Guide to the Life Fund Range

JPMorgan Life Funds

December 2019

For the use of pension scheme trustees, administrators and their advisers

J.P.Morgan
Asset Management

GUIDE TO THE LIFE FUND RANGE

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About JPMorgan Life Limited

JPMorgan Life Limited ('JPMLL') is a registered limited liability life assurance company and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (reference number - 185175) and whose registered office is at 25 Bank Street, Canary Wharf, London E14 5JP. JPMLL is authorised to issue unit-linked pension policies to both defined benefit and defined contribution pension schemes. JPMLL has created a range of unit-linked funds (the 'Fund' or 'Funds'), specifically designed to accept money from the trustees of registered occupational and personal pension schemes. JPMLL is a company within the JPMorgan Asset Management group and has no other business activities.

What is the type of agreement with JPMLL?

The agreement is an insurance policy (the 'Policy') issued to the trustees of a scheme (the 'Policyholder'). The Policy is not an investment management agreement, and JPMLL does not act as the Policyholder's investment manager. Instead, assets invested under the Policy (referred to as Premiums) are placed into one or more of the Funds, together with assets contributed by policyholders of other pension schemes. Policyholders do not have any title or right to any particular assets in the Funds - they have a contractual right to receive payments calculated in accordance with the terms of the Policy. The 'Units' referred to in the Policy are notional - a mechanism for calculating the benefits payable.

JPMLL's 'Investment Guidelines' is a separate document. This sets out details on each Fund including Fund description, benchmark, target return, tracking error and any limits and restrictions that apply to the Fund. Please note that the Investment Guidelines are agreed between JPMLL and the Investment Manager from time to time, to cover all investments, assets and contracts in all Funds.

Segregation of Assets

Assets are invested into a long-term insurance business Fund within JPMLL which, under UK legislation, may not be transferred to benefit shareholders of JPMLL or to Fund any other business or liabilities of JPMLL (unless, after a formal actuarial valuation, taking into account all Policyholder assets and liabilities, a surplus has arisen). In the unlikely event of insolvency, under English Law, Policyholders would have prior rights over all other creditors to the assets in the long-term insurance business Fund.

Directors of JPMLL

As at the date of this Guide, directors are:

- Nigel Masters (Chairman and Independent Non-Executive Director)
- Paul Farrell (Chief Executive Officer)
- Stephen Pond (Chief Finance Officer)
- Andrew Lewis (Executive Director)
- Alan Whalley (Independent Non-Executive Director)

Reinsurance
JPMLL may use reinsurance treaties to offer Policyholders access to linked funds run by other firms. If JPMLL enters into a reinsurance contract in respect of its linked long-term insurance business it will discharge its responsibilities under its linked long-term insurance contracts as if no reinsurance contract had been effected.

1. The Service Providers

JPMLL has appointed the following service providers:

a. The Investment Manager and Administrator

JPMLL has entered into an agreement with J.P. Morgan Asset Management (UK) Limited ("JPMAM (UK)" or the "Investment Manager") for investment management and administration services. JPMAM (UK) manages the portfolios of the Funds on a discretionary basis for JPMLL and provides ancillary services such as client services and preparing the accounts of JPMLL. This agreement has no effect on JPMLL's obligation to ensure that the terms of the Policy are carried out and does not affect the Policyholders' rights under the Policy against JPMLL. Policyholders do not have any legal relationship with JPMAM (UK).

b. The Custodian

The custodian is JPMorgan Chase Bank, N.A. (the "Custodian") which is responsible for the safeguarding of the assets of JPMLL.

c. The Fund Accountant

The Fund Accountant is JPMorgan Europe Limited which is responsible for valuing the assets of JPMLL and calculating the unit prices of the Funds.

d. The Transfer Agent

The transfer agent is DST Financial Services International Limited (DST). DST maintains the records of Policyholders, their policy valuations and transactions.

e. The Actuary

The Actuarial Function Holder of JPMLL is Rob Thurston, of Willis Towers Watson, Watson House, London Road, Reigate, Surrey, RH2 9PQ. The actuary's function is independent of JPMLL and monitors the ability of JPMLL to meet its liabilities to Policyholders.

f. The Auditor

The auditor is PricewaterhouseCoopers LLP, Hay's Galleria, 1 Hay's Lane, London SE1 2RD.

