

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., J.P. Morgan Trust Company of Delaware or J.P. Morgan Trust Company of Wyoming, LLC (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 (e.g., 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 or the Managed Account Summary (as applicable), 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 or the Managed Account Summary (as applicable). 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.

### Cash Deposit

Cash balances, including uninvested cash balances and new cash deposits (“Cash Deposits”), in the trust will be held on the trust’s behalf with JPMorgan Chase Bank, N.A. as a deposit, unless you instruct otherwise or as may be required by applicable law or regulations. JPMorgan Chase Bank, N.A. benefits from these Cash Deposits. For example, JPMorgan Chase Bank, N.A. may use the deposits to make loans and other investments. The profitability on such lending activities and investments is generally measured by the difference, or “spread,” between the interest rate paid on the deposits and other costs associated with the Cash Deposit, and the interest rate or other income earned by JPMorgan Chase Bank, N.A. on loans and investments made with the deposits. Therefore, J.P. Morgan has a financial incentive in the use of the Cash Deposit for uninvested cash balances.

### 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.” This amount, known as “float,” is earned by JPMC through a number of short-term investment products and strategies, including, without limitation, loans to customers and investment securities, with the amount of such earnings retained by JPMC, due to the short-term nature of the investments, being generally 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 extent applicable, new deposits to the trust account, including interest and dividends, as well as 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 the 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.

If requested by the third-party manager or agent or if such delivery is required by law, the Bank may provide copies of account statements and/or provide electronic access to such statements to the third-party manager and/or agent.

#### **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 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 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 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.

The7 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.

#### **RISKS THAT APPLY PRIMARILY TO ESG/SUSTAINABLE INVESTING STRATEGIES**

Investment approaches that incorporate environmental, social and governance ("ESG") considerations or sustainable investing may include additional risks. ESG or sustainable investing strategies (together, "ESG Strategies"), including SMAs, mutual funds and ETFs, can 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. Certain strategies focusing on a particular theme or sector 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 ESG/sustainability 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 or investment adviser selected by the Bank, will align with the investor's beliefs or values. Additionally, other investment managers and investment advisers, including our affiliates, can have a different approach to ESG or sustainable investing and can offer ESG Strategies that differ from the ESG Strategies offered by the Bank with respect to the same theme or topic. In addition to the ESG Strategies, we also offer investment products that utilize ESG criteria in developing the product while seeking to maximize financial return.

When evaluating investments, an investment manager or investment adviser is dependent upon information and data that might be incomplete, inaccurate or unavailable, which could cause the manager/adviser to incorrectly assess an investment's ESG or sustainable attributes. In making investment decisions, the Bank uses data and information, including but not limited to, industry classifications, industry grouping, ratings, scores and issuer screening provided by third party data providers, or by a J.P. Morgan affiliated service provider. J.P. Morgan does not review, guarantee or validate any third-party data, ratings, screenings or processes. Such data and information will not have been validated by J.P. Morgan and can therefore be incomplete or erroneous.

ESG and sustainable investing are not uniformly defined concepts and scores or ratings may vary across data providers that use similar or different screens based on their process for evaluating ESG characteristics. Investments identified by the Bank as demonstrating positive ESG characteristics might not be the same investments identified by other investment managers in the market that use similar ESG screens or methodologies. In addition, investments identified as demonstrating positive ESG characteristics at a particular point in time might not exhibit positive or favorable ESG characteristics across all relevant metrics or methodologies or on an ongoing basis. ESG or sustainable investing practices differ by asset class, country, region and industry and are constantly evolving. As a result, a company's ESG or sustainability-related practices and the Bank's assessment of such practices could change over time.

The ESG or sustainable solutions offered by the Bank meet our internally developed criteria for inclusion in the ESG Strategies available to our clients, which, where applicable, take into account ESG or sustainable investing regulations. As part of the due diligence process, the Bank's Manager Solutions team applies an ESG eligibility framework that establishes minimum criteria for determining the universe of ESG Strategies offered to our clients. Strategies that satisfy our ESG eligibility criteria also are subject to the same due diligence and performance review process as all other strategies. Accordingly, these strategies can be selected by the Bank, in its discretion and as appropriate, for inclusion in any trust.

