

J.P. Morgan Securities LLC and its affiliates provide a wide range of financial services to various mutual fund companies. Some of these affiliates provide investment management and other services to J.P. Morgan Funds or ETFs, for which those affiliates will benefit from that purchase as a result of receiving investment management fees and other forms of compensation in connection with the operation of such funds, such as shareholder servicing, custody, fund accounting, administration, distribution, securities lending and other services.

Therefore, because J.P. Morgan Securities LLC and its affiliates will in the aggregate receive more compensation if you purchase shares in a J.P. Morgan Fund or ETF than if you were to purchase shares in a non-affiliated mutual fund, there is a conflict of interest when JPMWM clients purchase J.P. Morgan Funds. The prospectus, descriptive brochure, offering memorandum or similar documents for such products describe these fees and other compensation in detail.

### **Introduction to Private Bank Affiliates.**

The Private Bank may benefit from revenue sharing arrangements within J.P. Morgan businesses that may, from time to time, result in the Private Bank receiving revenue related to an introduction that results in a transaction with another J.P. Morgan business.

### **Compensation for Other Services**

J.P. Morgan related persons provide financial, consulting, investment banking, advisory, brokerage (including prime brokerage) and other services to, and receive customary compensation from, an issuer of equity or debt securities that may be held by client accounts. 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.

Certain funds track financial indexes in which the Advisor or an affiliate retains various intellectual property rights. As a result, JPMC may be entitled to receive index licensing fees from unaffiliated licensees of these indexes.

### **Fully Paid Lending**

J.P. Morgan will receive compensation in connection with the use of securities made available for lending. Such compensation will depend on, among other things, the availability of the securities for lending in the marketplace relative to the demand to borrow such securities.

JPMS has an opportunity to earn more compensation when the securities become limited in supply relative to demand (i.e., become "hard to borrow" securities).

### **Bank Sweep Program**

J.P. Morgan Securities LLC offers the JPMorgan Chase Deposit Account (Deposit Account), a bank sweep program, where uninvested cash from the investment account(s) is swept into FDIC-insured deposit accounts opened by J.P. Morgan Securities LLC for the benefit of its clients at JPMorgan Chase Bank, N.A. (JPMCB). JPMCB intends to use these deposits to fund current and new businesses, including lending activities and investments. The profitability on such lending activities and investments is generally measured by the difference, or "spread," between the interest rate paid on the deposits and other costs associated with the Deposit Account, and the interest rate or other income earned by JPMCB on loans and investments made with the deposits. Therefore, J.P. Morgan Securities LLC and JPMCB have a financial incentive in the use of the Deposit Account as the primary sweep option. Advisors are not compensated on the assets in the Deposit Account.

### **Float Earnings**

JPMCB or an affiliate may retain, as compensation for the performance of services, your account's proportionate share of any interest earned on aggregate cash balances held by JPMCB or an affiliate with respect to "assets awaiting investment or other processing." These "assets awaiting investment or other processing" are invested by JPMCB in a number of short-term investment products and strategies, including without limitation loans to clients and investment securities, though the amount of earnings retained by JPMCB on such assets—known as "float"—due to their short-term nature, is generally considered to be at the prevailing Federal Funds interest rate (a publicly available average rate of all Federal Funds transactions entered into by traders in the Federal Funds market on a given date),

less FDIC insurance and other associated costs, if any. "Assets awaiting investment or other processing" for these purposes includes, to the degree applicable, new deposits to the account, including interest and dividends, as well as any uninvested assets held in the account caused by an instruction to purchase and sell securities. JPMCB or an affiliate will generally earn float until such time as such funds may be automatically swept into a sweep vehicle, or otherwise reinvested. "Assets awaiting investment or other processing" may also arise when JPMCB facilitates a distribution from your account. Thus, pursuant to JPMCB's standard processes for check disbursement, cash is generally debited from the account on the date on the face of the check (also called the payable date). Such cash is deposited in a non-interest-bearing omnibus deposit account at JPMCB, where it remains until the earlier of the date the check is presented for payment or the date payment on the check is stopped at your instruction (in which case the underlying funds are returned to the account). JPMCB derives earnings (float) from use of funds that may be held in this manner, as described above.