2. Valuations, Pricing and Dealing

a. Timeframes

Event	Timing
Client dealing deadline instructions	9.30am (UK time)
Valuation Point	12pm (UK time)
Availability of prices	Typically by 5pm (UK time)
Settlement	Trade date plus 1 business day

b. Valuation

Each Fund will have a regular valuation point at 12 p.m. (UK time) on each dealing day (any day on which banks are generally open for business in London, England), other than a Saturday or a Sunday and other days, where in the opinion of JPMLL, there are good and sufficient reasons having regard to the interests of Policyholders not to deal), unless specified otherwise. JPMLL, at its discretion, reserves the right not to have a regular valuation point for a particular Fund if this would be inappropriate or unnecessary due to the underlying investments or frequency of dealing of a particular Fund, subject always to the minimum required by the regulations from time to time. JPMLL may create an additional valuation point for any Fund at any time.

The assets attributed to each Fund will be valued at each valuation point of that Fund to determine the proportion of the net asset value attributable to each class in that Fund for the purpose of calculating the price of each class in that Fund.

All the assets attributed to the Fund will be included in each valuation. All instructions to issue or cancel units given for a prior valuation point shall be assumed to have been carried out (and any cash paid or received).

JPMLL has a procedure for the correction of pricing errors. A material pricing error will occur where the error is equal to or in excess of a materiality threshold of 0.50% of price per unit, with an exception of JPMorgan Life UK Liquidity Fund which has a threshold of 0.25% of price per unit.

The necessary corrective and compensatory actions will then be required to be effected by JPMLL. JPMLL may also consider, at its discretion, corrective action in instances of incorrect pricing where the error is less than the materiality thresholds set out above.

Further details in relation to valuation are set out in the Policy.

Principles of linked long-term insurance business
JPMLL ensures that the values of its assets are determined fairly and accurately.

JPMLL seeks to invest its assets in such a manner as to ensure the security, quality, liquidity and profitability of the portfolio of assets of JPMLL as a whole and that such assets are readily available to meet its obligations to Policyholders.

Additionally, JPMLL ensures that its liabilities in respect of its linked long-term insurance contracts are matched as closely as possible with the assets attributed to each Fund (as detailed in the PRA Rulebook for Solvency II Firms).

Right not to value
In exceptional circumstances, JPMLL reserves the right not to value a Fund and/or deal if there are sufficient reasons having regard to the interests of Policyholders.

Unavailability of prices
When the market value of an asset is not available we will ensure to make a fair estimate of the value of that asset in accordance with internal policies.

c. Pricing

How does swing pricing work?
Unless otherwise indicated, each Fund is priced daily and deals daily. Each Fund has a single price, which will be either on a bid, NAV or offer basis, depending on the net subscriptions/redemptions into or out of the Fund. JPMLL uses swing pricing to adjust the price of a unit for the purpose of reducing dilution. Dilution (reduction) in the value of a Fund is the result of both direct and indirect costs incurred in dealing in its underlying investments and of any spread between the buying and selling prices of such investments, although, as dilution is directly related to the inflows and outflows of monies from each Fund, it is not possible to accurately predict whether dilution will occur at any point in the future. If it does occur it will have an adverse impact on the interests of Policyholders unless mitigated by the use of swing-pricing.

The value of each Fund is first calculated and then the offer or bid basis is determined as follows:

- If there are net subscriptions into the Fund, the **offer basis** will be applied.
- If there are net redemptions out of the Fund, the **bid basis** will be applied.
- If there are no transactions on any given day, the **net asset value basis** will be applied.

The estimated swing pricing spreads are detailed in Appendix 1 and are split between occasions when the swing pricing reflects a net creation of units (‘offer basis’) and occasions where the swing pricing reflects a net cancellation of units (‘bid basis’). The price of each class of unit in a Fund will be calculated separately but any swing pricing charge will in percentage terms affect the price of units of each class identically.

