

# Client Relationship Summary

The best relationships are built on trust and transparency. That's why, at J.P. Morgan Investment Management Inc. ("JPMIM", "our", "we", or "us"), we want you to fully understand the ways you can invest with us, and the basic differences between our product and service offerings that may be relevant to you, as well as their fees and costs. This Form CRS provides disclosure on our wrap fee programs and private equity separately managed accounts ("SMAs") available to certain retail investors.

We are registered with the Securities and Exchange Commission ("SEC") as an investment adviser. Brokerage and investment advisory services and fees differ and it is important for clients ("you") to understand the differences. Free and simple tools are available for you to research firms and financial professionals at [investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

### Wrap Fee Programs

We offer investment advisory services to clients through SMAs available within wrap fee programs ("programs"). Depending on the strategy, these accounts invest in individual securities (such as stocks and bonds), exchange-traded funds ("ETFs") and/or mutual funds. Programs are sponsored by certain financial institutions, including our affiliates ("Sponsors").

When we act as your discretionary investment manager, you give us full investment and trading discretion over your account. With this authority, we are responsible for the strategy's security selection and weightings, as well as buying and selling securities in client accounts without your prior consent. You can impose reasonable restrictions on our management of your account. For other programs, we are responsible for the strategy's security selection and weightings, but the Sponsor is responsible for buying and selling securities in your account.

As part of our services, we monitor a strategy's portfolio construction and underlying investments. Where we have trading discretion, we also perform account monitoring, including contributions/withdrawals, custodian reconciliations and service requests such as tax loss harvesting.

Each Sponsor sets the criteria for its program's eligibility, including minimum investment amounts and account size criteria that clients must meet in order to participate in the program. Sponsors also establish guidelines and restrictions for their programs, such as asset allocation guidelines or security restrictions, for us to adhere to. In certain programs, such as the You Invest Portfolios program, we only select ETFs advised by us ("JPMorgan ETFs").

### Private Equity Separately Managed Accounts

We offer investment advisory services to clients meeting certain investor qualifications through SMAs managed by our Private Equity Group. An account may invest in a variety of private assets, including investments in third-party managed private equity funds on a primary or secondary basis and direct investments in portfolio companies. Depending on the terms of your advisory agreement ("agreement"), we may invest in some or all of these types of private assets across various sectors.

When we act as your discretionary investment manager, we are responsible for making investment decisions on your behalf, subject to the investment guidelines in your agreement, without your prior consent. When we act as your non-discretionary investment manager, our investment decisions will be subject to your approval, as specified in your agreement.

Investment services are tailored for each client's specific needs and objectives. We have procedures and controls to monitor compliance with your specific investment guidelines.

We have minimum account requirements, and clients must generally satisfy certain investor sophistication requirements.

**More detailed information** about our services is available at <https://jpmorgan.com/managed-accounts>.

## CONVERSATION STARTERS

Throughout this Relationship Summary we've included "Conversation Starters." These are questions the SEC thinks you should consider asking your financial professional. Please contact your financial professional or us directly for more information.

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

## WHAT FEES WILL I PAY?

### Wrap Fee Programs

You generally pay a single, asset-based "wrap" fee to the Sponsor that covers investment advice, most transaction costs and fees on transactions effected by the Sponsor, custody, and reporting. This fee, which is set by the Sponsor, covers more services and is higher than a typical asset-based advisory fee. The Sponsor typically pays us a quarterly fee based on the market value of assets invested in our strategy. Since fees are charged based on the amount of assets in a client's account, we benefit from an increase in assets because we receive greater fees. In programs where we have an agreement directly with the client, we charge the client an advisory fee on a quarterly basis, and the Sponsor charges all other program fees. See the Sponsor's Form ADV brochure for more information regarding program fees.