The evolving nature of sustainable finance regulations and the development of jurisdiction-specific legislation setting out the regulatory criteria for a "sustainable" investment or "ESG" investment mean that there is likely to be a difference in the regulatory meaning of such terms. This is already the case in the European Union where, for example, under the Sustainable Finance Disclosure Regulation (EU) (2019/2088) ("SFDR") certain criteria must be satisfied in order for an investment to be classified as a "sustainable investment." Unless otherwise specified and where permitted by applicable law, any references to "sustainable investing" or "ESG" in this material are intended as references to our internally developed criteria only and not to any jurisdiction-specific regulatory definition.

#### **Category Restrictions and Exclusions Risks**

ESG Strategies can follow different approaches. For example, some ESG Strategies select companies based on positive ESG characteristics while others may apply screens in order 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 an affiliated service provider or a third party. Category restrictions aim to screen companies that engage in certain behaviors or earn revenue derived from a restricted category, however 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 for the trust. Third-party managers may apply category restrictions differently than J.P. Morgan and use different data and methodologies; therefore, the selection of restricted securities and the number of restricted securities may differ in the same category. Category restrictions require assumptions, opinions and the subjective judgment of the data provider that might not reflect J.P. Morgan's views or values and/or your views or values. Further, use of a particular data source from an organization does not mean that J.P. Morgan endorses all the activities of that organization. Additionally, data providers will have conflicts of interest when receiving compensation from or providing services to companies that use or obtain their ratings. The Bank does not review, guarantee or validate any third-party data, ratings, screenings or processes. Moreover, issuer screenings and processes to implement category restrictions are not absolute, and could be discontinued or changed at any time, including, but not limited to, changes to industry sector definitions, parameters, ownership categories, revenue calculations and estimations that could result in the trust holding investments in companies that derive revenue from the restricted category.

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. The number of restrictions that a trust can select are limited based on the potential impact to the applicable strategy and potential deviation from the strategy's model. Only those restrictions that can be applied by the Bank or third party manager will be applied to the trust.

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 will not completely represent or fully align with the investor's values or religious beliefs.

For trusts that hold funds, the Bank cannot restrict specific securities or types of securities that are held within any fund. Category restrictions will not be applied to strategies that invest only in funds, nor will they be applied to investments made by funds, so it is possible that the trust's or your restrictions would not have any practical effect on a trust comprised primarily of fund investments.

#### **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 less liquid and more vulnerable to economic, market and industry changes than securities of larger, more established companies or the market in general.

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.

Generally, preferred securities offer periodic payments similar to a fixed income security, and the risks of investing in preferred securities generally are similar to those of investing in bonds, including credit risk and interest-rate risk.

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.

As nearly all preferred securities have issuer call options, call risk and reinvestment risk are important considerations as well. Trusts also face equity-like risks, such as deferral or omission of distributions, and subordination to bonds and other more senior debt. In the event of a bankruptcy or insolvency, preferred securities generally are senior to common stock but subordinate to claims of senior and subordinated debt of the issuer.

The income distributed by preferred securities may be eligible for “qualified dividend income” treatment (“QDI”) and subject to U.S. federal income tax at capital gains tax rates, under Section 1(h)(11) of the U.S. Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”). Based on current U.S. federal income tax law, certain types of preferred securities may make distributions of income that are eligible for QDI treatment. However, the determination of whether a particular security held in a trust’s portfolio meets the requirements for QDI treatment is complex (including minimum holding period requirements) and can be affected by related positions with respect to the security that the trust holds.

Distributions on U.S.-issued preferred securities to non-U.S. trusts may be subject to U.S. withholding tax without regard to QDI treatment.

#### 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.

#### Municipal Bonds

Interest on municipal bonds is generally exempt from federal income tax. The interest payments may also be exempt from state and local taxes if the trust files tax returns in the state where the bond is issued. If the trust invests in municipal bonds in a state other than the state where it files tax returns, the trust may not receive the state income tax benefits. Additionally, the interest rate for municipal bonds is usually lower than on taxable fixed-income securities such as corporate bonds.

#### 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. 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.

Investments in Structures may not be suitable for all trusts. Investing in Structures involves the use of derivatives and a higher degree of risk factors substantially different than those associated with other traditional investments, including risk of adverse or unanticipated market developments; issuer credit quality risk; risk of counterparty or issuer default; risk of lack of uniform standard pricing; risk of adverse events involving any underlying reference obligations, entity or other measure; risk of high volatility; and risk of illiquidity. The return on Structures, including the amount paid at maturity, if any, is linked to the performance of one or more underlying U.S. or international assets (e.g., single stocks, indices, currencies, commodities or interest rates) and thus exposed to market and other risks related to the underlying asset(s). Therefore, it is possible that the return may be zero or significantly less than what investors could have earned on an ordinary, interest-bearing debt security. Past performance of an underlying asset class is not indicative of the profit and loss potential on any particular Structures. The value of the underlying assets can experience significant periods of fluctuation and prolonged periods of underperformance.