The rate of the swing pricing spreads will be reviewed on a quarterly basis by a committee of senior JP Morgan Asset Management personnel known as the Swing Pricing Committee. The rate will include estimates of the market spreads between the buying and selling prices of the underlying investments, professional fees such as brokers' commissions and taxes. The rate may also include an allowance for market impact.

Fund of funds
The bid/offer basis is not applied to any Fund that is a "fund of funds". These are funds that primarily invest in other funds. Fund of funds will usually be priced using the quoted prices of the underlying funds (which may have a spread applied). Due to timing differences between the pricing of the Funds and the underlying funds it may be necessary during periods of market volatility, or on UK business days when the underlying funds are closed, to apply fair valuation adjustments to the prices of the Funds that are fund of funds.

Gross pricing
The price of each class of unit in each Fund is calculated gross of tax where appropriate.

Price rounding
Unit prices are rounded to four decimal places.

Currency
The unit prices of each Fund are denominated in Pound Sterling (GBP).

d. Dealing

Methods of instruction
Pension scheme administrators are responsible for communicating cash flow information directly to JPMLL. JPMLL accepts the following means of communication:

- electronic file transfer; and
- faxes - if no electronic communication is possible, faxes are accepted.

Payment of premiums and surrender values
With the exception of in specie transfers, all payment of premiums and surrender values are made by telegraphic transfer.

If a premium is not paid when agreed (i.e. by the settlement date), this could have serious consequences for JPMLL, and accordingly Clause 7.3 of the Policy provides for JPMLL to "*take such action as it thinks fit*" to protect itself and other Policyholders where any premium is not received from a Policyholder by the relevant settlement date. In practice it is likely the power will only be used in exceptional cases. In those exceptional cases the action contemplated where the power was exercised might include terminating the existing investment and paying a surrender value, or recovering any loss JPMLL might suffer against the value of Units held by the Policyholder.

In-specie transfers

Subject to the agreement of JPMLL, requests for **in-specie transfers into** the Policy will be accepted. JPMLL will, where practicable, pay **in-specie transfers out** of the Policy provided that:

- the minimum value is £ 10 million per Fund;
- the specific objective of the Policyholder for this particular transaction is not to use the assets to pay scheme benefits or to purchase annuities;
- assets received as part of an in-specie transfer are required to match the assets of the underlying Life Fund;
- on a reasonable basis the in-specie transfer can be administered (for example it may not be possible to administer in-specie transfers for emerging market stocks); and
- in the opinion of JPMLL remaining Policyholders are not disadvantaged by the transaction.

JPMLL reserves the right to levy a charge for the expenses incurred with such transactions.

Due to the complexities involved, the timing of all in-specie transfers will be agreed by JPMLL with the Policyholder or, failing agreement, will be determined by JPMLL.

In-specie transfers of UK equities are exempt from Stamp Duty Reserve Tax, upon receipt of appropriate documentation.

Switching

When switching between Funds, both sides of the trade (buy and sell) are carried out on the same trade date. The switch may be expressed as a number of units to be sold from fund x, the proceeds of which are to be invested in fund y.

Unit prices

The unit prices of the Funds are communicated on every dealing day to:

- Bloomberg
- Financial Express
- Interactive Data
- MoneyMate
- Morningstar
- Lipper
- SIX Financial Information
- Thomson Reuters

Allocation of units

Each contribution will be fully allocated (100%) to units. The number of units allocated will be calculated to the nearest 1/1,000th of a unit.

3. Charges and Expenses

Policyholders should refer to their Policy for the specific charges and expenses applicable to them.

a. Charges

Annual Charge
The single annual charge covers investment management, custody, fund accounting, mailing costs and Policyholder record keeping which is a percentage of a Policyholder's fund value.

The annual charge rate may be changed at the discretion of JPMLL under the terms of the Policy, subject to three months notice.

