

J.P. MORGAN PRIVATE BANK

# Trust and Estate Risk Disclosure Booklet

Important Disclosure Information for Discretionary Managed Trust Accounts

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## SECTION I—INTRODUCTION

Where JPMorgan Chase Bank, N.A. or J.P. Morgan Trust Company of Delaware (the “Bank”, “us” or “we”) serves as discretionary trustee (the “Corporate Trustee”), we may only invest in products that we believe are appropriate for the trust. A key element of our duty is to ensure that you understand the principal risks associated with each product in which the trust invests.

The financial markets present many different risks of which investors should be aware prior to investing. The purpose of this Risk Disclosure Booklet is to provide a description of certain generic risks that may be common to all investments and to describe in more detail the nature and risks of the principal types of investments that are offered. Our objective is to explain the risks in sufficient detail to enable you to understand and where you have authority, such as a co-trustee, make shared investment decisions on behalf of the trust, on an informed basis.

If you do not have investment authority or if you do but have delegated your investment authority to us, then we will not provide you with any additional documentation prior to our making an investment on behalf of the trust. If you have delegated your investment authority to us, then in order to fulfill the asset allocation you will have authorized us to invest in a number of the products that are mentioned in this Risk Disclosure Booklet.

The product descriptions and the risks disclosed in this Risk Disclosure Booklet are illustrative and cannot be exhaustive. For example, the Risk Disclosure Booklet does not deal with risks associated with a particular issuer or counterparty, general economic risks (notably those associated with a particular market, interest rate fluctuations, etc.) or tax risks which may be specific to each particular trust. We have attempted to explain the key characteristics of the main asset classes and to describe certain recognized risks of investing in such asset classes.

Section 2 of this Risk Disclosure Booklet contains important information about the investments and describes potential conflicts of interest. Section 3 describes in more detail certain specific products and key risks of certain types of investments. Section 4 discusses additional general risks and contains important information about trading.

This Risk Disclosure Booklet is also available electronically on <https://www.jpmorgan.com/PB-TE-Risk-Disclosure>. From time to time we will update the Risk Disclosure Booklet and we will notify you of any such updates.

Please contact your J.P. Morgan team if you would like further information or explanation regarding any of the investments or risks referred to in this Risk Disclosure Booklet.

## SECTION II—CONFLICTS OF INTEREST

### IMPORTANT INFORMATION ABOUT THE INVESTMENTS AND POTENTIAL CONFLICTS OF INTEREST

As further described below and in the Trust Portfolio Guidelines, conflicts of interest will arise whenever the Corporate Trustee has an actual or perceived economic or other incentive in its management of the trust to act in a way that benefits the Corporate Trustee or its affiliates (together, “JPMC” or “J.P. Morgan”). The Corporate Trustee’s duty of loyalty generally prohibits it from engaging in transactions that would create conflicts of interest, unless permitted by the trust instrument or applicable law. Conflicts are permitted in certain circumstances, such as when we invest in a mutual fund or separately managed account managed by the Bank or an affiliate of the Bank, such as J.P. Morgan Investment Management Inc. Depending on the terms of the trust instrument and applicable law, conflicts may or may not be permissible, such as (1) when the Bank invests in an investment product, such as a structured product or hedge fund issued or managed by the Bank or an affiliate of the Bank, such as J.P. Morgan Investment Management Inc.; (2) when the Bank obtains services, including trade execution and trade clearing, from an affiliate of the Bank; (3) when the Bank receives payment as a result of purchasing an investment product for the trust account; or (4) when the Bank or its affiliates receives payment for providing services (including shareholder servicing, recordkeeping or custody) with respect to investment products purchased for the trust. Other permissible conflicts will result because of relationships that the Bank or its affiliates have with other clients or when the Bank or its affiliates act for their own account in unrelated transactions.

Investment strategies are selected from both JPMC and third-party asset managers and are subject to a review process by our manager research teams. From this pool of strategies, our portfolio construction teams select those strategies we believe fit our asset allocation goals and forward looking views in order to meet the trust’s investment objective.

As a general matter, we prefer JPMC Managed Strategies and Products. We expect the proportion of JPMC Managed Strategies and Products will be high (in fact, up to 100 percent) in strategies such as, for example, cash and high-quality fixed income, subject to applicable law and any account-specific considerations. JPMC Managed Strategies and Products are: (i) mutual funds (other than money market funds), exchange traded funds, other registered funds, and hedge funds managed by JPMC or structured products issued by JPMC; (ii) Six Circles Funds, which are mutual funds managed by JPMC and sub-advised by third parties, and for which JPMC does not retain a fee for fund management or other services; and (iii) fixed income, equity and alternative separately managed accounts managed by JPMC, in which JPMC is appointed investment advisor.

While our internally managed strategies generally align well with our forward looking views, and we are familiar with the investment processes as well as the risk and compliance philosophy of the firm, it is important to note that JPMC receives more overall fees when internally managed strategies are included, except as noted below and in the Trust Portfolio Guidelines. We offer you the option of choosing to exclude JPMC Managed Strategies and Products (other than cash and liquidity products) that otherwise would be legally permitted investments.

The Six Circles Funds are mutual funds advised by JPMC and sub-advised by third parties. Although considered internally managed strategies, JPMC does not retain a fee for fund management or other fund services.

The same or similar investment strategies may be offered by JPMC, or may be managed by the same sub-advisor in different affiliate sales channels, and at different fee levels.

### Float

The Bank or its affiliates may retain, as compensation for the performance of services, the trust account’s proportionate share of any interest earned on aggregate cash balances held by JPMC with respect to “assets awaiting investment or other processing.” These “assets awaiting investment or other processing” are invested by JPMC in a number of short-term investment products and strategies, including, without limitation, loans to customers and investment securities, though the amount of earnings retained by JPMC 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 include, to the degree applicable, new deposits to the trust account, including interest and dividends, and any uninvested assets held in the trust account caused by a sale of securities. JPMC 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 the Bank makes a distribution from the trust account. Thus, pursuant to the Bank’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 noninterest-bearing omnibus deposit account at the Bank, where it remains until the earlier of the date the check is presented for payment, or the date the payment on the check is stopped (in which case the underlying funds are returned to the account). The Bank derives earnings (float) from use of funds that may be held in this manner, as described above.

### IMPORTANT INFORMATION ABOUT CONFLICTS RELATING TO JPMC SERVICE PROVIDERS

JPMC provides financing, consulting, investment banking, management, custodial, prime brokerage, transfer agency, shareholder servicing, treasury oversight, administration, distribution or other services (“Services”) to its clients, including investment funds, products or companies in which the Bank invests on behalf of its trust accounts when permitted by the trust instrument or applicable law. These relationships generate revenue to JPMC and have the potential to influence the Bank in deciding whether to select such investment funds, products or companies for investment by its trust accounts, in deciding how to manage such investments, and in deciding when to sell such investments. For example, JPMC earns compensation from private investment funds or their sponsors for providing certain Services, and the Bank would otherwise have an incentive to favor such funds over other funds with which JPMC has no relationship when investing on behalf of its trust accounts because such investments potentially increase JPMC’s overall revenue. In addition, JPMC derives ancillary benefits from providing such Services. Therefore, it is important for you to know that JPMC has policies which seek to ensure the receipt of such compensation as described above does not affect the Bank’s decisions. For example, J.P. Morgan Wealth Management (“WM”) maintains various types of internal information barriers and other policies that are designed to prevent certain information from being shared or transmitted to other business units within WM and within JPMC more broadly. The Bank relies on these information barriers to protect the integrity of its investment process and to comply with fiduciary duties and regulatory obligations.

## SECTION III—KEY CONSIDERATIONS AND RISKS OF CERTAIN TYPES OF INVESTMENTS

The following discussion is focused on key considerations and risks of certain types of investments. The trust account may include some or all of the following investments depending on its suitability profile and what is permitted by the trust instrument or applicable law. If you would like additional information on any of the investments below, please reach out to your J.P. Morgan team.

### IMPORTANT INFORMATION ABOUT SEPARATELY MANAGED ACCOUNTS AND OTHER HOLDINGS OF INDIVIDUAL STOCKS AND BONDS

Trust accounts invested in individual equity or fixed income securities may be managed by the Bank or by a third-party manager, including an affiliate of the Bank. These investments may be following a separately managed account strategy or may consist of individual stocks and bonds. When the Bank or an affiliate of the Bank manages these investments, if permitted by the trust instrument or applicable law, JPMC may receive fees for these services in addition to the Corporate Trustee's Administration or Advisory Fees. Additionally, a manager of a Separately Managed Account ("SMA") may invest in products that result in additional revenue to JPMC when permitted by the trust instrument or applicable law.