### **Principal Trading and Agency Cross Transactions Compensation**

When permitted by applicable law, J.P. Morgan Securities LLC may sell securities to you and buy securities from you through our own account as principal and act as agent for you and another client in the same trade without first obtaining your consent. The trading capacity is disclosed to you on the trade confirmation. When we or an affiliate act as principal in buying a security from or selling a security to a client, we earn compensation on the transaction by marking up the price of the security sold to the client and marking down the amount received by the client when selling a security to us. This spread is the firm's compensation for taking market risk and making a market in the security.

We have adopted policies and procedures that govern transactions for our principal accounts and the accounts of our employees. These policies and procedures are designed to prevent, among other things, improper or abusive conduct when there is a potential conflict with interests of clients.

In full-service brokerage retirement accounts, we generally trade in an agency capacity where applicable.

J.P. Morgan Securities LLC also has the authority to effect "agency cross" transactions (that is, transactions for which it or one of its affiliates acts as a broker for both the account and the counterparty to the transaction) when permitted by applicable law. J.P. Morgan Securities LLC or its affiliates may receive compensation from each party to the transaction, and for that reason, we will have a potentially conflicting division of loyalties and responsibilities regarding the parties to the transaction.

### **Order Flow, ECNs, Trading Systems Payments**

J.P. Morgan Securities LLC does not receive payment for order flow from market makers for customer orders in equity securities. J.P. Morgan Securities LLC receives rebates from and pays fees to some registered securities exchanges for providing or taking liquidity on those exchanges, according to those exchanges' published fee schedules approved by the SEC. Alternative trading systems also charge fees and, in some cases, pay rebates for the provision or removal of liquidity. In addition, J.P. Morgan Securities LLC receives marketing fees from options exchanges under marketing fee programs sponsored by some exchanges. Under some circumstances, the amount received by J.P. Morgan Securities LLC from a trading center over a period of time may exceed the amount that J.P. Morgan Securities LLC is charged by a trading center. These practices are one of many factors that may impact routing decisions and do not alter J.P. Morgan Securities LLC's policy to route customer orders in securities to the trading centers where it believes customers will receive the best execution, taking into account, among other factors, price, transaction cost, volatility, reliability, market depth, and speed.

Affiliates of J.P. Morgan Securities LLC have ownership interests in some trading centers. Accordingly, J.P. Morgan Securities LLC stands to share in any profits that these trading centers earn from the execution of J.P. Morgan Securities LLC customer orders on those trading centers. Additional information on the material aspects of J.P. Morgan Securities LLC's relationships with the primary trading centers to which J.P. Morgan Securities LLC routes, including descriptions of arrangements for payment for order flow and profit-sharing relationships, is available in J.P. Morgan Securities LLC's SEC Rule 606 reports at [jpmorgan.com/disclosures/sec-order-execution](http://jpmorgan.com/disclosures/sec-order-execution).

## **Corporate Trustee Solutions**

J.P. Morgan offers various corporate fiduciary services for clients with complex family situations or when a trustee is needed. These services can be provided by either affiliated or non-affiliated entities, and fees can vary depending on provider or services selected. J.P. Morgan will receive greater compensation if its clients select services provided by an affiliated entity than if they select services provided by non-affiliated entities.

## **C. CONFLICTS OF INTEREST & OTHER DISCLOSURES**

A conflict of interest can be defined as an interest that might incline a broker-dealer or its advisor to consciously or unconsciously make a recommendation that is not disinterested. J.P. Morgan has adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate conflicts of interest that may arise between J.P. Morgan, its advisors and J.P. Morgan Securities LLC and its affiliates. These policies and procedures include information barriers designed to prevent the flow of information between J.P. Morgan Securities LLC and certain other affiliates. Certain actual or potential conflicts of interest are described below, while others are described throughout this Guide, particularly those relating to fees and other compensation received by advisors, J.P. Morgan Securities LLC and its affiliates.