Class	Charge Details	Minimum Investment Size[1]
Class 1	There is no annual charge accrued within the Funds for this class and instead Policyholders are invoiced directly by JPMLL for premium amounts. These units are available to both DB and DC clients. For example, defined contribution pension schemes may invest in these units to avoid passing the costs to individual scheme members. Charges for Class 1 units are payable and invoiced by JPMLL on a calendar quarter basis in arrears based on the average of the daily net asset value of the scheme assets in JPMLL Funds, unless agreed separately.	Subject to agreement with JPMLL
Class 3	JPMLL accrues only a single annual charge which covers investment management, custody, fund accounting and Policyholder record keeping, unless otherwise disclosed. The charge is accrued on a daily basis.	Less than £20m
Class 5	JPMLL accrues a single annual charge which covers investment management, custody, fund accounting and Policyholder record keeping, unless otherwise disclosed. The charge is accrued on a daily basis.	Greater than £20m
Class 6	JPMLL accrues a single annual charge which covers investment management, custody, fund accounting and Policyholder record keeping, unless otherwise disclosed. The charge is accrued on a daily basis.	Only available for investments greater than £500m

[1] In certain circumstances, the minimum investment amounts may be waived at JPMLL's discretion.

The current annual charges are set out in Appendix 1. It should be noted that there may be other classes in existence that are subject to an agreement between JPMLL and the client.

Fund of Funds charges

The annual charges for any "fund of funds" reflect the annual charges and the other expenses of the underlying funds.

There may be instances when there are extraordinary expenses in relation to the underlying funds for which the investing Fund will bear a pro-rata cost.

Where Funds purchase units in other Funds and/or other permitted pooled funds of JPMorgan affiliates fund ranges, there will be no double charging of management fees. If the underlying affiliate fund combines management and other fees and charges into a single total expense ratio, the whole amount of the total expense ratio will be waived. Funds may hold shares or units in JPMorgan funds, for which the prices are calculated in accordance with the prospectus of the relevant JPMorgan fund. Certain shares or units may incorporate performance fees, for which the shares bear their pro-rata share and are reflected in the net asset value per share or unit of the JPMorgan fund. Unlike fund charges, any performance fees are not rebated to the Funds.

VAT

The annual charges levied within the Fund and the insurance premiums charged by JPMLL are currently exempt from VAT.

b. Expenses

Currency Hedged Unit Classes

The costs and expenses incurred in connection with any currency transactions entered into to hedge currency exchange risks associated with hedged unit classes will be borne exclusively by such hedged unit classes, and will be aggregated (if applicable) across any hedged unit classes denominated in the same currency in the same Fund. There are no additional fees for undertaking the currency hedging within a hedged unit class.

Additional Expenses

With the exception of in-specie transfers where JPMLL reserves the right to make a charge for the expenses involved in such transactions, there are currently no additional charges on entry, exit or switching. The Policy allows flexibility for JPMLL to introduce such charges in exceptional circumstances.

c. Other Costs

As detailed in Section 2c above there may be additional costs as a result of swing pricing.

JPMLL is part of the wider JPMorgan Chase & Co group of companies and may be required to comply with additional rules and regulations in countries outside the UK. Any costs and expenses incurred will be borne by the Funds.

4. Income

For each of the Funds, all available income is reinvested.

5. Alterations to the Policy

From time to time, JPMLL's standard terms of business need to change. The Funds underlying the Policy contain Premiums in respect of a large number of different pension schemes, and accordingly it would not be practicable for JPMLL to seek the agreement of each investor to any change. The Policy therefore allows JPMLL to amend the Policy on giving the Policyholders no less than 3 months' notice.