In wrap fee accounts, we generally trade equity strategies through the Sponsor. For fixed income strategies and certain other equity strategies, we generally use another broker-dealer to trade securities. When we trade through a broker-dealer other than the Sponsor, you typically will pay a commission or other charges, such as a charge embedded in the price of the security being bought or sold (e.g., a "mark-up" or "mark-down"). Further, when your account invests in funds, you will also pay the fund's underlying fees and expenses. You pay these fees and charges in addition to the wrap fee. In the You Invest Portfolios program, we and certain of our affiliates receive some or all of the J.P. Morgan ETFs' management fees, some of which are rebated back to you. See below and our You Invest Portfolios brochure at <https://jpmorgan.com/managed-accounts> for more information.

<sup>1</sup>This disclosure is provided to comply with the SEC's Form CRS disclosure requirement. It does not create or modify any agreement relationship or obligation between JPMIM and you. Please consult your JPMIM agreements and disclosures for all terms and conditions controlling your account and relationship with us.

### Private Equity Separately Managed Accounts

You generally pay a fee based on your capital commitment to the account or to underlying investments and may also be charged performance-based compensation. Fees are negotiated in your agreement and standard fee schedules are not available. You generally are responsible for reasonable expenses incurred in connection with your account, including brokerage fees, custodian fees, and your *pro rata* share of the fees and expenses of the investments. See your agreement and our Form ADV brochure at <https://jpmorgan.com/managed-accounts> for more information.

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.** For more information, see our Form ADV brochure, available at <https://jpmorgan.com/managed-accounts>.

#### CONVERSATION STARTERS

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

### WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN ACTING AS MY INVESTMENT ADVISER? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?

**When we act as your investment adviser**, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

#### Wrap Fee Programs

- We and our affiliates have an incentive to recommend or include funds advised by JPMIM (“Affiliated Funds”) within programs because we receive more fees. For example:
  - In the You Invest Portfolios program, in addition to the wrap fee that we receive, we also earn some or all of the underlying ETF fees, a portion of which are rebated back to you. For more information, see our You Invest Portfolios brochure at <https://jpmorgan.com/managed-accounts>.
  - In some programs and accounts, a Sponsor may select an affiliated money market fund as the account’s cash sweep investment vehicle. We will receive both a portion of the wrap fee and the affiliated money market fund’s management fee.
- In certain programs, we use Affiliated Funds within a strategy, but you are not charged the fund’s management fee.
- We have an incentive to offer wrap fee strategies through an affiliated Sponsor because our affiliates earn more money.
- We have an incentive to select or recommend new Affiliated Funds in order to increase overall assets in those new funds.
- We earn higher fees in some programs, based on negotiated fees with the Sponsor, which creates an incentive for us to favor those client accounts over others.

### Private Equity Separately Managed Accounts

- A fee based on the performance of your account creates an incentive for us to recommend more speculative investments than we would in the absence of such performance-based compensation.
- Conflicts of interest arise from how your account fees are calculated as a result of our also being responsible for determining the fair value of your account’s assets.
- When we manage another account that pays or could potentially pay higher fees and invests in the same or similar strategy or assets, we have an incentive to favor the other account.

We have policies, procedures and controls in place that are designed to mitigate the conflicts described in this Form CRS and seek to ensure the fair treatment of clients over time as described within our Form ADV brochure.

#### CONVERSATION STARTERS

- *How might your conflicts of interest affect me, and how will you address them?*

**More detailed information** about our conflicts of interest are available in our Form ADV brochure, available at

<https://jpmorgan.com/managed-accounts>.

#### HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

We have a balanced financial compensation program for our financial professionals that is a mix of fixed compensation and variable compensation in the form of an incentive program. This compensation is not directly tied to the frequency of client trading or investing or to the amount of client assets serviced.

#### DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

Yes. As a large financial institution that has been operating for many years, we have legal or disciplinary history. Visit [investor.gov/CRS](http://investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

#### CONVERSATION STARTERS

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

#### ADDITIONAL INFORMATION

You can find additional up-to-date information about JPMIM’s investment advisory services and request a copy of the Client Relationship Summary at <https://jpmorgan.com/managed-accounts> or by calling **1-800-338-4345**.

#### CONVERSATION STARTERS

- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*