

# Valuation Policy Disclosure

The investments of the JPMorgan Chase Bank, N.A. Commingled Pension Trust Funds (the “Funds”) are valued in accordance with valuation policies adopted by JPMorgan Chase Bank, N.A. (the “Trustee”). The following is a summary of the valuation policies generally used to value the investments of the Funds. The valuation of each investment of the Funds shall generally be based on market-based quotations, if readily available, or fair valuation. It is anticipated that the majority of prices used for valuation of the investments will be obtained from pricing vendors or brokers (“Pricing Services”).

Market-based valuation is determined on the basis of last reported sale price or market quotations, obtained from Pricing Services, which are readily available in an active market prior to the time the Funds’ net asset values (“NAVs”) are determined on a valuation date.

- (a) Fixed income investments will be valued each day based on readily available market quotations received from Pricing Services. Such Pricing Services will generally provide bid side quotations.
- (b) Equity securities listed on a North American, Central American, South American or Caribbean securities exchange are generally valued at the last sale price on the exchange on which they are principally traded. Other foreign equity securities are fair valued using quotations from an independent pricing service, as applicable. The value of the National Market Systems equity securities quoted by the NASDAQ Stock Market shall generally be the NASDAQ Official Closing Price.
- (c) Unlisted equities are valued at the last sale price provided by Pricing Services from authoritative sources, such as Pink Sheets, LLC or OTC Bulletin Board.
- (d) Listed and unlisted equities for which the latest sales prices are not available are valued at the mean of the latest bid and ask price as of the closing of the primary exchange where such securities are normally traded.
- (e) Shares of open-end investment companies shall be valued at their current day NAVs published by the relevant fund. Shares or units of common, collective or commingled pension trust funds shall be valued at their current day NAVs as published by the relevant fund.
- (f) Options traded on U.S. securities exchanges are valued at the composite mean price, using the National Best Bid and Offer quotes on the valuation date. Options traded on foreign exchanges are valued at the settled price on the valuation date, or if no settled price is available, at the last sale price available prior to the calculation of the Funds’ NAVs. Exchange traded futures are valued at the last sale price on the valuation date. Any options and exchange traded futures involving equity reference obligations listed on exchanges other than North American, Central American, South American or Caribbean securities exchanges will be fair valued by applying fair value factors provided by independent pricing services, as applicable.
- (g) Over-the-counter derivatives are priced using market quotations provided by approved Pricing Services. Any derivatives involving equity reference obligations listed on exchanges other than North American, Central American, South American or Caribbean securities exchanges will be fair valued by applying fair value factors provided by independent pricing services, as applicable.
- (h) Foreign currencies are valued based on foreign exchange rates obtained by a Pricing Service, using spot and forward rates available at the time net asset values of the Funds are calculated. The market value of investment securities and other assets and liabilities are translated at the exchange rate as of the valuation date. Purchases and sales of investment securities, income and expenses are translated at the exchange rate prevailing on the respective dates of such transactions.

When market-based valuations are not readily available, the investments may be fair valued either by (i) the relevant Pricing Services or (ii) internally by the Trustee.

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Pricing Services may use proprietary models or other methods of fair valuation to provide evaluated prices. The models used by such Pricing Services may take into account factors related to an investment, including, as appropriate, the relationship of an investment in the issuer's capital structure; information obtained through publicly available sources about the investment; the issuer and the market for its securities; and comparisons of the investment to transactions or prices of other securities of issuers having similar characteristics, issues of similar size, credit quality, maturity and purpose.

Investments may be internally fair valued in certain circumstances, including but not limited to when the Trustee determines that market quotations from Pricing Services are not reliable or readily available, and when the last sale price / official close price of the investment does not reflect its fair value at the time a Fund's NAV is calculated. Investments and assets are internally fair valued in accordance with policies adopted by the Trustee.

Trading in securities on most foreign exchanges and over-the-counter markets is normally completed before the close of the domestic market and may also take place on days when the domestic market is closed. If events materially affecting the value of foreign securities occur between the time when the exchange on which they are traded closes and the time when the Funds' NAVs are calculated, such investments will be internally fair valued in accordance with policies adopted by the Trustee.

## Real Estate Investments<sup>1</sup>

Fair values of real estate investments are determined by the Trustee at each Valuation Date. As part of the Trustee's

valuation process, independent appraisers value properties on an annual basis (at a minimum). Property valuations and the salient valuation-sensitive assumptions of each asset are reviewed by the Trustee and values are adjusted if there has been a significant change in circumstances related to the property since the last valuation. In addition, the Trustee may cause additional appraisals to be performed.