Furthermore, such managers of SMAs may trade with J.P. Morgan Securities LLC, an affiliated broker-dealer, as a trading counterparty. If a manager buys or sells securities from or to J.P. Morgan Securities LLC acting as a dealer or underwriter, the manager may buy or sell as principal such securities from or to such JPMC affiliate, or from or to a member of an underwriting syndicate of which J.P. Morgan Securities LLC is a member. As such, there is a benefit to the affiliated broker-dealer since its overall revenues are increased. The fees earned by the affiliated broker-dealer are in addition to the trustee fees paid directly by the trust to the Corporate Trustee. Therefore, the fees earned by the affiliated broker-dealer affiliate will be received by the affiliated broker-dealer only when permitted by the trust instrument or applicable law. In addition, the Bank manages this conflict through disclosure to clients as well as through various governance and oversight forums.

### JPMorgan Chase & Co. Stock Held in Index-Tracking Strategies

Certain index-tracking strategies managed by the Bank or an affiliate are designed to approximate the characteristics of an index (such as the S&P 500 Index) and such strategies can invest in JPMorgan Chase & Co. publicly traded securities ("J.P. Morgan stock"). The management fee for such strategies will apply to all holdings in the strategy, including J.P. Morgan stock. As such, when permitted by the trust instrument or applicable law, the Bank or an affiliate will earn a management fee on J.P. Morgan stock when managing certain index-tracking strategies.

### IMPORTANT INFORMATION ABOUT REGIONAL-FOCUSED PORTFOLIOS

Trust accounts focusing on investments in certain regions (including those focused on the United States) are likely to hold more investments from that region than trust accounts with greater regional diversification. The economic, business, political, regulatory, social and environmental conditions in that region are likely to affect regionally-focused trust accounts, and the trusts' performance, more than they affect trusts with greater regional diversification.

### IMPORTANT INFORMATION ABOUT MUTUAL FUNDS AND EXCHANGE-TRADED FUNDS ("ETFs") REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED ("REGISTERED FUNDS")

- (i) **JPMC Funds—Management Fees** JPMC may be the sponsor or manager of Registered Funds, including ETFs ("JPMC Funds"), that are purchased for the trust's account. In such case, JPMC in most cases will receive a fee for managing the JPMC Fund or for providing other services to the JPMC Funds based on the value of the assets invested in the JPMC Funds. As such, JPMC will receive more total revenue when the trust is invested in JPMC Funds than when it is invested in third-party funds, unless prohibited by the terms of the trust instrument or applicable law.
- (ii) **JPMC Funds and Third-Party Funds—Other Fees and Expenses** All Registered Funds have various internal fees and other expenses, that are paid by managers or issuers of the Registered Funds or by the Registered Fund itself, but that ultimately are borne by the investor. JPMC may receive administrative and servicing and other fees for providing services to both JPMC Funds and third-party Registered Funds that are held in the trust's account, unless prohibited by the terms of the trust instrument or applicable law. These payments may be made by sponsors of Registered Funds (including affiliates of the Bank) or by the Registered Funds themselves and may be based on the value of the Registered Funds in the trust's account. Registered Funds (or their sponsors) may have other business relationships with JPMC outside of its portfolio management role or with JPMC broker-dealer affiliates, which may provide brokerage or other services that pay commissions, fees and other compensation.

- (iii) **Six Circles Funds** The Six Circles Funds are Registered Funds specifically designed by JPMC for use in discretionary accounts as completion funds to align with JPMC's core portfolio views. A JPMC affiliate acts as investment advisor to the Six Circles Funds and engages third-party investment managers as sub-advisors to the Funds' investment portfolios. JPMC may experience certain benefits and efficiencies from investing account assets in the Six Circles Funds instead of unaffiliated investment vehicles; however, JPMC does not retain investment advisory fees for managing the Six Circles Funds through an agreement to waive any investment advisory fees that exceed the fees owed to the Six Circles Funds' third-party sub-advisors. The Six Circles Funds do not pay fees to JPMC for any other services to the Six Circles Funds. Services are provided by third-party service providers and are generally paid by the Six Circles Funds or JPMC. (Note that the market value of assets invested in the Six Circles Funds will be included in calculating the trustee fees paid on the overall trust account.)

Six Circles Fund shares may only be purchased through client accounts for which JPMC has investment discretion. Should a trust account be terminated with trust assets distributed to beneficiaries, or the trust account be moved to a successor trustee, and there is a desire to retain the interest in the Six Circles Fund or Funds, Six Circles Fund shares must be held through an eligible brokerage account and no new purchases into the Six Circles Funds will be permitted (other than dividend reinvestment) or the Fund shares may be transferred to another client account for which JPMC has investment discretion. Note that since the Six Circles Funds are completion portfolios designed to complement and work as part of the overall trust portfolio and are not intended to be standalone investments, each Six Circles Fund may underperform as a standalone investment, even in instances where the overall trust portfolio performs as intended. Further, a Six Circles Fund's overall performance and liquidity may be negatively affected, and additional transaction costs may be incurred by the Six Circles Fund, as a result of (i) allocation decisions made by JPMC to shift discretionary client assets among the Six Circles Funds and other investments and (ii) allocation decisions made by JPMC to shift Six Circles Fund assets among different investment strategies and sub-advisors, which may negatively affect the value of Six Circles Fund shares.

### Conflicts Related to New JPMC Funds

JPMC has an incentive to allocate assets to new JPMC Funds to help JPMC develop new investment strategies and products. JPMC has an incentive to allocate assets of the trust account to a JPMC Fund that is small or to which JPMC has provided seed capital. In addition, JPMC has an incentive not to sell or withdraw assets from a JPMC Fund in order to avoid or delay the sale or withdrawal's adverse impact on the fund. Accounts managed by JPMC have significant ownership in certain JPMC Funds. JPMC faces conflicts of interest when considering the effect of sales or redemptions on such funds and on other fund shareholders in deciding whether and when to redeem its shares. A large sale or redemption of shares by JPMC acting on behalf of its clients could result in the underlying JPMC Fund selling securities when it otherwise would not have done so, potentially increasing transaction costs and adversely affecting fund performance. A large sale or redemption could also significantly reduce the assets of the fund, causing decreased liquidity and, depending on any applicable expense caps, a higher expense ratio, or liquidation of the fund. JPMC has policies and controls in place to govern and monitor its activities and processes for identifying and managing conflicts of interest.

### IMPORTANT INFORMATION ABOUT EXCHANGE-TRADED FUNDS ("ETFs") AND INDEX MUTUAL FUNDS

ETFs and index mutual funds are marketable securities that are interests in registered funds, and are designed to track, before fees and expenses, the performance or returns of a relevant basket of assets, usually an underlying index. The index may be published or calculated by affiliates of the Bank. Unlike mutual funds, an ETF trades like a common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. ETFs typically have higher daily liquidity and lower fees than mutual fund shares.

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

In addition to the general risks of investing in funds, there are specific risks to consider with respect to an investment in these passive investment vehicles. ETF and index mutual fund performance may differ from the performance of the applicable index for a variety of reasons. For example, ETFs and index mutual funds incur operating expenses and portfolio transaction costs not incurred by the benchmark index, may not be fully invested in the securities of their indices at all times, or may hold securities not included in their indices. In addition, corporate actions with respect to the equity securities underlying ETFs and mutual funds (such as mergers

and spin-offs) may impact the variance between the performances of the funds and applicable indices. Passive investing differs from active investing in that ETF and index mutual fund managers are not seeking to outperform their benchmark. As a result, managers may hold securities that are components of their underlying index, regardless of the current or projected performance of the specific security or market sector. Passive managers do not attempt to take defensive positions based upon market conditions, including declining markets. This approach could cause a passive vehicle's performance to be lower than if it employed an active strategy.

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

Certain funds track financial indexes in which the Bank 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. Affiliates of the Bank may develop or own and operate stock market and other indexes based on investment and trading strategies developed by such affiliates. Affiliates of the Bank may also assist unaffiliated entities in creating indexes that are tracked by certain ETFs and index mutual funds utilized by the Bank. Some ETFs and index mutual funds seek to track the performance of these indexes. JPMC may, from time to time, invest trust assets in these ETFs and index mutual funds. In addition, JPMC may manage strategies which track the same indexes used by the ETFs and index mutual funds or which may be based on the same, or substantially similar, strategies that are used in the operation of the indexes and the ETFs and index mutual funds. The operation of the indexes, the ETFs and index mutual funds and trust accounts in this manner may give rise to potential conflicts of interest. For example, accounts that track the same indexes used by the ETFs and index mutual funds may engage in purchases and sales of securities relating to index changes prior to the implementation of index updates or at the time as of which the ETFs and index mutual funds engage in similar transactions because the accounts may be managed and rebalanced on an ongoing basis, whereas the ETFs' and index mutual funds' portfolios are only rebalanced on a periodic basis corresponding with the rebalancing of an index. These differences may result in the accounts having more favorable performance relative to that of the index and the ETFs and index mutual funds or other accounts that track the index. Other potential conflicts include the potential for unauthorized access to index information, allowing index changes that benefit the Bank or other client accounts and not the investors in the ETFs and index mutual funds. JPMC has established certain information barriers and other policies to address the sharing of information between different businesses within JPMC, including with respect to personnel responsible for maintaining the indexes and those involved in decision-making for the ETFs and index mutual funds.