### **J.P. Morgan Acting in Multiple Commercial Capacities**

J.P. Morgan is a diversified financial services firm that provides a broad range of services and products to its clients and is a major participant in the global currency, equity, commodity, fixed income and other markets in which J.P. Morgan Securities LLC client accounts invest. J.P. Morgan is typically entitled to compensation in connection with these activities. In providing services and products to clients other than J.P. Morgan Securities LLC's clients, J.P. Morgan, from time to time, faces conflicts of interest with respect to activities recommended to, or performed for, J.P. Morgan Securities LLC clients on one hand and for J.P. Morgan's other clients on the other hand. J.P. Morgan also advises and represents potential buyers and sellers of businesses worldwide. J.P. Morgan Securities LLC client accounts have invested in, and in the future may invest in, such entities represented by J.P. Morgan or with which J.P. Morgan has a banking, advisory or other financial relationship. In addition, certain clients of J.P. Morgan, including J.P. Morgan Securities LLC clients, invest in entities in which J.P. Morgan holds an interest, including a J.P. Morgan Fund or J.P. Morgan ETF.

In providing services to its clients and as a participant in global markets, J.P. Morgan, from time to time, recommends or engages in activities that compete with or otherwise adversely affect a J.P. Morgan Securities LLC client account or its investments. It should be recognized that such relationships can preclude J.P. Morgan Securities LLC's clients from engaging in certain transactions and can also restrict investment opportunities that would otherwise be available to J.P. Morgan Securities LLC clients. J.P. Morgan is often engaged by companies as a financial adviser, or to provide financing or other services in connection with commercial transactions that are potential investment opportunities for J.P. Morgan Securities LLC's clients. J.P. Morgan reserves the right to act for these companies notwithstanding the potential adverse effect on J.P. Morgan Securities LLC's clients. J.P. Morgan derives ancillary benefits from providing investment advice, custody, administration, prime brokerage, transfer agency, fund accounting and shareholder servicing and other services to JPMWM's clients. Providing such services to J.P. Morgan Securities LLC's clients enhances J.P. Morgan's relationships with various parties, facilitates additional business development and enables J.P. Morgan to obtain additional business and generate additional revenue.

### **J.P. Morgan's Proprietary Investments**

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

## **Investing in Securities in which J.P. Morgan Securities LLC or a Related Person Has a Material Financial Interest**

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

## **Other Financial Services Provided by J.P. Morgan Securities LLC and its Affiliates**

In addition to the services provided by J.P. Morgan Securities LLC to its brokerage clients, J.P. Morgan Securities LLC and its affiliates provide other financial services to individuals, corporations and municipalities. Those companies provide a wide variety of financial services to each other and third parties to facilitate servicing clients. These services may include, but are not limited to, banking and lending services, trustee services, sponsorship of deferred compensation and retirement plans, investment banking, securities research, institutional trading services, investment advisory services and executing portfolio securities transaction for funds and other clients. J.P. Morgan Securities LLC and its affiliates receive compensation for these services.

## **Transfer of Assets to J.P. Morgan Securities LLC**

When you transfer assets from another firm to J.P. Morgan Securities LLC, including rolling over assets from retirement plans or other accounts, we earn compensation on the assets; note that we will not earn this compensation if the assets are not transferred to us. We may also earn more, and your advisor will begin to earn compensation, if your assets are transferred from a J.P. Morgan Self-Directed Investing or J.P. Morgan Automated Investing account and placed in an investment advisory account or a full-service brokerage account, or are used to purchase an annuity through us. Advisors are not compensated on J.P. Morgan Self-Directed Investing or J.P. Morgan Automated Investing accounts. Thus, you should be aware that we do have an economic interest in you transferring or rolling over your assets to us.

## **Allocation**

Potential conflicts of interest may arise in the process of allocating securities to full-service brokerage accounts for the purchase of securities that are distributed through syndicate transactions, particularly with regard to some equity IPO securities. J.P. Morgan Securities LLC may have an incentive to allocate syndicate securities to certain accounts or clients, particularly in cases where the client demand for the syndicate offering exceeds the supply. For example, J.P. Morgan Securities LLC has an incentive to allocate to one account over another account because it may receive more revenue from one account than it does from a similar account. This could incentivize J.P. Morgan Securities LLC to allocate opportunities of limited availability to the account that generates more revenue for J.P. Morgan Securities LLC.