Fair value is defined as the most probable price in cash, or terms which can be expressed in cash equivalents, for which the appraised property will sell in a competitive market under all conditions requisite for fair sale, with the buyer and seller each acting prudently, knowledgeably and for self-interest, and assuming that neither is under undue duress. Investment values include net working capital. The estimate of fair value may vary significantly from the price achieved in a sale. Interim capital expenditures and capitalized interest are only recognized to the extent that the valuation process acknowledges a corresponding increase in fair value.

## Investment Contracts<sup>2</sup>

To the extent permitted by the Comptroller of the Currency, United States Treasury Department, Investment Contracts that are fully benefit responsive (within the meaning of applicable accounting guidance) and other assets that provide for benefit payments or withdrawals on a contractual basis, and for which there is no readily ascertainable market value, shall be assigned their respective contract values as their fair market value. If an event has occurred that may affect the value of an Investment Contract or other asset, disclosure of the event or reporting the investment at less than contract value may be appropriate as determined by the Trustee in its sole discretion.

<sup>1</sup> Applicable to the Commingled Pension Trust Fund (Diversified Commercial Property) of JPMorgan Chase Bank, N.A., Commingled Pension Trust Fund (Core Diversified Commercial Property) of JPMorgan Chase Bank, N.A., Commingled Pension Trust Fund (Special Situation Property) of JPMorgan Chase Bank, N.A., and Commingled Pension Trust Fund (Strategic Property) of JPMorgan Chase Bank, N.A.

<sup>2</sup> Applicable to the Commingled Pension Trust Fund (Stable Asset Income) of JPMorgan Chase Bank, N.A. The term "Investment Contracts" shall have the meaning as set forth in Section 1.3(i) of the Declaration of Trust for the Commingled Pension Trust Fund (Stable Asset Income) of JPMorgan Chase Bank, N.A.

## Net Asset Value Correction Policy

In the event that unitholder adjustments<sup>3</sup> are required to correct any error in the computation of the NAV of a Fund (including, as applicable, the NAV per class and/or the NAV per unit of a Fund), the Trustee shall make such correction in accordance with its Net Asset Value Correction Policy, which is set forth herein.<sup>4</sup> To the extent the Trustee determines, in accordance with its fiduciary responsibilities, that following the methodology set forth herein is not in the best interest of Fund unitholders in the aggregate or would produce an inequitable or unreasonable result (including without limitation unjust enrichment or diminution to any party or unreasonable costs), with respect to a specific error, the Trustee may take such other corrective measures as it deems prudent under the circumstances and in accordance with established procedures.<sup>5</sup>

- A. Funds where the NAV is determined daily, or Funds where the NAV is determined monthly and the NAV is equal to or greater than \$25 per Unit<sup>6</sup>:
  - I. If the error is less than 0.10% of the respective Fund's NAV, no action will be taken as the error is deemed immaterial.
  - II. If the error is greater than or equal to 0.10% of the respective Fund's NAV, but less than 0.50% of the respective Fund's NAV:
    - a. the Fund will seek reimbursement from the responsible party<sup>7</sup> for any net losses resulting from unitholder transaction activity<sup>8</sup> that are less than \$250,000.00, and no unitholder adjustments shall be made; provided, however, that if any Participating Trust in the Fund experienced a loss of more than \$10,000.00 then the Fund will not seek reimbursement from the responsible party for net losses and, instead, unitholder adjustments shall be made where the adjustment is at least \$25 (the de minimis threshold).
    - b. the Fund will retain any net gains resulting from unitholder transaction activity that are less than \$250,000.00 and no unitholder adjustments shall be made; provided, however, that if any Participating Trust in the Fund experienced a loss of more than \$10,000.00 then the Fund will not retain the net gain and, instead, unitholder adjustments shall be made, subject to the \$25 de minimis threshold.
    - c. Unitholder adjustments, subject to the \$25 de minimis threshold for each Participating Trust, shall be made if the Fund realized a net loss or net gain as a result of unitholder transaction activity equal to or greater than \$250,000.