**For additional important information about conflicts of interest related to ETFs and index mutual funds that are JPMC Funds, please see IMPORTANT INFORMATION ABOUT MUTUAL FUNDS AND EXCHANGE-TRADED FUNDS ("ETFs") REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED ("REGISTERED FUNDS") above.**

#### **EXCHANGE-TRADED NOTES**

An exchange-traded note ("ETN") is designed to deliver the total return on a broad security or commodity index or individual security or commodity. ETNs pose risks that are very different from risks associated with ETFs or mutual funds that might invest in the same index or commodity. An ETF or mutual fund holding is a share in a portfolio of assets that is held separately from the assets of the portfolio's manager. ETNs are unsecured bonds or notes of the issuer, which is obligated to deliver the return of the index or commodity tracked by the ETN in accordance with the terms of the specific ETN. ETN investors have no ownership interest in the underlying index or commodity and are wholly dependent on the issuer's ability to pay. If the issuer becomes insolvent, ETN holders may lose their entire investment.

**Acceptance of Prospectus and Issuer-Related Materials.** The Corporate Trustee is authorized to accept delivery of prospectuses and other issuer-related materials and reports on the trust's behalf. There are certain specific risk factors and potential conflicts of interest set forth in those documents, as well as rights, responsibilities and liabilities with respect to particular investments. The Corporate Trustee may

rely upon the prospectus, reports, offering documents, and third-party marketing materials when making an investment on behalf of the trust and the Corporate Trustee is not responsible for the completeness or accuracy of any such third-party materials. If you do not have investment authority, then we are not required to deliver any prospectus, report or offering document directly to you, but such information is available upon request.

#### **MUTUAL FUND LIQUIDITY RISKS**

A mutual fund may make investments that are illiquid or that may become less liquid in response to market developments or adverse investor perceptions. Illiquid investments may be more difficult to value. The liquidity of portfolio securities can deteriorate rapidly due to credit events affecting issuers or guarantors, such as a credit rating downgrade, or due to general market conditions or a lack of willing buyers. An inability to sell one or more portfolio positions, or selling such positions at an unfavorable time and/or under unfavorable conditions, can increase the volatility of a mutual fund's net asset value ("NAV") per share. Liquidity risk may also refer to the risk that the mutual fund will not be able to pay redemption proceeds within the allowable time period because of unusual market conditions, an unusually high volume of redemption requests, or other reasons. Liquidity risk may be the result of, among other things, the reduced number and capacity of traditional market participants to make a market in fixed income securities or the lack of an active market. The potential for liquidity risk may be magnified by a rising interest rate environment or other circumstances where investor redemptions from money market and other fixed income mutual funds may be higher than normal, potentially causing increased supply in the market due to selling activity.

You should be aware that mutual funds are not intended to function as cash accounts and should be viewed as long-to-medium term investments. Fund companies customarily have policies against short-term trading, which they may enforce by imposing early redemption fees or withdrawals made within a specified period following investment or by barring the purchase of new shares for a period of time. If the Bank is required to liquidate securities in order to satisfy a withdrawal request prior to the expiration of any minimum holding period imposed by a fund company, the trust may be required to pay any redemption fee imposed by the fund company (unless such fee has been waived) and additionally may be restricted from further investments in such fund company. The trust's ability to invest additional funds in a mutual fund also may be affected.

#### **RISKS OF INVESTING IN MONEY MARKET FUNDS**

##### **Stable NAV Funds**

It is possible to lose money by investing in a Stable NAV money market fund ("Fund"). Although the Fund seeks to preserve the value of the investment at \$1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon the sale of shares or may temporarily suspend the trust's ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

##### **Floating NAV Funds**

It is possible to lose money by investing in a Floating NAV money market fund ("Fund"). Because the share price of the Fund will fluctuate, when the trust sells shares they may be worth more or less than what the trust originally paid for them. The Fund may impose a fee upon the sale of shares or may temporarily suspend the trust's ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time. Past performance is no guaranty of future results.

#### **ESG INVESTING RISK**

ESG investing is an investment strategy in which environmental, social and governance factors are integrated into the due diligence and financial analysis of investment managers. ESG refers to the following:

- **Environmental:** Environmental factors (carbon footprint, renewable energy) involve evaluating the way a company uses its resources and sets policies to limit its environmental impact and protect the environment;
- **Social:** Social factors (privacy and data concerns, investments in the community) focus on the way in which a company seeks to create value through its relationships with employees, suppliers, its customers and the communities in which it does business;
- **Governance:** Governance factors (board diversity, business ethics) involve the accountability of a company's management to its shareholders, a company's practices regarding business ethics, as well as a company's responsibility to society.

ESG investing may include additional risks. For example, ESG or sustainable investing strategies, including ESG SMAs, mutual funds and ETFs (“ESG Strategies”) may limit the types and number of investment opportunities and, as a result, could underperform other strategies that do not have an ESG or sustainable 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 sustainability/ESG criteria can involve qualitative and subjective analysis, there can be no assurance that the methodology utilized by, or determinations made by, the Bank, or an investment manager selected by the Bank, will align with the investor’s beliefs or values. Additionally, other investment managers, including our affiliate J.P. Morgan Investment Management Inc., can have a different approach to ESG investing and can offer ESG Strategies that differ from the ESG Strategies offered by the Bank with respect to the same theme or topic.

ESG Strategies can follow different approaches to ESG investing. For example, some ESG Strategies select companies based on positive ESG characteristics while others may apply negative screens in order to exclude certain investments. Such investment strategies may also offer the ability to exclude particular sectors or industries from a portfolio. Restrictions and exclusions can affect the investment manager’s ability to make investments or take advantage of opportunities that may be available to clients that do not choose similar restrictions and, as a result, investment performance could suffer. In order to implement category restrictions, the Bank may rely on information about a company, industry classification, industry grouping and/or issuer screening provided by J.P. Morgan or a third party. Category restrictions aim to screen companies with revenue derived from the restricted category, but they do not exclude all companies with any tie or revenue derived from such restricted category. If a trust holds an investment that is perceived to belong to the restricted category, such security will be sold and could trigger a taxable event to the trust. Third-party managers may apply category restrictions differently than J.P. Morgan, therefore, the selection of restricted securities and the number of restricted securities may differ in the same category. The Bank does not review, guarantee or validate any third-party screenings or processes. Issuer screenings and processes to implement category restrictions are not absolute, may change at any time and could result in the portfolio holding investments in companies that derive revenue from the restricted category. Additionally, the application of category restrictions may vary by asset class. Restrictions are not available for all strategies and the Bank can reject a restriction if it deems the restriction to be unreasonable or not in line with the strategy. Any faith-based restrictions will exclude multiple categories selected by a third-party provider based generally on the values and norms of such groups; however, such restrictions may not completely represent or fully align with the investor’s values or religious beliefs.

ESG or sustainable investing is not a uniformly defined concept and scores or ratings may vary across data providers that use similar or different screens based on their process for identifying ESG issuers. The companies selected as demonstrating positive ESG characteristics may not be the same companies selected by other investment managers that use similar ESG screens or methodologies. In addition, companies selected might not exhibit positive or favorable ESG characteristics. ESG investing practices differ by asset class, country, region, and industry and are constantly evolving, and a company’s ESG practices and J.P. Morgan’s assessment of such practices can change over time.

J.P. Morgan takes a global approach to sustainable investing and the solutions offered through our sustainable investing platform are based on our internally defined criteria for a sustainable investment. The evolving nature of sustainable finance regulations and the development of jurisdiction-specific legislation setting out the regulatory criteria for a “sustainable” or “ESG” investment mean that there is likely to be, in the future, a degree of divergence as to the regulatory meaning of such terms. This is already the case in the European Union, for example, where under the Sustainable Finance Disclosure Regulation (EU) (2019/2088) (“SFDR”) certain criteria must be satisfied in order for a product to be classified as a sustainable investment.