J.P. Morgan Securities LLC has established policies, procedures and practices to manage the conflict described above. J.P. Morgan Securities LLC's syndicate allocation practices are designed such that syndicate allocation decisions are made following established procedures that require consideration of multiple factors and are designed to comply with securities laws and other applicable regulations. Syndicate allocation decisions that may give rise to material actual, potential or perceived conflicts of interest will be identified and escalated for review and resolution.

## **Non-U.S. Investments**

International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Also, the volatility of

some non-U.S. markets may be higher due to the instability associated with their local political and economic environments.

### **Fully Paid Lending**

JPMS may borrow securities made available for lending for any purpose permitted under Regulation T of the Board of Governors of the Federal Reserve System ("Regulation T"), including, but not limited to, to satisfy delivery requirements resulting from short sales. Use of loaned securities to facilitate short selling could put downward pressure on the price of such securities. Loaned securities may be, or may become, "hard to borrow" because of short selling or scarcity of available lending supply or corporate events that may impact liquidity in a security.

JPMS may, at its discretion, initiate a loan from the client's account without prior notice to, or further instruction from, the client.

While a loan is outstanding, and until loaned securities are credited back to the client's account upon termination of a loan, the client will lose certain rights with respect to the loaned securities, including, but not limited to, the right to vote such securities.

In addition, the client will receive manufactured payments on the loaned securities (e.g., a substitute payment made in cash) in lieu of receiving dividends directly from the issuer. Certain unique dividends may not be capable of being exactly replicated as a manufactured payment. If the client is a U.S. citizen or U.S. resident, cash payments in lieu of dividends will not be afforded the same treatment as qualified dividends for tax purposes and will likely be taxed at a higher rate. JPMS may be required to withhold tax on payments in lieu of dividends and loan fees, unless an exception applies.

Lender should consult a tax professional regarding the tax implications of entering into a loan with JPMS, including, but not limited to: treatment of cash-in-lieu payments under U.S. tax laws, as well as any non-U.S. tax regulations, as applicable; under what circumstances a Loan could be treated as a taxable disposition of the loaned securities; and treatment of Loan Fees.

### **Ownership Interest in J.P. Morgan Stock**

Certain asset management firms (each, an "asset manager") through their funds and separately managed accounts currently hold a 5% or more ownership interest in J.P. Morgan publicly traded stock. This ownership interest presents a conflict of interest when JPMCB, J.P. Morgan Securities LLC, J.P. Morgan Private Investments Inc. and J.P. Morgan (collectively JPM) recommends or purchases the publicly traded security of the asset manager or the separately managed accounts or funds that are managed or advised by the asset manager. JPM addresses this conflict by disclosing the ownership interest of the asset manager and by subjecting the asset manager's separately managed accounts and funds to a research process. Additionally, the financial advisers and portfolio managers that may purchase or recommend securities, separately managed accounts and funds of an asset manager that has an ownership interest in J.P. Morgan do not receive any additional compensation for that purchase or recommendation. A fund ownership interest in J.P. Morgan can cause the fund and its affiliates to determine that they are unable to pursue a transaction or the transaction will be limited or the timing altered. J.P. Morgan monitors ownership interests in J.P. Morgan for regulatory purposes and to identify and mitigate actual and perceived conflicts of interest. As of December 31, 2022, both Vanguard Group, Inc. and BlackRock, Inc. hold more than a 5% interest in J.P. Morgan.

### **Complex Registered Mutual Funds and Exchange-Traded Products**

For additional information regarding complex registered mutual funds and ETPs, please contact your advisor or go to [jpmorgan.com/complex-funds](http://jpmorgan.com/complex-funds).

