

Conflict of interest disclosure for corporate governance

J.P. Morgan Asset Management



J.P. Morgan Asset Management is required to have proxy voting procedures adopted and implemented that address material conflicts of interest. To address such conflicts of interest, J.P. Morgan Asset Management relies on certain policies and procedures. In order to maintain the integrity and independence of investment processes and decisions, including proxy voting decisions, and to protect decisions from influences that could lead to a vote other than in a clients' best interests, J.P. Morgan Chase & Co. (including J.P. Morgan Asset Management) has adopted several policies including: the Conflicts of Interest Policy – Firmwide, Information Safeguarding and Barriers Policy – Firmwide and Information Safeguarding and Barriers Policy – MNPI Firmwide Supplement. Material conflicts of interest are further avoided by voting in accordance with J.P. Morgan Asset Management's predetermined proxy voting guidelines (Guidelines).

Given the breadth of J.P. Morgan Asset Management's products and service offerings, it is not possible to list every circumstance that could give rise to a material conflict. Examples of such material conflicts of interest that could arise include, without limitation, circumstances in which:

1. Management of a J.P. Morgan Asset Management client or prospective client, distributor or prospective distributor of its investment management products, or critical vendor, is soliciting proxies and failure to vote in favor of management may harm J.P. Morgan Asset Management's relationship with such company and materially impact J.P. Morgan Asset Management's business.
2. A personal relationship between a J.P. Morgan Asset Management officer and management of a company or other proponent of a proxy proposal could impact J.P. Morgan Asset Management's voting decision.
3. The proxy being voted is for JPMorgan Chase & Co. stock or for J.P. Morgan Funds.
4. The proxy administrator (the one charged with oversight of the entire proxy voting process) has actual knowledge that a J.P. Morgan Asset management affiliate is an investment banker or has rendered a fairness opinion with respect to the matter that is the subject of the proxy vote.
5. Voting of third-party funds.

Depending on the nature of the Conflict, J.P. Morgan Asset Management may elect to take one or more of the following measures, or other appropriate action:

1. Removing certain Advisor personnel from the proxy voting process.
2. Walling off personnel with knowledge of the conflict to ensure that such personnel do not influence the relevant proxy vote.
3. Voting in accordance with JPMAM's Guidelines, if any, if the application of the Proxy Guidelines would objectively result in the casting of a proxy vote in a predetermined manner.
4. Deferring the vote to an independent third party, if any, that will vote in accordance with its own recommendation. However, J.P. Morgan Asset Management may request an exception to this process to vote against a proposal rather than referring it to an independent third party ('Exception Request') where the proxy administrator has actual knowledge indicating that a J.P. Morgan Asset Management affiliate is disclosed in the public domain as an investment banker or rendered a fairness opinion with respect to the matter that is the subject of a proxy vote. The Proxy Committee shall review the Exception Request and shall determine whether J.P. Morgan Asset Management should vote against the proposal or whether such proxy should still be referred to an independent third party due to the potential for additional conflicts or otherwise.
5. Train employees on conflicts of interest through required online learnings, compliance bulletins and/or compliance trainings.

Potential conflicts

1. J.P. Morgan Asset Management may cast proxy votes consistent with client(s) investment strategies which may conflict with the investment strategies of other clients of ours, and notably, individual proxy votes may differ between clients.
2. J.P. Morgan Asset Management clients may invest in the same company or in which a single client may invest in the same company but in multiple accounts. In those situations, two or more clients, or one client with different accounts, may be invested in strategies having different investment objectives, investment styles, or portfolio managers. As a result, J.P. Morgan Asset Management may cast different votes on behalf of different clients or on behalf of the same client with different accounts.
3. J.P. Morgan Asset Management, or our clients, may participate in securities lending programs or lend stock to third parties whose investment objectives may be different to ours and as a result the third parties may cast proxy votes that conflict with the investment strategies of our clients.
4. J.P. Morgan Asset Management may engage with companies on behalf of impact and sustainable funds that have different objectives to other funds.
5. J.P. Morgan Asset Management may have a different position on environmental, social and corporate governance matters than its parent company (JPMC).
6. J.P. Morgan Asset Management clients may want us to engage or vote on corporate governance issues that further their interests, however, are not consistent with our policies.
7. J.P. Morgan Asset Management may participate in collaborative engagements with other industry participants which may include joining a coalition, working with other asset managers/owners on issues relating to the 5 priorities, and/or signing of public statements and resolutions that may have conflicting or differing positions on corporate governance matters.

Escalation of material conflicts of interest

When a potential material conflict of interest has been identified, the proxy administrator, and as necessary, a legal and/or compliance representative from the Proxy Committee, will evaluate the potential conflict and determine whether an actual material conflict of interest exists, and if so, will recommend how the relevant J.P. Morgan Asset Management entity will vote the proxy.

Sales and marketing professionals will be precluded from participating in the decision-making process.

The resolution of all potential and actual material conflict issues will be documented in order to demonstrate that J.P. Morgan Asset Management acted in the best interests of its clients.

The Proxy Committee must review actual or perceived Conflicts of Interest in accordance with the Guidelines.