#### **IMPORTANT INFORMATION ABOUT INVESTMENTS IN EQUITY SECURITIES**

An investment in equity securities involves a number of risks. The following risk factors discuss some of those risks, but the discussion below is not meant to be exhaustive and the risks discussed do not comprise a complete list of all the risks relating to equity securities.

The price of equity securities may rise or fall because of changes in the broad market or changes in a company’s financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries selected for the trust’s portfolio or the securities market as a whole, such as changes in economic or political conditions. If a company becomes insolvent, its equity securities are repaid only after all other debts of the company have been repaid. This can result in a potential severe reduction in, or total loss of, their value. Investments in smaller, newer companies may be riskier than investments in larger, more-established companies. The securities of smaller companies may trade less frequently and in smaller volumes than securities of

larger companies. In addition, smaller companies may be more vulnerable to economic, market and industry changes.

Investing in equity securities may also expose the trust to inflation and currency risk. Further, the trust will be exposed to the specific risks of the industry in which the company operates. For example, a computer chip manufacturer might have exposure to the availability and price of certain metals. Equity securities may not be registered, publicly listed or traded on an exchange, and these securities are more likely to be illiquid and therefore subject to a higher degree of liquidity risk than registered or listed securities.

#### **IMPORTANT INFORMATION ABOUT PREFERRED SECURITIES INVESTMENTS**

Preferred securities are equity securities issued by corporate or non-corporate (for example, trusts, including real estate investment trusts (“REITs”)) issuers with certain features that are characteristic of debt securities and certain features that are characteristic of common equity securities. For instance, like debt securities, preferred securities are typically issued with a fixed notional value (often referred to as the “liquidation preference amount”) and pay dividends or distributions periodically at a fixed or floating percentage of their notional value. Preferred securities also may (or may not) have credit ratings, but for reasons discussed below, the credit ratings of the preferred securities of an issuer are typically lower than those of its debt securities. Like common equity securities, preferred securities generally are perpetual and do not have a maturity date, and can remain outstanding unless redeemed or repurchased by the issuer. Furthermore, the dividends or distributions payable on a preferred security must be declared by the issuer’s board of directors before the payments can be made. As a consequence, if the board of directors of an issuer does not declare dividends or distributions for the relevant dividend or distribution periods, the issuer will not be obligated to pay dividends or distributions on the relevant payment date, and such dividends or distributions in certain instances may be forfeited.

Holders of an issuer’s preferred securities typically do not have voting rights, unless the issuer is in default on its payments on the preferred securities, in which case holders of the preferred securities may be given certain voting rights until the time the issuer is no longer in such default.

Preferred securities occupy a place in an issuer’s priority of payments that is between debt securities and common equity securities. Holders of an issuer’s debt securities enjoy priority over holders of the issuer’s preferred securities to receive payments, and if an issuer is in default on its debt securities, it will not be permitted to make payments on its preferred securities. Because of their lower priority in receiving payments, preferred securities are typically rated lower than comparable debt securities of the same issuer and pay dividends or distributions at a higher rate than the coupon rates of the comparable debt securities.

Preferred securities are equity interests in an issuer and do not constitute indebtedness. This means that preferred securities of an issuer will rank junior to all existing and future indebtedness of the issuer and to other non-equity claims on the issuer with respect to assets available to satisfy claims on the issuer, including claims in liquidation. Moreover, some issuers may have existing indebtedness that restricts payment of dividends or distributions on their preferred securities in certain circumstances.

Preferred securities can be subject to transfer restrictions and, in limited situations, might not be listed on any securities exchange or have any established trading market. Therefore, trusts invested in preferred securities might not be able to sell the preferred securities at a desired time or price, and may need to hold them as long term investments.

#### **IMPORTANT INFORMATION ABOUT FIXED INCOME INVESTMENTS**

Although fixed income investments are perceived to be conservative investments and more predictable than stocks, they are not without risk. Below are some of the major risks associated with the fixed income instruments that may be purchased in the trust account.

**Credit risk** is the risk that the issuer of a security, or the counterparty to a contract, may not honor its obligation to pay principal or interest, resulting in a loss to the trust. However, losses may occur in a fixed income portfolio invested in securities of good credit quality if the portfolio is actively traded. There may be no market for a fixed income instrument, and the trust 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 prices for a fixed income instrument. This risk is known as **liquidity risk**.

**Credit spread risk** is the risk that a change in credit spreads will adversely affect the value of an investment. 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. 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. Changes in interest rates also affect the value of a fixed income instrument. This is known as **interest rate (duration) risk**. The value of fixed income securities generally moves in the opposite direction of interest rates. Values decrease when interest rates rise and increase when interest rates fall.

Declining interest rates may cause issuers to call their bonds in order to sell new bonds paying lower interest rates. The bond's principal is repaid early, but the trust is left unable to find a similar bond with as attractive a yield. This is known as call risk. A trust invested in callable bonds may not receive the bond's original coupon rate for the entire term of the bond, and it may be unable to find an equivalent investment paying rates as high as the original rate. This is known as reinvestment risk. In addition, once the call date has been reached, the stream of a callable bond's interest payments is uncertain and any appreciation in the market value of the bond may not rise above the call price.

Callable bonds and asset-backed securities (a pool of fixed-income securities backed by a package of assets, including, but not limited to, mortgages, automobile loans and credit card receivables) are also subject to **prepayment and extension risk**. A decline in interest rates and other factors may result in unexpected prepayment of the underlying obligations, possibly causing a decline in the value of the investment and reinvestment at lower interest rates. An increase in interest rates and other factors may extend the life of such a security because the prepayments do not occur as expected, possibly causing a decline in the value of the investment.

Since the Corporate Trustee fees apply to the total market value of the trust assets, in a low interest rate environment the net investment return on fixed income investments could be negative.

**Government Securities Risk** Although U.S. government securities issued directly by the U.S. government are guaranteed by the U.S. Treasury, 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 choose not to provide financial support to its agencies if not required to do so by 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 contain **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 debt denominated in a foreign currency, thereby increasing credit risk.

The trust may hold fixed income investments or vehicles that are, or that may become, subject to liquidity constraints for a variety of reasons, including lack of a trading market or restrictions or other limitations on resale, transfer, withdrawal or redemption of an investment.

Investing in fixed income mutual funds usually entails less risk and less reward than investing in equity mutual funds. As described above, investing in fixed income mutual funds involves four types of risk: interest rate risk, credit risk, prepayment risk, and inflation risk. Additionally, the fund could experience a loss and its liquidity may be negatively impacted when selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent or occur in times of overall market turmoil or declining prices. Similarly, large purchases of fund shares may adversely affect the fund's performance to the extent that the fund is delayed in investing new cash and is required to maintain a larger cash position than it ordinarily would.

#### **IMPORTANT INFORMATION ABOUT CURRENCIES AND FOREIGN EXCHANGE**

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, limited liquidity and higher price volatility of the related securities markets.

#### **IMPORTANT INFORMATION ABOUT STRUCTURED PRODUCTS**

Structured products ("Structures") are securities in which swaps, options, futures, forwards or other combinations or types of derivatives are embedded. Their return is typically linked to the performance of one or more underlying U.S. or international securities, indices, currencies, rates or commodities and may incorporate leverage. Investments in Structures may not be suitable for all trusts. These types of investments entail varying degrees of risk, and while some Structures offer full or

partial principal protection, others can subject the trust to the loss of the full amount invested. In addition, the trust is dependent on the issuer's financial capacity to meet its obligations under a Structure.

Structures used in trust accounts by the Bank may be in the form of unsecured and unsubordinated debt obligations of JPMC (when permitted by the trust instrument or applicable law) or various third-party issuers, and may also take the form of deposits (which may or may not be insured or guaranteed by the Federal Deposit Insurance Corporation or any other government authority), equity or partnership interests, trust certificates, warrants or interests in special purpose vehicles. Payment therefore will depend upon the issuer's financial capacity to meet its obligations. Structures may or may not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of a state or other country and if not registered, will be sold and offered in a transaction that is intended to be exempt from registration under the Securities Act. You should understand that Structures may not be publicly listed or traded on an exchange and therefore may be illiquid investments.

Prior to maturity, Structures issued by an issuer generally are repurchased only by the issuer and only upon terms and conditions acceptable to it, and, in most cases, the Structures are non-transferable and non-negotiable. In the event that an issuer consents to early liquidation, the trust will likely not fully participate in any benefits of the Structure, such as principal protection, buffers or enhanced returns. The price offered by the issuer will likely reflect the issuer's costs of developing, hedging and distributing the Structure and may be lower than the principal amount of the Structure.