***At J.P. Morgan, we believe in doing first class business in a first class way. We are thankful for each and every one of our clients and appreciate your time and consideration. For additional information on any J.P. Morgan product or service, visit our website [jpmorgansecurities.com](http://jpmorgansecurities.com).***

## STATE-SPECIFIC INFORMATION

### A. MASSACHUSETTS

The Massachusetts Securities Division has adopted a standard of conduct rule which highlights the nature of our relationship with you under the state's law. Their rule, called "Fiduciary Duty of Broker-dealers and Agents," imposes a duty of care and loyalty on broker-dealers and advisors when providing certain investment advice or making certain recommendations to Massachusetts investors.

### B. NEVADA

Nevada amended its Financial Planner statute to include broker-dealers and investment advisers and their representatives within the definition of a financial planner, and thus subject them to provisions of the Nevada financial planner law.

## APPENDIX

### A. SERVICE FEES FOR FULL-SERVICE BROKERAGE ACCOUNTS

Refer to next page.

### B. REVENUE SHARING FUND PARTNERS

J.P. Morgan Securities LLC receives revenue sharing payments from the following fund partners for marketing and support services:

- AllianceBernstein, Allspring, American Century, American Funds, BlackRock, BNY Mellon/Dreyfus, Federated Hermes, Fidelity, Franklin Templeton/Brandywine/ClearBridge/Legg Mason/Royce/Western, Goldman Sachs, Hartford, Invesco, John Hancock, JPMorgan, Macquarie/Delaware/Ivy Funds, Morgan Stanley/Eaton Vance/Calvert, Lord Abbett, MFS, New York Life/Mainstay, Nuveen, Pacific Funds, PGIM, PIMCO, Putnam, and Transamerica.

The aforementioned revenue share payments from fund partners are not a factor in J.P. Morgan Securities LLC's decision of what funds are included on the firm's approved or solicitation list.

### Fee Schedule for Full Service Brokerage and Managed Accounts

#### PLEASE READ CAREFULLY

This schedule contains information about the fees and charges that apply to your account and your transactions. Please note that fees and other information are subject to change without notice.

<b>ADMINISTRATIVE FEES</b>	Non-Retirement Account Transfer and Termination — Full Service Brokerage and Managed Accounts only	\$95
	IRA Account Transfer and Termination — Full Service and Managed Accounts only	\$95
	Wire Transfer — Full Service and Managed Accounts only	\$20
	Trade Confirmation Fee — Full Service and SDI Accounts Only *How to avoid this fee: Enable electronic confirmations	\$5
	Debit Balance Interest due to fees, pre-payment, late payment and other miscellaneous charges above free cash available	<p>Prevailing Margin Rate</p> <ul style="list-style-type: none"> <li>• \$0 to \$25,000: Prime + 4.75%</li> <li>• \$25,001 to \$50,000: Prime + 4.50%</li> <li>• \$50,001 to \$100,000: Prime + 4.00%</li> <li>• \$100,001 to \$500,000: Prime + 3.75%</li> <li>• \$500,001 to \$1,000,000: Prime + 3.00%</li> <li>• \$1,000,001 to \$3,000,000: Prime + 2.50%</li> <li>• \$3,000,001 to \$10,000,000: SOFR + 2.35%</li> <li>• \$10,000,001 and above: SOFR + 1.85%</li> </ul>

All of the above fees will be charged either to your linked bank account or brokerage account.

Please access your account at [www.jpmorganonline.com](http://www.jpmorganonline.com) or via the J.P. Morgan Mobile® app for information and instructions on how to go paperless.

The annual rate of interest that you will be charged on any U.S. dollar denominated credit is based on either the Prime interest rate (Prime) or the Secured Overnight Financing Rate (SOFR). The Prime is an important index used by banks to set rates on many consumer loan products, such as credit cards or auto loans. The Prime will move up or down in lockstep with changes made by the Federal Reserve Board. SOFR is a benchmark for dollar-denominated derivatives and loans. SOFR is based on transactions in the Treasury repurchase market.

The Prevailing Margin Rate can be found at [https://www.jpmorgan.com/content/dam/jpm/global/disclosures/by-regulation/brokerage\\_products\\_services\\_jpms.pdf](https://www.jpmorgan.com/content/dam/jpm/global/disclosures/by-regulation/brokerage_products_services_jpms.pdf)

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