Structures are not FDIC insured and are not listed on any securities exchange. There may be little or no secondary market for Structures, and information regarding independent market pricing for Structures may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. The price, if any, at which Structures can be purchased in secondary market transactions, if at all, will likely be lower than the original issue price and any sale prior to the maturity date could result in a substantial loss. Structures are not designed to be short-term trading instruments; a trust which purchases Structures should be willing to hold until maturity.

The tax treatment of a Structures may be very different than that of a traditional investment or of the underlying asset, and significant aspects of the tax treatment of Structures may be uncertain. It is important that before investing in Structures, the accompanying prospectus and prospectus supplement should be reviewed to understand the actual terms of the risks associated with specific Structures. In certain transactions, the trust may lose its entire investment, i.e., incur an unlimited loss.

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.

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 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.

#### **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 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. The U.S. tax consequences to a non-U.S. investor in a REIT or U.S. real property holding corporations ("USRPHC") are complex. In certain cases, income received by a non-U.S. client from a REIT or USRPHC could be treated as "effectively connected income" subject to U.S. tax, as if such client were a U.S. person, and with respect to which such client would be required to file a U.S. tax return. In addition, in certain cases, income derived by a tax-exempt client from a REIT would be characterized as "unrelated business taxable income."

For those alternative collective investment scheme or vehicle (ACIVs), which refers to an investment fund, investment company or other domestic or foreign legal structure or arrangement such as a unit trust or limited partnership, whose investments are different from traditional investments in equities and fixed income investments which are REITs, the total return of the REITs is subject to the performance of the property market and is less diversified when compared to general securities funds. The unit price of a REIT may go down if its properties drop in value. Also, dividends may not be paid if the REIT reports an operating loss. REITs may be subject to interest rate risks when rates rise sharply. In addition, the performance of a REIT should be considered not only in terms of expected yield but also the concentration, quality and length of its property leases. In general, the fewer and smaller the properties in a REIT, the greater the investment risk. Besides, a shorter lease may imply more rapid turnover of tenants and less stable rental income. The underlying assets in a REIT may be illiquid and properties may have to be sold to make distributions if market conditions change, or to meet redemptions in the event the REIT is unlisted or delisted. A REIT may be unable to sell properties expeditiously where the need arises. There is no public trading market for private or public non-traded REITs; therefore, such REITs may be more volatile and/or more illiquid than publicly-traded REITs and other types of equity securities.

#### **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 or maintain an account with one of its affiliates 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 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 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.

PTP taxation is complex. A partnership is not a taxable entity and generally incurs no federal income tax liability. Instead, each partner of a partnership is required to take into account their share of income, gain, loss and deduction of the partnership in computing their federal income tax liability, regardless of whether cash distributions are made by the partnership. Distributions are generally not taxable to the investor when received, except to the extent the distributions exceed the investor’s tax basis in the PTP units immediately prior to the distribution. However, distributions in excess of cumulative net taxable income decrease an investor’s tax basis in the PTP units and thus may, effectively, increase taxable gains realized when the PTP units are sold. Some gains (such as those attributable to depreciation recapture and certain assets) are taxed as ordinary income, which may exceed net taxable gain realized upon the sale of a unit and may be recognized even if there is a net taxable loss realized on the sale. Investors in PTPs receive a tax statement on Schedule 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 Schedule K-1 is not distributed timely. In addition, investors in PTPs could be subject to state and local taxes in which the PTP does business or owns property or in which the investor is a resident. Investors therefore may be required to file income tax returns and pay income taxes in jurisdictions in which the PTP operates. State and local tax laws may differ from U.S. federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. You are urged to consult with your tax advisor concerning the effect of state and local income tax consequences of an investment in PTP.

If the investor is a tax-exempt entity, such as an IRA, the account’s share of partnership income may be treated as UBTI and taxable to the investor. Distributions to non-U.S. persons, including non-U.S. trusts, will generally be subject to withholding taxes at the highest applicable marginal tax rate, and non-U.S. persons, including non-U.S. trusts, may be required to file federal, and potentially state, income tax returns and pay U.S. tax on their share of the PTP’s taxable income.