Investing in a Structure is not the same as investing directly in the underlying asset. The return on a Structure at maturity generally will not be the same as the return on a direct investment in the underlying asset, and the maximum payment on a Structure may be subject to a cap, which would limit appreciation potential compared to a direct investment. A trust invested in a Structure linked to an equity or equity index does not have voting rights or the right to receive dividends, and the return on the Structure will not reflect dividends, distributions or other payments that would increase the return on a direct investment. The return on the Structure will reflect any volatility in the underlying asset. Certain commodities and currencies are highly volatile, which means that their value may change significantly, up or down, over a short period of time. It is impossible to predict the future performance of any asset based on its historical performance. The amount of principal or interest that can be expected to become payable on a Structure may vary substantially from time to time. Because the amounts payable with respect to a Structure are generally calculated based on the value or level of the underlying asset on a specified date, or over a limited period of time, volatility of the asset increases the risk that the return on the Structure 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 Structures generally hedge their exposure on the Structure. Such hedging may involve the issuer, directly or through its affiliates, entering into transactions involving the securities, commodities, currencies or other instruments underlying the Structure, 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 Structure and could achieve substantial returns from its hedging transactions, while the value of the Structure 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, currencies or other instruments underlying a Structure, or in other derivative instruments related to the underlying asset. These trading activities could adversely affect the value of a Structure. The issuer and its affiliates may also introduce competing products into the marketplace and adversely affect the value of a Structure thereby.

The value of a Structure that is reported on the trust's monthly statement is provided by the issuer and is not independently verified by JPMC. The value is determined using the issuer's own pricing and valuation models, market inputs and assumptions relating to the underlying asset, financial instruments based on the underlying asset, volatility and other factors, including current and expected interest rates, as well as an interest rate related to the implied interest rate at which the issuer's conventional fixed rate debt trades in the secondary market (the "secondary market credit spread").

The original issue price of a Structure includes costs associated with issuing, selling, structuring and hedging the Structure, which are borne by the trust, and, consequently, the estimated value of a Structure on the pricing date will be less than its notional amount. When setting the initial price, the issuer generally takes into account that a Structure comprises both a debt component and a performance-based component linked to the underlying asset. In determining the economic terms of a Structure, the issuer generally will use an internal funding rate that is likely to be lower than its secondary market credit spreads, and therefore advantageous to the issuer. If the issuing, selling, structuring and hedging costs borne by the



trust were lower, or if the internal funding rate were higher, one or more terms of a Structure would be more favorable to the trust. The cost of hedging the issuer's obligations under a Structure includes an estimated profit component.

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. With respect to Structures issued and distributed by JPMC, compensation paid to JPMC, if permitted by the trust instrument or applicable law, will vary with each Structure. For Structures issued by third parties, JPMC may receive a mark-up if permitted by the trust instrument or applicable law. Details on the specific fees and costs associated with each note will be contained in the term sheet for the 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 JPMC, a JPMC affiliate or a third party) for structuring or calculating a proprietary index or formula. 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.

The Bank's affiliate is the distributor of Structures issued by third-party issuers as well as those issued by JPMC. If permitted by the trust instrument or applicable law, the Bank may invest trust assets in Structures issued by JPMC. The Bank has a conflict of interest when Portfolios are invested in Structures issued by its affiliates because it increases the overall revenue of JPMC. When permitted by the trust instrument or applicable law, the Bank addresses this conflict by requiring its distributor to use "best execution" practices when selecting issuers as well as through disclosures and various governance and oversight forums. Such best execution practices include comparing prices for new issue securities by a number of providers (though the trading desk effecting such trade has discretion to choose issuers other than the cheapest bidder for reasons such as credit or other concerns). For secondary selling of securities, the ability to compare market prices is limited; as such, general practice will involve selling the security back to the issuer of the security.

Use of Structures may not be suitable for all trusts. Neither the Corporate Trustee nor any of its affiliates render tax or legal advice. Therefore, the Bank strongly encourages you, if you have investment discretion and have not delegated to the Corporate Trustee, to consult with outside tax and legal professionals regarding the potential that the use of Structures may generate unwanted excise taxes, income taxes and penalties under the Internal Revenue Code of 1986, as amended, including, without limitation, excise taxes on self-dealing under Section 4941, taxes on investments that jeopardize charitable purposes under Section 4944, and taxes on Unrelated Business Taxable Income ("UBTI") under Sections 511 and 512, any or all of which may affect the return on investment and the exempt tax status of the trust.

If you have investment discretion and have delegated your investment authority to us, then inasmuch as the Bank has discretion to invest in a Structure in the trust account, no prospectus, term sheet or offering memorandum (collectively, an "offering document") will be delivered to you prior to an investment. However, the Bank will provide a copy of any offering document to you upon request. If you have investment discretion and have not delegated your investment authority to us, then the offering document will be delivered to you for review prior to investment approval.

#### **IMPORTANT INFORMATION ABOUT REAL ESTATE**

Real estate investments are likely to be illiquid and long-term. Real estate ownership and the real estate industry in general are subject to many risks, including the burdens of ownership of real property; local, national and international economic conditions; supply and demand for properties; the financial condition of tenants, buyers and sellers; changes in interest rates and the availability of mortgage funds; changes in environmental laws and regulations, planning laws and other governmental rules and fiscal and monetary policies; claims arising out of undisclosed or unknown environmental problems or as to which inadequate reserves have been established; changes in real property tax rates; changes in energy prices; force majeure events; terrorist events; and underinsured or uninsurable losses. Real estate assets are subject to long-term cycles that give rise to significant volatility in values.

Illiquidity may result from the absence of an established market for the property. Even if real estate investments are successful, they are unlikely to produce a realized return to the investors for a period of years.

Securities issued by real estate fund companies, including REITs, are subject to the risks associated with the direct ownership of real estate as well as the risks associated with the fund company or REIT itself. Such companies carry the risks of possibly limited operating history, unspecified portfolios, uncertainties in calculating net asset value due to reliance upon appraisals, and restrictions on redemption arising out of the illiquidity of the underlying portfolio. REITs also carry the risk of the possible failure to qualify as a REIT under the Internal Revenue Code of 1986, as amended, which will have adverse tax consequences for investors.

A Portfolio based on real estate may have restricted liquidity. If the trust requires liquidity for the payment of expenses or distributions, such limited liquidity may require the untimely sale of real estate assets which may affect the amount realized.

#### **IMPORTANT INFORMATION ABOUT HEDGE FUNDS, ALTERNATIVE MUTUAL FUNDS AND THE GLOBAL ACCESS PORTFOLIOS**

**General Characteristics and Risks** Hedge funds (1) often engage in leveraging and other speculative investment practices that may increase the risk of the complete loss of the trust's investment; (2) can be highly illiquid because no trading market exists and there are restrictions on resale, transfer, withdrawal or redemption of interests; (3) are not required to provide periodic pricing or valuation information; (4) may involve complex tax structures and delays in distributing important tax information; (5) are not subject to the same regulatory requirements as mutual funds; and (6) often charge performance fees in addition to management fees. Although hedge fund interests sometimes may be resold in privately negotiated transactions, the prices realized on these sales could be less than what the trust paid originally. Many hedge fund investments require the Bank serve as the Corporate Trustee for so long as the trust owns the hedge fund.

**Illiquidity and Limitations on Redemptions** Redemptions from hedge funds generally are not permitted during the first year of investment, and such a "lock-up" could last two or three years. Early redemptions, if permitted, may be subject to a fee based on percentage of assets withdrawn. Investors often are required to submit redemption requests 90 days or more in advance of the withdrawal date and proceeds frequently are not disbursed until approximately 45 days after the withdrawal date. Hedge funds generally will withhold 10% of the proceeds of a full redemption, pending completion of the fund's audit for the fiscal year in which the redemption occurred. Depending on when in the fiscal year a redemption occurs, an investor may wait more than a year for the proceeds of the redemption. Hedge funds generally do not pay interest on proceeds.

Distribution of redemption proceeds may be further delayed if hedge fund managers have utilized "side pockets," which are created when the manager determines that an investment is not readily marketable or is illiquid (a "Side Pocket Investment"). A hedge fund manager may not be required to redeem that portion of the trust's interest attributable to a Side Pocket Investment until the realization of such investment or a determination by the hedge fund manager that such investment has become readily marketable, and decisions of the manager may be subjective and within the manager's sole discretion. The fund's management and incentive fees usually apply to the investments inside the side pocket. Hedge funds that invest in illiquid assets generally reserve the right to limit redemptions through the use of "gates" that limit total outflows over a specified time period or to suspend redemptions outright for a period of time. Such actions will further delay the distribution of redemption proceeds.