The Policy gives JPMLL the right to make amendments to the Policy in certain cases, without providing 3 month's notice. This clause is intended for use where it is not practical to give 3 month's notice, for example where new legislation requires the Policy terms to be updated. JPMLL will (a) exercise this power in a reasonable manner; and (b) provide the Policyholders with notice of such amendments, before they are made, wherever practicable, or otherwise as soon as practicable thereafter. The principal examples of cases where the clause may apply are set out in the Policy, but such cases might also include (without limitation) changes in HM Revenue and Customs ("HMRC") practice, Department for Business, Innovation & Skills requirements, Financial Conduct Authority rules, PRA Rulebook for Solvency II Firms or changes in the financial conditions affecting the assets of any particular Fund (for example the ability to trade in investments and currency controls).

6. Termination

Wind-up of Funds
JPMLL does not guarantee that any or all of the Funds will continue in existence, and retains the right to terminate the Funds in the future. In such circumstances the Policyholders can switch into another Fund or a surrender value will be payable, based on the value of their holding of units at the relevant time.
The Policy provides for a surrender value based on a Policyholder's bid value to be paid on JPMLL's winding-up the Funds "unless JPMLL in its discretion determines otherwise". The intention behind this additional wording is that in its discretion JPMLL may offer Policyholders an alternative investment

Consolidating or sub-dividing units or Funds
The Policy allows JPMLL to consolidate or sub-divide any units or Funds from time to time. These powers may be exercised only where JPMLL determines that a Fund and/or charging structure, as reflected in the terms of the different classes of units, have become

uneconomic or unworkable (such as, in the event of a change in law, regulation or practice). JPMLL will exercise such powers in a reasonable manner and where practicable, will give at least 3 months' written notice of any such changes.

7. Fund Taxation

Tax regulations and concessions are not guaranteed and can change at any time. The implications to a Policyholder will depend on their individual circumstances.

Withholding Tax on Underlying Investment Income
Income payments received by the Life Funds from the underlying investments of the Funds (i.e. equities, bonds etc.) may be subject to withholding taxes at various rates depending upon a variety of factors, including the source country of payment. The specific rate of withholding tax will be that applicable to a UK domiciled life assurance company which only writes exempt pension life business. As such, the rate of withholding tax may differ from that of other investment vehicles such as UK OEICs or Luxembourg SICAVs. In certain circumstances, the Funds invest via UK OEICs or Luxembourg SICAVs which may result in a different level of Fund income after withholding tax than would apply if the Fund invested directly.

The procedures adopted by JPMLL in the context of withholding taxes or other tax issues are documented in the JPMLL – Tax in Unit Pricing Procedure document. If you wish to obtain more details of the tax procedures applicable, please speak to your client adviser or client account manager.

JPMLL recommends Policyholders contact their tax advisor about the suitability of any particular Funds from a tax perspective. The information given in this Guide is based on JPMLL's understanding of law and HMRC rules and practice as at the date of this Guide.

8. Clients

We normally accept applications from:
- occupational pension schemes which are registered with HMRC;
- personal pension schemes (including SIPP schemes) which are similarly registered;
- insurance companies reassuring their pension liabilities; and
- certain overseas pension schemes.

Occupational pension schemes and personal pension schemes
Only occupational pension schemes and personal pension schemes registered under Chapter 2, Part 4 of the Finance Act 2004, are permitted to invest in the Policy. Furthermore where two or more registered schemes are invested together, through a common investment fund, then that fund may itself invest directly in the Policy.
JPMLL requires the HMRC reference number of the scheme which is to invest in the Policy. The prospective Policyholders are also required to warrant that the scheme is a "registered

pension scheme" and to notify JPMLL promptly if at any time the status is withdrawn. These provisions are required in order to provide JPMLL with sufficient comfort that JPMLL can issue a Policy to the Policyholders in respect of its tax-exempt pension funds.
Policyholders may vary from time to time the extent to which their scheme will be invested in the Policy.

Insurance companies reassuring their personal liabilities
JPMLL accepts applications for reassurance from authorised UK insurance companies which wish to reassure their unit-linked pension liabilities as a means of obtaining access to a range of externally managed funds. Further information on reassurance is available by contacting JPMLL direct.

Overseas life assurance business
JPMLL is able to accept applications from certain overseas pension schemes including those schemes that have been accepted by HMRC as corresponding to a UK registered pension scheme. Such applications are treated by JPMLL as overseas life assurance business. Further information is available by contacting JPMLL direct.