<sup>3</sup> Unitholder adjustments means Participating Trust transaction activity based on the NAV of the Fund (e.g., contributions to or withdrawals from a Fund, and payment of management fees) during the error period is reprocessed at the corrected NAV, putting such parties back in the position they would have been had the error not occurred. In the event that a Participating Trust that fully withdrew from the Fund fails to repay the Fund, the Trustee, if it is the responsible party will reimburse the Fund, or will undertake prudent efforts to obtain reimbursement for the Fund if a third-party is the responsible party.

<sup>4</sup> This NAV Correction Policy applies to errors in the computation of the NAV of a Fund where there is unitholder transaction activity (i.e., unitholder contributions and/or withdrawals, and payment of management fees) during the error period. Fiduciary errors (e.g., trade errors or operational errors) are addressed in accordance with the Fiduciary Error Resolution Policy and applicable procedures and, to the extent a fiduciary error results in an error in the computation of the NAV of a Fund, in accordance with this NAV Correction Policy.

<sup>5</sup> To the extent that taking such other corrective measures may reasonably be construed as a use of the Trustee's authority, control or responsibility where, based on the facts and circumstances, the Trustee has an interest in the alternative correction that may affect the exercise of its best judgment as a fiduciary, the Trustee will obtain the consent of Fund unitholders or another fiduciary independent of the Trustee prior to taking such other corrective measures.

<sup>6</sup> Unless otherwise stated herein, this \$25 per Unit threshold, and the NAV error amount thresholds set forth throughout this Net Asset Value Correction Policy, shall be calculated as of the time when such NAV error is discovered, without taking into account the impact of correcting such error or the size of such error relative to the NAV during any period of time such error persisted prior to discovery.

<sup>7</sup> If the Trustee is responsible for the NAV error, it will reimburse the Fund. If a third-party is responsible for the NAV error, the Trustee will undertake prudent efforts to obtain reimbursement for the Fund.

<sup>8</sup> Unitholder transaction activity means unitholder contributions and withdrawals, and payment of management fees, based on the NAV of a Fund during the error period.

- III. If the error is greater than or equal to 0.50% of the respective Fund's NAV, unitholder adjustments shall be made if there was transaction activity during the error period, subject to the \$25 de minimis threshold.
  - IV. In the case of unitholder adjustments, the Trustee may elect to only adjust Participating Trusts in the Fund that experienced a loss and the Fund would seek reimbursement from the responsible party in order to make the Fund whole for Participating Trusts that experienced a gain as a result of the error (including those Participating Trusts that fully withdrew from the Fund at the incorrect NAV).
- B. Funds where the NAV is determined monthly and the NAV is less than \$25 per Unit:
- I. If the error is less than \$0.01 per unit, no action will be taken as the error is deemed immaterial.
  - II. If the error is greater than or equal to \$0.01 per unit, but less than .50% of the respective Fund's NAV:
    - a. the Fund will seek reimbursement from the responsible party<sup>9</sup> for any net losses resulting from unitholder transaction activity that are less than \$250,000.00, and no unitholder adjustments shall be made; provided, however, that if any Participating Trust in the Fund experiences a loss of more than \$10,000.00 then the Fund will not seek reimbursement from the responsible party for net losses and, instead, unitholder adjustments shall be made, subject to the \$25 de minimis threshold.
    - b. the Fund will retain any net gains resulting from unitholder transaction activity that are less than \$250,000.00 and no unitholder adjustments shall be made; provided, however, that if any Participating Trust in the Fund experiences a loss of more than \$10,000.00 then the Fund will not retain the net gains and, instead, unitholder adjustments shall be made, subject to the \$25 de minimis threshold.
    - c. Unitholder adjustments, subject to the \$25 de minimis threshold for each Participating Trust, shall be made if the Fund realized a net loss or net gain resulting from unitholder transaction activity equal to or greater than \$250,000.
  - III. If the error is greater than or equal to 0.50% of the respective Fund's NAV, unitholder adjustments shall be made if there was transaction activity during the error period, subject to the \$25 de minimis threshold.
  - IV. In the case of unitholder adjustments, the Trustee may elect to only adjust Participating Trusts in the Fund that experienced a loss, and the Fund would seek reimbursement from the responsible party in order to make the Fund whole for Participating Trusts in the Fund that experienced a gain as a result of the error (including those Participating Trusts that fully withdrew from the Fund at the incorrect NAV).

<sup>9</sup> If the Trustee is responsible for the NAV error, it will reimburse the Fund. If a third-party is responsible, the Trustee will undertake prudent efforts to obtain reimbursement for the Fund.