**Offering and Subscription Documents** If you have investment discretion and have delegated your investment authority to us, then you will not receive a confidential private placement memorandum ("PPM") unless requested. If you have investment discretion and have not delegated your investment authority to us, then the PPM will be delivered to you for review prior to investment approval. You agree to refrain from disclosing the PPM to any other person (other than to attorneys, accountants or professional financial advisors, who must be advised of the confidentiality obligations set forth herein and agree to be bound by such obligations), and to use the PPM only for purposes reasonably related to the investment in the applicable hedge fund, except that you may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the applicable investment and all materials of any kind (including opinions or other tax analyses) that are provided to the you in connection with the investment relating to such tax treatment or tax structure. In connection with an investment, the Bank will make certain representations and warranties relating to the trust in a subscription agreement. The Bank may rely on information provided to it by you in making certain representations and warranties, and may be liable to a hedge fund if any such representation or warranty is untrue. In the event of such liability, you will be held responsible for all loss and damage, including attorneys' fees.

**Conflicts of Interest** Certain hedge funds and other unregistered investment vehicles may be managed by, advised by, sponsored by, controlled by, or otherwise affiliated with, the Bank and/or its affiliates. JPMC will receive more revenue when the trust is invested in such affiliated hedge funds or investment vehicles than it would receive if the trust were invested in third-party hedge funds or investment vehicles. As a result, the Bank has a conflict of interest when the trust is invested in affiliated hedge funds or investment vehicles, and therefore we will not invest in such affiliated hedge funds or investment vehicles unless permitted by the trust instrument or applicable law. Please see the fee schedule provided to you for additional details regarding fees.

Broker-dealer affiliates of the Bank, such as J.P. Morgan Securities LLC, act as placement agent for JPMC and third-party hedge funds. These affiliates will earn fees from the hedge fund sponsors or the hedge funds for providing placement and other ongoing services to the hedge fund. The fees earned are a percentage of the

hedge fund's management fees and, in some instances, a percentage of the hedge fund's performance fees. The Bank typically chooses to invest only in hedge funds who pay, or whose sponsors pay, such fees to a broker-dealer affiliate of the Bank. The Bank or its affiliate generally chooses to invest Global Access Portfolios in such funds that use our broker-dealer affiliate as a placement agent, but also invests in hedge funds that do not use a broker-dealer affiliate of the Bank as placement agent. Accounts in the Hedge Fund Advisory Program invest both in hedge funds that do and do not use a broker-dealer affiliate of the Bank as placement agent. The use of hedge funds that compensate a broker-dealer affiliate of the Bank directly or by their sponsor for providing placement and other ongoing services involves a conflict of interest because JPMC receives more overall fees when hedge funds that make such payments are included. The fees earned by the broker-dealer affiliate are in addition to the trustee fees paid directly by the trust to the Corporate Trustee. Therefore, the fees earned by the broker-dealer affiliate will be received by the broker-dealer affiliate only when permitted by the trust instrument or applicable law.

Further information about the Global Access Portfolios is provided below as well as in the Confidential Private Placement Memorandum and applicable Supplements, which are available upon request. Further information about the Hedge Fund Advisory Program is provided if the trust participates in that program. Please see the fee schedule available to you for additional details regarding fees.

Additionally, hedge funds or their sponsors may have other business relationships for which JPMC may be compensated, including: (i) relationships with the Bank which may provide custody, administrative or other services to issuers outside of its portfolio management role; and (ii) relationships with the broker-dealer affiliates of the Bank, who may provide prime brokerage and related services to issuers. The trust will bear its proportionate share of such compensation along with the hedge fund's other expenses. In addition to the foregoing, to the extent permitted under applicable law (including Section 4975 of the Internal Revenue Code of 1986, as amended, and ERISA) hedge funds or their sponsors may invest in JPMC managed products within a hedge fund, which may result in additional revenue to JPMC. Similar business and compensation arrangements may exist for alternative mutual funds, which are described below.

**Special Considerations for Tax-Exempt Investors** Use of alternative investments may not be suitable for all tax-exempt investors. Neither the Corporate Trustee nor any of its affiliates render tax or legal advice. Therefore, the Bank strongly encourages you, if you have investment discretion and have not delegated to the Corporate Trustee, to consult with outside tax and legal professionals regarding the potential that the use of alternative investments may generate unwanted excise taxes, income taxes and penalties under the Internal Revenue Code of 1986, as amended, including, without limitation, excise taxes on self-dealing under Section 4941, taxes on investments that jeopardize charitable purposes under Section 4944, and taxes on UBTI under Sections 511 and 512, any or all of which may affect the return on investment and the exempt tax status of the trust.

**Special Considerations for Registered Alternative Mutual Funds** Alternative mutual funds utilize some of the strategies and investments that hedge funds employ, but they differ significantly from both hedge funds and traditional mutual funds. U.S. alternative mutual funds are regulated under the Investment Company Act of 1940 and EU alternative mutual funds are regulated under the Undertakings for Collective Investment in Transferable Securities Directives, which limit their operations in ways that do not apply to unregistered hedge funds. Unlike hedge funds, alternative mutual funds are subject to limits on illiquid investments as well as to leverage and diversification requirements (including limits on how much may be invested in any one issuer). They are priced daily, and fund shares are readily redeemable subject to restrictions that may be imposed under extraordinary circumstances (see the section above on 'Mutual Fund Liquidity Risks' for additional details). Moreover, managers of alternative mutual funds cannot charge investors a "2/20" performance fee for advising the fund, as their private hedge fund advisor peers can. Hedge fund advisors often charge a fee equal to 2% of the fund's assets, plus 20% of gains that the fund produces during a given period.

Alternative mutual funds typically do not follow the typical buy-and-hold strategy of traditional mutual funds and generally will hold more non-traditional investments and will employ more complex trading strategies than traditional mutual funds, which may make alternative mutual funds riskier. Alternative mutual funds may have higher total expense ratios compared to traditional funds, with higher annual operating expenses.

**Special Consideration for Unregistered Alternative Mutual Funds for Offshore Clients** JPMC may invest in alternative mutual funds that are governed by the Alternative Investment Fund Manager Directive (AIFMD). Alternative Mutual Investment Funds may include investment strategies similar to private funds and hedge funds. Such funds may or may not have the liquidity of traditional mutual funds, provide periodic pricing or valuation information to investors, and are subject to the same regulatory requirements as traditional mutual funds, but they engage in leveraging and other speculative investment practices commonly used by hedge funds that may increase the risk of complete loss of the investment. Such funds generally also charge higher fees than traditional mutual funds and

have higher expenses. The use of leverage increases risk to a fund, and the more a fund invests in leveraged instruments, the more it could magnify gains or losses to those investments.

**Special Considerations for Investors in the Global Access Portfolios** JPMorgan Chase Bank, N.A. is the investment manager for Global Access Portfolios, LLC, the issuer of interests (shares) in each of the Global Access Portfolio strategies. Investments in the Global Access Portfolios may be used to achieve, wholly or in part, the trust's investment profile, and the underlying investments in the Global Access Portfolios will be utilized for portfolio construction and strategic asset allocation. Trusts investing in the Global Access Portfolios bear costs relating to the entity, and JPMorgan Chase Bank, N.A. may receive performance or management fees for some Global Access Portfolio strategies. When this occurs, the Corporate Trustee will exclude the value of the Global Access Portfolio when charging the Corporate Trustee's advisory portion of the trustee fee. In addition, JPMC will not retain such additional revenue when the account is an IRA or is governed by ERISA. Instead, the account advisory fees will generally be offset by an amount equal to the account's pro rata share of all such fees paid to JPMC.

The Global Access Portfolios share certain characteristics with hedge funds. A "lock-up" of one year or more and an early redemption penalty may apply to investments in the Global Access Portfolios. Moreover, a withdrawing trust will not receive the withdrawal proceeds in their entirety until 45 days after completion of a Global Access Portfolio's audit, which will not begin until after the close of the fiscal year in which the redemption occurs. The audit generally takes eight months to complete, but could take longer. Interest will not be paid on any proceeds. These restrictions on liquidity apply even if the trust is terminated or the Bank is no longer serving as the Corporate Trustee. **The Confidential Private Placement Memorandum and applicable Supplements contain other important information about the Global Access Portfolios and are available upon request.**

#### **IMPORTANT INFORMATION ABOUT PUBLICLY TRADED PARTNERSHIPS/MASTER LIMITED PARTNERSHIPS**

A "publicly traded partnership" (a "PTP") is a partnership or limited liability company whose units trade on a stock exchange. PTPs sometimes are referred to as "master limited partnerships" or "MLPs." By law, PTPs must limit their businesses to designated industries, typically, energy, natural resources, and real estate, and therefore are subject to the risks of those industries. In particular, a decline in commodity prices could cause a sharp decline in a PTP's cash flow, which will affect distributions to investors. PTPs behave in an interest-rate-sensitive fashion similar to bonds. As interest rates rise, PTP unit prices decrease, and as interest rates decrease, PTP unit prices increase.