9. Reporting

a. For pension scheme administrators

Trade confirmations

The pension scheme administrator will receive trade confirmations each time there is a movement into or out of the Funds. The trade confirmation will be available (via fax or via STP depending on how the trade was received) on trade date. Written confirmation will be despatched via post on trade date plus one.

Quarterly reports and fact sheets
Quarterly booklets provide information on the performance of a Fund compared to the benchmark, together with a market outlook and an economic review. Quarterly fact sheets, which summarise this information, will also be provided and may be distributed to the scheme members, if required.

The quarterly booklets will be issued by JPMAM (UK) to the client by electronic mail to such address as the client shall specify in writing to JPMAM (UK).

All Fund performance is based on close of business month end NAV per unit.

Portfolio information relating to the underlying holdings of the Funds may be subject to an embargo period of up to 30 calendar days during which time certain information will not be disclosed to investors or third parties. For further information in relation to the portfolio information disclosure policy please contact your usual JPMorgan contact.

For hedged unit classes a substantial part of the assets of the Fund attributable to the GBP hedged unit class will be denominated in or hedged into GBP. The excess returns between equivalent hedged unit classes and unhedged unit classes will be different because:

- JPMLL do not hedge currency exposure, if applicable, to emerging market assets which would entail the use of non-deliverable forwards;
- of the costs of the transactions to be hedged back to GBP; and
- of practical operational constraints.

10. Stock Lending

At the discretion of the Investment Manager, the Funds may participate in a stock lending program in which securities are transferred temporarily to approved borrowers with a view to the generation of additional income for the relevant Funds, and hence for the Policyholders, with an acceptable degree of risk.

The specific method of stock lending permitted is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in Section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the "lender" to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed. Collateral is typically 102% to 105% of the value of the lent securities. Any of the transferable securities or money market instruments held for a Fund may be the subject of stock lending transaction.

The lending agent for the Funds, J.P. Morgan Chase Bank, N.A. (JPMCB) (an affiliate of JPMLL), receives a fee of 10% of the gross revenue for its services. The remainder of the revenue, 90%, is received by the lending Fund i.e. for the benefit of Policyholders. The arrangement with JPMCB is independently agreed and monitored by JPMLL. The only exposure that the Funds may have to reverse repurchase transactions is through the reuse of cash collateral received in respect of stock lending.

The maximum proportion of the assets under management of the Funds that can be subject to stock lending is 33.3% and the expected proportion of the assets under management of the Funds that, in practice, could be subject to stock lending fluctuates between 0% and 33.3%. Stock lending involves certain risks, such as counterparty risk (e.g., borrower default) and market risk (e.g., decline in value of the collateral or the reinvested cash collateral) remain and these need to be monitored. Many of the risks are mitigated by the lending agent's agreement to indemnify the Funds. The risk related to the reinvestment of cash collateral, is not indemnified by the agent and is mitigated by investing cash collateral in highly liquid, constant value short-term instruments.

For a detailed explanation of the risks involved in stock lending refer to sections 6 and 10 of the Investment Guidelines.

11. General Information

Legislation and regulators
JPMLL is a registered limited liability company, authorised to conduct life assurance business. JPMLL is subject to UK legislation, rules and regulations governing life assurance companies.

The principal legislation is:
- Financial Services & Markets Act 2000

The principle regulators are:
- Prudential Regulation Authority ('PRA') – (prudential regulation); and
- the Financial Conduct Authority ('FCA') - (conduct regulation);

The principle rules are contained in the PRA Rulebook for Solvency II Firms and the FCA Handbook.

Rules and Regulations made under the Financial Services & Markets Act 2000 – segregation of assets and solvency
Clients of JPMLL are provided with significant protections under UK insurance legislation which include:

- the segregation of assets and liabilities for Policies into a long-term pension Fund which may not be transferred to benefit shareholders or to Fund any other business or liabilities of JPMLL unless after a formal actuarial valuation, taking into account all Policyholder assets and liabilities, a surplus has arisen;
- in the unlikely event of insolvency only if there is a surplus after satisfying creditors of the long-term pension Fund such surplus assets can be applied to satisfy liabilities towards other creditors or the shareholders of JPMLL; and
- the maintenance of a required minimum solvency margin.