Effective January 1, 2023, a new 10% U.S. withholding tax and reporting regulations under Internal Revenue Code Section 1446(f) apply to the transfer, by non-U.S. partners, including non-U.S. trusts, of an interest in a PTP that conducts (or is deemed to conduct) a U.S. trade or business. A transfer includes any disposition of the interest, including a sale or an exchange, and certain PTP distributions that are treated as a disposition under U.S. tax principles. Generally, J.P. Morgan is required to have a U.S. TIN on file if the trust invests in, disposes of, or receives a distribution from a PTP that conducts (or is deemed to conduct) a U.S. trade or business.

Certain issuers may change their legal status to a PTP without notice. This could result in certain U.S. withholding tax and reporting obligations to investors. If the trust invests in a PTP, please contact your J.P. Morgan team, as there may be potential U.S. tax reporting requirements relating to the investment.

## **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.

### **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 investment of assets in a trust will only occur when all operational requirements have been met.

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.

#### **Foreign Issuers**

Special tax rules may apply to investments in foreign issuers, including American Depositary Receipts (ADRs). For example, one or more issuers in the trust may qualify as a passive foreign investment company or a controlled foreign corporation for U.S. tax purposes, and non-U.S. withholding tax may be imposed on distributions or gains. Also, in certain cases, additional U.S. tax reporting may be required.

ADRs can be traded on U.S. exchanges and Over-the-Counter markets, and are denominated in U.S. dollars; however, ADRs do not eliminate the risks involved in owning shares of foreign issuers. Since ADRs track the shares in the home country, their value will be affected by political and economic conditions in the home country. ADR dividends will be paid in the applicable foreign currency and may be subject to tax in the applicable foreign country. The ADR issuer will convert amounts received to U.S. dollars, subjecting the investor to currency risks and conversion costs.

If the investment is made through an IRA, any foreign taxes incurred generally would not be creditable against the investor's U.S. income tax liability. You are urged to consult a tax advisor regarding investment in non-U.S. entities, including whether there may be eligibility for a credit against U.S. income tax liability for any foreign taxes paid and whether there is eligibility for a lower rate or partial refund of non-U.S. withholding taxes pursuant to one or more applicable income tax treaties.

#### **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**

Unless otherwise indicated, any discussion of tax matters in this Risk Disclosure Booklet is limited to U.S. federal income taxes and applies solely to accounts held by "United States persons" as defined in Section 7701(a)(30) of the Internal Revenue Code. If the settlor is not a United States person or is subject to tax in any non-U.S. jurisdiction, they should consult with their own legal and tax advisors with regard to the U.S. tax and any foreign tax consequences applicable to their specific situation.

Settlers that are tax residents of Mexico and certain other jurisdictions may be subject to specific tax rules relating to capital gains or other income derived from investing, directly or indirectly, in equities listed on the International Quotation System ("SIC"). J.P. Morgan does not guarantee the tax treatment of the underlying securities in any trust.

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, be advised that neither the Corporate Trustee nor its representatives or affiliates offer tax or accounting

advice or services, and you will not solicit or rely upon any such advice from them. The settlor should consult his or her own tax advisor with respect to the federal, state and local tax consequences of investing in any portfolio, including, without limitation, the potential application and impact of Section 1091 of the Internal Revenue Code and the corresponding Treasury regulations (the "wash sale rules") with respect to the trust's portfolio and the settlor's personal investments with or outside of J.P. Morgan. The settlor is responsible for complying with all applicable tax rules, including, but not limited to, the wash sale rules and is responsible for all tax consequences attributable to the disallowance of any losses under the wash sale rules.

Mutual funds and exchange-traded funds may make large distributions of interest and dividends to investors at various times in a calendar year, and the settlor will be liable for taxes on such distributions without regard to the date of the investment.

#### **Important Information About Tax Managed Strategies**

The Corporate Trustee has the ability to select tax managed strategies, including, but not limited to, the "Tax Smart" strategies managed by the Bank's affiliate, J.P. Morgan Investment Management Inc. (JPMIM) (each such strategy, a "Tax Managed" strategy). There are risks and limitations associated with all Tax Managed strategies, and these limitations may result in tax-inefficient trades and wash sales.