PTPs generally receive quarterly cash distributions. Such distributions are not guaranteed and investors run the risk that distributions may be adjusted downward or cancelled. Distributions are based on cash flow (generally net earnings plus depreciation minus certain expenses) and are not the same as the investor's share of the PTP's income. Under the Internal Revenue Code, distributions are a return of capital and are not taxed when received. However, distributions effectively are added to taxable gains when the PTP units are sold. Some gains (those attributable to depreciation and certain assets) are taxed as ordinary income and not at capital gains rates.

PTP taxation is very complex. There is no corporate or entity-level tax, and all tax items flow through to the limited partners or members, who pay taxes at their own rates. Investors get a tax statement on Form K-1 from the PTP and must be prepared to file for an extension of the deadline to file their tax returns in the event the K-1 is not distributed timely. In addition, investors are considered to be "earning" taxable income in any state where the PTP is earning income, and investors are responsible for any state tax owed on that income. Investors therefore may be required to file tax returns in each state in which the PTP operates. If the investor is a tax-exempt entity, such as an IRA, the account's share of net partnership income over \$1,000 is likely to be subject to UBTI, which will involve a tax filing as well. Distributions are not subject to UBTI. Income tax law changes could alter the generally favorable tax treatment for PTPs.

## **SECTION IV—ADDITIONAL RISKS AND IMPORTANT INFORMATION**

### **IMPORTANT INFORMATION ABOUT TRADING**

#### **Conflicts Related to Allocation and Aggregation**

Potential conflicts of interest arise involving both the aggregation of trade orders and allocation of securities transactions or investment opportunities. Allocations of aggregated trades, particularly trade orders that were only partially filled due to limited availability, and allocation of investment opportunities raise a potential conflict of interest because we have an incentive to allocate trades or investment opportunities to certain accounts, clients or funds. For example, we have an incentive to cause accounts we manage to participate in an offering where such participation could increase our overall allocation of securities in that offering.

We have established policies, procedures and practices to manage the conflicts described above. Our allocation and order aggregation practices are designed to achieve a fair and equitable allocation and execution of investment opportunities among our client accounts over time, and these practices are designed to comply with securities laws and other applicable regulations. In addition to the aforementioned policies, procedures and practices, we also monitor a variety of areas, including compliance with account guidelines, fixed income new issue allocation decisions, and any material discrepancies in the performance of similar accounts.

#### **Different Trade Execution Prices**

We may manage a trust account ourselves or utilize another JPMC affiliate or an unaffiliated person or entity as a sub-advisor to provide advisory or investment management services. We, or the sub-advisor, also provides advice to one or more other JPMC affiliates. To the extent we or another JPMC affiliate receives investment advice outside of the normal business hours, we may not consider such advice until the next business day. Depending on the geographic location, or due to other reasons, the Bank, the affiliated or unaffiliated sub-advisor or the other JPMC affiliate each may implement investment decisions at different times. This means that the trust may receive a different price for an underlying security than a client of another such person or entity invested in the same or a similar strategy.

#### **Conflicts Related to Trading Systems**

The Bank may effect trades on behalf of the trust through exchanges, electronic communication networks, alternative trading systems and similar execution systems and trading venues (collectively, "Trading Systems"), including Trading Systems in which JPMC may have a direct or indirect ownership interest. JPMC may receive indirect proportionate compensation based upon its ownership percentage in relation to transaction fees charged by such Trading Systems in which it has an ownership interest. Such Trading Systems (and the extent of JPMC's ownership interest in any Trading System) may change from time to time. If you would like more information, please reach out to your J.P. Morgan team.

#### **Risks and Costs of Requesting a Reduced Settlement Cycle**

The standard settlement cycle for equity and certain other securities is currently two business days following the trade date (T+2). However, you may request an expedited trade settlement on the next business day (T+1) for individual securities in order to raise cash quickly for the trust. You should be aware that the Bank may not be able to satisfy this request and the Bank is not under any obligation to provide a T+1 settlement date. If the Bank is able to accommodate this request, the trust may incur additional costs and could receive a less favorable execution price for the securities.

#### **IMPORTANT INFORMATION ABOUT RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

Subject to its best execution policy, the Bank can use a portion of its equity trading commissions to purchase eligible brokerage and research services ("soft dollar benefits"), in a manner consistent with the "safe harbor" requirements of Section 28(e) of the Securities Exchange Act of 1934, and provided that the commission is reasonable in relation to the value of the products or services provided by the broker-dealer. Best execution does not necessarily mean the lowest commission or price, but instead involves consideration of a number of factors.

The Bank and its U.S. affiliates have an incentive to select a particular broker-dealer to obtain soft dollar benefits through client brokerage commissions because they do not need to produce or pay for the research or brokerage services. This conflict of interest is mitigated by the Bank and its U.S. affiliates' adherence to their respective best execution policy and oversight of trading practices.

#### **Allocation of Soft Dollar Benefits**

The research obtained from soft dollars can be used to benefit other JPMC clients and is not limited to the accounts that generated the credits. Additionally, the research is not allocated to accounts proportionately to the soft dollar credits that the accounts generate. The Bank shares research reports, including those that have been obtained as soft dollar benefits, with its U.S. affiliates.

#### **IMPORTANT INFORMATION ABOUT INVESTMENT RESEARCH, OVERSIGHT AND OPERATIONAL DUE DILIGENCE**

The Bank's Manager Solutions team provides a qualitative research process (the "Research Process") overseen by independent onboarding and ongoing monitoring committees to approve all third-party and affiliated funds and third-party and affiliated separately managed account managers that are available for investment in the trust account. The Research Process does not apply for any strategies that are internally managed by the Bank's portfolio managers; however, those strategies are subject to separate oversight and ongoing monitoring of performance. As part of the Research Process, the Manager Solutions team conducts a qualitative analysis of the third-party and affiliated funds and managers on an ongoing basis. Specifically, the team reviews the portfolio manager's organization and personnel, investment process, investment philosophy and performance on an ongoing basis.

The Bank's Operational Due Diligence ("ODD") team contributes to the Research Process overseen by independent onboarding and ongoing monitoring committees.

ODD's focus is on the operational infrastructure and capabilities of all third-party and affiliated funds and third-party and affiliated SMA managers that are available for investment in the trust account. Strategies that are internally managed by the Bank's portfolio managers are subject to separate oversight and ongoing monitoring of performance with input by and contribution from the ODD team. As part of the Research Process, the ODD team conducts a qualitative analysis of all third-party and affiliated funds and third-party and affiliated SMA managers on an ongoing basis. The focus of this review is specific to the investment manager's organization, personnel, trade life-cycle, systems infrastructure, and control framework. ODD does not consider investment philosophy or performance.

As part of the due diligence process, the Manager Solutions team applies an ESG eligibility framework that establishes minimum criteria for determining the universe of funds and strategies to be considered for inclusion in ESG strategies.

#### **IMPORTANT INFORMATION ABOUT FUNDING A TRUST WITH SECURITIES**

Depending on the particular investment strategy, cash, securities or assets in-kind can be used to fund a trust. If you are funding a trust with securities or assets in-kind, the Corporate Trustee may liquidate the securities or assets in-kind and allocate the proceeds in accordance with the investment strategy that has been selected. Depending on the security or asset in-kind, liquidation can result in additional costs, taxable gains or losses. For a grantor, you should understand the costs involved in using securities or assets in-kind to fund a trust, as well as review the potential tax consequences of liquidations with your tax advisor, before funding a trust with securities or assets in-kind. The Corporate Trustee does not provide tax advice.

Requesting that any security or asset in-kind be held for an extended period of time requires the Bank to deviate from the model portfolio guidelines and/or from the investment strategy that has been selected. The longer the period of time, the longer the deviation from the model portfolio guidelines and/or from the investment strategy. As such, performance will differ from the performance of other clients that are invested in the same model portfolio or investment strategy.

#### **IMPORTANT INFORMATION ABOUT TAXES**

Although tax-aware strategies may reduce the trust's taxable income, it will not eliminate it. These strategies may require trade-offs that reduce pre-tax income. Managing a strategy or fund to maximize after-tax returns may also potentially have a negative effect on a strategy or a fund's performance. To the extent tax consequences are considered in managing a strategy or fund, the strategy's or fund's pre-tax performance may be lower than that of a similar strategy or fund that is not tax-managed.