The Financial Services Compensation Scheme
The Financial Services Compensation Scheme provides some protection for certain investors in life assurance related products. Clients of JPMLL may in principle be eligible for this compensation in the event that JPMLL should fail although this would only be available to Eligible Claimants as defined in the Rules. These are typically private investors and small trusts and institutions. There is an annual levy payable by JPMLL in relation to the Financial Services Compensation Scheme. This levy is set annually (based on the expected liabilities of the scheme) and is currently calculated by reference to JPMLL's premium income and any remuneration received in respect of the provision of other services.

Obligations on Policyholders for schemes that cease to be registered

The Policy requires the Policyholders to meet certain liabilities that could be incurred by JPMLL, for example if the scheme ceased to be a "registered pension scheme".

Third parties

It is possible that the value of the Funds could be affected by the acts of third parties. In the event of any fraud, wilful default or negligence by any third party resulting in a material loss in the value of the Funds, JPMLL would intend to enforce its rights against the third party insofar as is practicably possible.

Conflicts of interest

An investment of the Premiums received under the Policy in connection with the Funds is subject to a number of actual or potential conflicts of interest. The Investment Manager, acting as the investment manager and administrator, the Custodian, the sales agents (where relevant) and other relevant members of JPMorgan Chase & Co. (a multi-service banking group, providing its clients all forms of banking and investment services) have adopted policies and procedures reasonably designed to appropriately prevent, limit or mitigate conflicts of interest. In addition, these policies and procedures are designed to comply with applicable law where the activities that give rise to conflicts of interest are limited and/or prohibited by law, unless an exception is available.

The Investment Manager and/or its affiliates provide a variety of different services to JPMLL, for which JPMLL compensates them. As a result, the Investment Manager and/or its affiliates have an incentive to enter into arrangements with JPMLL, and face conflicts of interest when balancing that incentive against the best interests of JPMLL. The Investment Manager, together with affiliates to which it delegates responsibility for investment management, also face conflicts of interest in their service as investment manager to other funds or clients, and, from time to time, make investment decisions that differ from and/or negatively impact those made by on behalf of JPMLL.

In addition, affiliates of the Investment Manager (collectively, "JPMorgan") provide a broad range of services and products to their clients and are major participants in the global currency, equity, commodity, fixed-income and other markets in which JPMLL invests or will invest. In certain circumstances by providing services and products to their clients, JPMorgan's activities may disadvantage or restrict JPMLL and/or benefit these affiliates.

Potential conflicts of interest may arise as a consequence of the Custodian (which is part of JPMorgan) providing custody services to JPMLL. For example, potential conflicts of interest may arise where the Custodian is providing a product or service to JPMLL and has a financial or business interest in such product or service or where the Custodian receives remuneration for other related custodial products or services it provides to JPMLL, such as foreign exchange, stock lending, pricing or valuation services. In the event of any potential conflict of interest which may arise during the normal course of business, the Custodian will at all times have regard to its obligations under applicable laws. The Investment Manager and the Custodian ensure that they operate independently within JPMorgan.

The Investment Manager may acquire material non-public information which would negatively affect JPMLL's ability to transact in securities affected by such information.

For more information about conflicts of interest, see https://am.jpmorgan.com/uk/institutional.

Complaints
If a Policyholder wishes to make a complaint about the operation of the Funds they should contact JPMLL at the Client Administration Centre, 60 Victoria Embankment, London EC4Y 0JP or, if they are dissatisfied with the response received and are eligible complainants, direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

Strategy for the exercise of voting rights
JPMLL has a strategy for determining when and how voting rights attached to ownership of scheme property are to be exercised for the benefit of each Fund. A summary of this strategy is available online at www.jpmorganassetmanagement.co.uk.