Tax management is not tax advice and may not achieve the intended results. Although a Tax Managed strategy may reduce the trust's taxable income, it will not eliminate it. A Tax Managed strategy may require trade-offs that reduce pre-tax income. Managing a strategy to maximize after-tax returns may also potentially have a negative effect on a strategy's performance. As a result of tax considerations, the trust may dispose of certain securities or fail to acquire certain securities, which could adversely impact pre-tax returns. In addition, the deductibility of losses recognized within the trust may be subject to certain limitations depending on the settlor's particular circumstances, such as investments the settlor makes outside the trust and the aggregate net capital losses the settlor recognizes during the year. Non-U.S. settlors investors may not realize an after-tax benefit from tax management. The settlor should speak with their own tax advisor regarding the proper treatment of transactions in the trust.

To the extent tax consequences are considered in managing a strategy, the strategy's or fund's pre-tax performance may be lower than that of a similar strategy that is not tax-managed.

#### **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 on certain platforms, 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. There is no guarantee that Tax Harvesting will perform as expected or that specific benefits will be obtained for any particular client. The implementation of Tax Harvesting may have an adverse effect on investment performance and result in adverse tax consequences, including, but not limited to, gains derived from the sale of the security held during the wash sale period. Further, the tax consequences of Tax Harvesting may be challenged by the IRS or any other tax authority. In addition, Tax Harvesting may not achieve the intended reduction in tax liability for non-U.S. settlors. 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.

In a Tax Managed strategy, the manager can engage in Tax Harvesting from positions which have experienced a capital loss. In certain market conditions, or when portfolio positions have not otherwise experienced capital losses during the relevant tax period, Tax Harvesting opportunities will be limited.

The manager of a Tax Managed strategy may change the strategy's parameters, including the manner and frequency of Tax Harvesting, at any time without notice. Generally, such strategy entails a repurchase of the sold security after the "wash sale" (i.e., 30-day) period. Generally, under the wash sales rules, if a security is sold for a loss and the same (or a substantially identical) security is purchased either 30 days before or 30 days after the date of the sale, the loss is disallowed. The wash sale rules apply to transactions not only in that trust account but also to transactions in all other accounts held by the settlor, their spouse and certain entities controlled by the settlor and their spouse ("related parties") to the extent the trust is a grantor trust for income tax purposes) whether these accounts are held with the Bank and its affiliates or other financial institutions. Tax Managed strategies will not consider trading activity in all of these other securities accounts, and it is the settlor's responsibility to comply with the wash sale rules with respect to such accounts. Additionally, Tax Managed strategies are not customized to a settlor's specific tax circumstances; incorrect assumptions about the settlor's tax attributes and transactions outside of the strategy may lead to inefficient tax management. Assets will generally be invested in an unaffiliated ETF(s) during the wash sale period. ETFs are investment companies and have certain embedded costs, including portfolio

management fees, of which the trust will bear a proportionate share while invested in the ETF. Such costs are in addition to the Corporate Trustee's Administration or Advisory Fees charged to the trust.

The settlor is responsible for understanding the merits and consequences of Tax Harvesting.

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

The Internal Revenue Code generally requires J.P. Morgan to report to the settlor 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 tax lot disposition method applicable to the investments within the account. The tax lot disposition 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 Sources Risk** Although J.P. Morgan obtains data, including alternative 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 has controls for certain data that, among other things, consider the representations of such third parties with regard to the provision of data in compliance with applicable laws. J.P. Morgan does not make any express or implied warranties of any kind with respect to such third-party 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 February 23, 2024, the Vanguard Group, Inc. and BlackRock, Inc. held more than a 5% interest in J.P. Morgan.

**Infectious Disease Risk** The outbreak of COVID-19 negatively affected economies, markets and individual companies throughout the world, potentially including holdings in the Trust. The effects of any future pandemic or other global event to business and market conditions may have a significant negative impact on the performance of the investments in the Trust, increase separately managed account and fund volatility, 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 a pandemic or other global event 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 ultimate impact of any pandemic or other global event and the extent to which the associated conditions and government responses 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") was intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. On or before June 30, 2023, certain tenors and currencies of LIBOR ceased to be published or representative of the underlying market and economic reality they were intended to measure; current information about certain related risks is available at [https://www.jpmorgan.com/disclosures/interbank\\_offered\\_rates](https://www.jpmorgan.com/disclosures/interbank_offered_rates). New or alternative reference rates have since been 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. No assurances can be given as to the impact of the transition away from LIBOR on a fund or trust account or its 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.