#### **IMPORTANT INFORMATION ABOUT TAXES RELATING TO REVOCABLE TRUSTS**

Account transactions may give rise to tax liability for which the settlor of a revocable trust is responsible. If you are the settlor of a revocable trust, you understand that mutual funds and exchange-traded funds may make large distributions of interest and dividends to investors at various times in a calendar year, and you will be liable for taxes on such distributions without regard to the date of the investment. You understand and acknowledge that the Corporate Trustee and its affiliates do not provide tax advice and you should consult your own tax advisor with respect to the federal, state and local tax consequences of investing, including, without limitation, the potential application and impact of Section 1091 of the Internal Revenue Code of 1986, as amended, and the corresponding Treasury regulations (the "wash sale rules") with respect to your personal investments and the revocable trust's accounts inside or outside of J.P. Morgan. You agree that you are responsible for complying with all applicable tax rules for your personal taxes, including, but not limited to, the wash sale rules.

#### **Tax Harvesting**

As part of its investment management, the Bank has the ability to sell certain investments at a gain or loss to potentially offset the settlor's tax liability ("Tax Harvesting") at its discretion. Additionally, for certain strategies, the settlor can request that the Bank engage in Tax Harvesting on their behalf. While utilizing Tax Harvesting, the trust account holdings can differ from those accounts that do not utilize Tax Harvesting, and therefore the trust's performance will likely differ. The Bank has limitations on the Tax Harvesting requests that it can accommodate and may or may not accept a settlor's request for Tax Harvesting, in whole or in part, at its discretion.

#### **Cost Basis Information and Reporting**

The Internal Revenue Code generally requires J.P. Morgan to report to you and the Internal Revenue Service ("IRS") cost basis and other relevant information (collectively "Cost Basis Information") concerning investments held in non-retirement accounts. The Cost Basis Information can vary depending on the cost basis method applicable to the investments within the account. The cost basis method applied to the account determines the order in which shares are redeemed when investments are sold.

J.P. Morgan's default cost basis method when serving as Corporate Trustee is High Cost, which means we will sell high cost lots first for all investment types except where a fund uses or requires a different specified tax lot disposition method in which case we will use that method for that fund.

## IMPORTANT INFORMATION ABOUT STATEMENT VALUATIONS

Asset values on periodic statements come from our proprietary pricing models or external pricing services that we select and may rest on estimates and assumptions we make about relevant future market conditions and other matters, all of which are subject to change without notice. Such changes may have a material impact on valuations, and valuations based on other models or different assumptions may yield materially different results. Statement valuations may not represent the actual or indicative terms for new transactions or for liquidation of existing transactions, and may vary from valuations used by us for other purposes. Accordingly, statements should not be used as the sole basis for valuing trust assets, and you should seek advice from your accountant or attorney about using statements to prepare tax returns, financial statements, regulatory reports, or for other purposes.

## ADDITIONAL IMPORTANT INFORMATION ABOUT INVESTMENTS

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

**Emerging Markets Risk** International investing bears greater risk due to social, economic, regulatory and political instability in countries in "emerging markets." Emerging market securities can be more volatile and less liquid than developed market securities. Changes in exchange rates and differences in accounting and taxation policies outside the U.S. can also affect returns. Investments in foreign currencies and foreign issuers are subject to additional risks, including political and economic risks, greater volatility, civil conflicts and war, currency fluctuations, higher transaction costs, delayed settlement, possible foreign controls on investment, expropriation and nationalization risks, and less stringent investor protection and disclosure standards. These risks are magnified in countries in "emerging markets."

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

**Cybersecurity Risk** As the use of technology has become more prevalent in the course of business, the Bank has become more susceptible to operational and financial risks associated with cybersecurity, including: theft, loss, misuse, improper release, corruption and destruction of, or unauthorized access to, confidential or highly restricted data relating to the Bank and its clients, and compromises or failures to systems, networks, devices and applications relating to the operations of the Bank and its service providers.

Cybersecurity risks may result in financial losses to the Bank and its clients; the inability of the Bank to transact business with its clients; delays or mistakes in materials provided to clients; the inability to process transactions with clients or other parties; violations of privacy and other laws; regulatory fines, penalties and reputational damage; and compliance and remediation costs, legal fees and other expenses. The Bank's service providers (including any sub-advisers, administrator, transfer agent, and custodian or their agents), financial intermediaries, companies in which client accounts and funds invest and parties with which the Bank engages in portfolio or other transactions also may be adversely impacted by cybersecurity risks in their own businesses, which could result in losses to the Bank or its clients. While measures have been developed which are designed to reduce the risks associated with cybersecurity, there is no guarantee that those measures will be effective, particularly since the Bank does not directly control the cybersecurity defenses or plans of its service providers, financial intermediaries and companies in which they invest or with which they do business.

**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 JPMorgan Chase & Co. publicly traded stock. This ownership interest presents a conflict of interest when the Bank, J.P. Morgan Securities LLC, and J.P. Morgan Private Investments Inc. (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, 2021, both Vanguard and BlackRock held more than a 5% interest in J.P. Morgan.

**Infectious Disease Risk** The outbreak of COVID-19 has negatively affected economies, markets and individual companies throughout the world, potentially including holdings in the Trust. The effects of this pandemic to public health, and business and market conditions, including, among other things, reduced consumer demand and economic output, supply chain disruptions and increased government spending, may continue to have a significant negative impact on the performance of the investments in the Trust, increase separately managed account and fund volatility, negatively impact arbitrage and pricing mechanisms for certain investments in the Trust, exacerbate pre-existing political, social and economic risks to investments in the Trust, and negatively impact broad segments of businesses and populations. In addition, governments, their regulatory agencies, or self-regulatory organizations have taken or may take actions in response to the pandemic that affect the investments in the Trust, or the issuers of such investments in ways that could have a significant negative impact on the Trust's investment performance. The duration and extent of COVID-19 and associated economic and market conditions and uncertainty over the long term cannot be reasonably estimated at this time. The ultimate impact of COVID-19 and the extent to which the associated conditions impact the investments in the Trust will also depend on future developments, which are highly uncertain, difficult to accurately predict and subject to frequent changes.

**LIBOR Discontinuance or Unavailability Risk** The London Interbank Offering Rate ("LIBOR") is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. The administrator of LIBOR (the "Administrator") has publicly announced that it will cease the publication of certain tenors and currencies of LIBOR on certain future dates; current information about these dates and certain related risks is available at [https://www.jpmorgan.com/disclosures/interbank\\_offered\\_rates](https://www.jpmorgan.com/disclosures/interbank_offered_rates). There is no assurance that the dates announced by the Administrator will not change or that the Administrator and/or regulators will not take further action that could impact the availability, composition or characteristics of LIBOR or the currencies and/or tenors for which LIBOR is published, and we recommend that you consult your advisors to stay informed of any such developments. In addition, certain regulated entities ceased entering into most new LIBOR contracts in connection with regulatory guidance or prohibitions. Public and private sector industry initiatives are currently underway to implement new or alternative reference rates to be used in place of LIBOR. There is no assurance that any such alternative reference rate will be similar to or produce the same value or economic equivalence as LIBOR or that it will have the same volume or liquidity as did LIBOR prior to its discontinuance, unavailability or replacement, all of which may affect the value, volatility, liquidity or return on certain of a fund's or other trust account's loans, notes, derivatives and other instruments or investments comprising some or all of a fund's or other trust account's portfolio and result in costs incurred in connection with changing reference rates used for positions, closing out positions and entering into new trades. Certain funds or other investments may transition from LIBOR prior to the dates announced by the FCA. The transition from LIBOR to alternative reference rates may result in operational issues for a fund or other investments. No assurances can be given as to the impact of the LIBOR transition (and the timing of any such impact) on a fund or other investments. These risks may also apply with respect to changes in connection with other interbank offering rates (e.g., Euribor) and a wide range of other index levels, rates and values that are treated as "benchmarks" and are the subject of recent regulatory reform.

**Benchmark Reforms Risk** As described above, interest rates (such as LIBOR or EURIBOR) and a wide range of other index levels, rates and values are treated as "benchmarks" and are the subject of recent regulatory reform. There are certain risks associated with loans, derivatives, floating rate securities and other instruments or investments that rely on a benchmark that changes or is affected by benchmark reforms. While benchmark reforms are intended to make benchmarks more robust, the reforms may cause benchmarks to perform differently than in the past, to disappear entirely or have other consequences that cannot be predicted. This could have a material impact on any investments linked to or referencing such a benchmark. Such impact may include (i) reducing or increasing the volatility of the published rate or level of the benchmark, (ii) early redemption or termination of the investment or (iii) adjustments to the terms of the investment. Any of these impacts may be disadvantageous to investors. In particular, reforms may increase costs and risks associated with investments that use an affected benchmark.