Inducements
JPMLL has assessed the fees and commissions that it pays or is paid. All fees and commissions are considered to be within the requirements of the rules on inducements set out in section 2.3 of the FCA Conduct of Business Sourcebook (COBS) and no additional disclosure is required.

Remuneration Policy
JPMLL has a remuneration policy that is designed to:

- contribute to the achievement of short-term and long-term strategic and operational objectives at the same time avoiding excessive risk-taking inconsistent with the risk management strategy
- provide a balanced total remuneration package made up of a mix of fixed and variable components including base salary, cash incentives and long-term, equity based or fund-tracking incentives that vest over time
- promote proper governance and regulatory compliance

Key elements of the policy are intended to:

- tie remuneration of employees to long-term performance and align it with Policyholders' interests
- encourage a shared success culture amongst employees
- attract and retain talented individuals
- integrate risk management and remuneration
- have no remuneration perquisites or non-performance-based remuneration
- maintain strong governance around remunerations practices
- avoid conflicts of interest

The policy applies to all employees, including employees whose professional activities materially impact the risk profile of JPMLL, includes a description of how remuneration and benefits are calculated, and sets out the responsibilities for awarding remuneration and benefits, including the composition of the committee that oversees and controls the policy. A copy of the policy is available at https://am.jpmorgan.com/gb/en/asset-management/gim/awm/legal/emea-remuneration-policy or free of charge from JPMLL.

Personal recommendations

JPMorgan Life Limited makes no personal recommendations in connection with or resulting from the purchase of the Policy. This includes the payment of premiums and surrender values and switches.

Appendix 1

The current range of Funds offered and the associated annual charges are shown below. Please also read the notes at the end of this section.

JPMLL Fund	Fund Size as at 31 October 2019 (GBP million)	Annual charges			Spreads to NAV pricing from 5 November 2019		Launch date
		Charges for Class 3 (in bps)	Charges for Class 5 (in bps)	Charges for Class 6 (in bps)	Bid basis (in bps)	Offer basis (in bps)	
Equities							
UK Specialist Equity Fund	17	50	40	35	-11	58	Oct 1995
UK Dynamic Fund	135	Not available	75	60	-15	55	Aug 2005
Continental Europe Select Equity Fund	63	55	50	**	-5	20	Sept-1998
Japan Equity Fund	57	70	60	**	-10	10	Oct 1995
US Equity All Cap Fund	172	80	70	**	-5	5	Feb 2017
Asia Equity Fund	115	70	60	**	-25	15	Oct 1995
All-Emerging Markets Equity Fund	232	100	85	70	-15	15	Nov 1997
Global Equity All Countries Fund	10	55	50	42	-15	15	Sep 2010
Diversified Equity Fund	470	65	50	35	-15^	18^	April 1998
Diversified Growth Fund	80	Not available	40	30**	-20^	20^	June 2006
Bonds							
UK Liquidity Fund	162	20	15	10	^^	^^	April 1998
High Yield Opportunities Fund	421	55	45	**	-40	40	May 2017
Balanced							
Balanced Fund	262	55	45	30	-14^	16^	Oct 1995

**** These Classes are inactive but may be available on request. Clients should contact JPMLL for further information.**

^ These Funds invest via other Funds. There is therefore no spread applied at the wrapper fund level as spreads are applied at the underlying Fund level. The spreads are the maximum bid and maximum offer spreads which clients would be charged if all the underlying Funds swung the same way and should be treated as a guide. Please note the Diversified Growth Fund is a combination of Funds and directly invested assets.

^^ This Fund normally only invests in a SICAV fund which does not have spreads.

Unit Class 3 is not available for investment in UK Dynamic Fund therefore investors will be able to invest in Class 5 of this Fund regardless of Minimum Investment Size.

In addition, the Minimum Investment Size will be waived for Class 6 of the Diversified Growth Fund until the assets in the Fund reach £500 million. Therefore all investors will be able to invest in Class 6 of this Fund regardless of the size of their investment.

J.P.Morgan
Asset Management