

## Item 1 – Cover Page

### Part 2A of Form ADV Brochure for:

**55I, LLC**  
**d/b/a 55ip**

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**March 29, 2024**

**This brochure provides information about the qualifications and business practices of 55I, LLC d/b/a 55ip (“55ip” or the “Adviser”). If you have any questions about the contents of this brochure, please contact the Adviser at (617) 960-9559 and/or [info@55-ip.com](mailto:info@55-ip.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about 55ip, including a copy of the Adviser’s Form ADV Part 1A, is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). 55ip’s CRD number is 286620.**

**55ip is registered as an investment adviser with the SEC. Such registration does not imply a certain level of skill or training.**

## Item 2 – Material Changes

This brochure ("Brochure") dated March 29, 2024 contains the following material changes since the last update of the Brochure on November 7, 2023:

- Renamed the Tax-Smart U.S. Equity strategies the Tax-Smart Active strategies.
- Item 4.B, Types of Advisory Services, was updated to clarify that for the Tax-Smart Active and Tax-Smart Index strategies, 55ip provides non-discretionary sub-advisory services on behalf of its affiliate.
- Item 4.E, Assets Under Management, was updated to provide 55ip's assets under management as of February 29, 2024.
- Item 5.A, Advisory Fees and Compensation, was updated to clarify that, for certain Sub-Advisory Clients, a portion of the fee is passed through to certain Model Providers pursuant to contractual arrangements between 55ip and such Model Providers.
- Item 8.A, Methods of Analysis and Investment Strategies, was updated as follows:
  - The Ongoing Tax Management section was clarified to note that while 55ip seeks to review accounts about every 31 days, there are circumstances when accounts are reviewed less frequently. For tax loss harvesting, 55ip engages in trades intended to incur capital losses, typically by selling a position within the target strategy and replacing it with a purchase of a Proxy Replacement Security.
  - The paragraph regarding 55ip's proxy selection algorithm was updated to note that the Model Provider or Client can set certain criteria for 55ip's proxy selection algorithm, including defining a limited universe of securities to select from and/or setting thresholds on replacements such as market capitalization and liquidity. In cases where the Model Provider or Client has placed limiting criteria on Proxy Replacement Securities, the account will likely experience higher tracking error relative to a similar Model portfolio where there are no limiting criteria on Proxy Replacement Securities. In many cases, the Model Provider or Client will choose a specific Proxy Replacement Security to replace a security within the target Model, in which case, 55ip has no role in the selection of the Proxy Replacement Security and 55ip will use this Proxy Replacement Security instead of utilizing its proxy selection algorithm.
- Item 8.B, Material, Significant, or Unusual Risks Relating to Investment Strategies, was updated to include important information and disclosures related to Tax Loss Harvesting Risk and Proxy Replacement Security Risk. Proxy Replacement Securities will likely perform differently than the target Model security and will likely result in a higher tracking error relative to the Model portfolio. In addition, depending on the program or strategy, Clients may remain invested in a Proxy Replacement Security for an indefinite period of time. Further, in certain cases, the Model Provider or Client will specify that certain securities in the target Model should not be utilized for tax loss harvesting. Clients should expect that accounts invested in these Models will have less tax loss harvesting opportunities.

- Item 10.C, Material Relationships or Arrangements with Affiliated Entities, was updated to include J.P. Morgan Securities LLC.
- Item 10.D, Material Conflicts of Interest Relating to Other Investment Advisers, was updated to note:
  - 55ip has a conflict of interest when it selects or recommends JPMorgan Affiliated Funds as Proxy Replacement Securities for certain Models because JPMIM and/or its affiliates, including 55ip, benefit from an increased allocation to JPMorgan Affiliated Funds.
  - If 55ip is deemed to be affiliated with a fund included in a Model Portfolio, it could restrict the ability of 55ip's affiliates to transact with or provide services to such fund and its affiliates. In order to avoid these potential restrictions, certain Model Providers will provide substitute securities, which, depending on the substitute security used, could lead to increased tracking error.
- Item 13.A, Frequency and Nature of Periodic Reviews and Who Makes Those Reviews, was updated to note that accounts that select Ongoing Tax Management are typically reviewed monthly for tax loss harvesting opportunities. In addition, accounts utilizing Client-provided Models are typically reviewed for rebalancing monthly. Relevant accounts are identified and reviewed by the 55ip Trade Operations team, utilizing 55ip's proprietary technology.
- Item 13.C, Content and Frequency of Regular Reports, was updated to note that Sub-Advisory and Trade List Delivery Clients utilizing 55ip's Ongoing Tax Management service who meet 55ip's reporting criteria receive reports on a quarterly basis.
- Item 17, Voting Client Securities, was updated to clarify information related to proxy voting policies and procedures, and practices regarding directing votes for a particular solicitation.

Below are additional material changes made to the Brochure since the last annual update on March 31, 2023:

- Item 4.D, Wrap Fee Programs, was updated to provide information about 55ip's trading away practices for Wrap Program accounts.
- Item 5.C, Additional Fees and Expenses, was updated to describe the costs that may be incurred when trading away from the account's custodian.
- Item 7, Types of Clients, was updated to clarify the minimum account size requirements as well as describe the new Relationship Minimum requirement for Clients.
- Item 8.A, Methods of Analysis, Investment Strategies and Risk of Loss, was updated as follows:
  - The Tax-Smart Transitioning and Ongoing Tax Management sections were updated to note that rebalancing to the target Model allocation includes Proxy Replacement Securities. In addition, the Tax-Smart Withdrawal section was updated to note that

accounts that select the minimize taxes scenario will automatically move into Tax-Smart Transitioning with a \$0 tax budget.

- The Security Substitution Feature was added to enable additional customization of the Tax-Smart Transitioning service by allowing certain securities in a Model to be substituted with an account's existing securities, based on certain parameters. In addition, 55ip's disclosure related to tax loss harvesting services was enhanced to clarify that tax loss harvesting operates on an account basis and considers only securities and transactions within a particular account when reviewing for tax loss harvesting opportunities and instances of wash sale transactions. However, certain Clients now have the ability to link multiple 55ip accounts (within certain parameters) for the purpose of tax loss harvesting. When a Client links accounts, 55ip will consider all holdings and transactions within the linked accounts in order to minimize the instances of wash sale transactions. Lastly, 55ip clarified its services related to unmanaged securities.
- Item 8.B, Material, Significant, or Unusual Risks Relating to Investment Strategies, was updated as follows:
  - To include descriptions of risks associated with Software (Optimizer) Changes and Operational Risk (Cash Withdrawals, Cash Management, Trade Suspensions and Account Minimums). In addition, the risk description related to Tax-Smart Transitioning was enhanced.
  - To include descriptions of risks associated with Account/Custodial Set-Up and Tax-Smart Transitioning.
- Item 12.A, Factors Used to Select Broker-Dealers, was updated to clarify that, while 55ip has discretion to select brokers when trading accounts, 55ip typically places trades through the account's Sponsor for Wrap Programs or the account's custodian.
- Item 12.B, Aggregating Trading for Multiple Client Accounts, was updated to clarify that certain Client-directed orders (e.g., cash withdrawal requests) are not included in a trade rotation. 55ip has policies and procedures in place that are designed to promote fair and equitable treatment among its Client accounts over time.

Further, certain disclosures throughout this Brochure have been enhanced. Clients should carefully read this Brochure in its entirety. Clients can request a copy of 55ip's Brochure by contacting 55ip at (617) 960- 9559.

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## Item 4 – Advisory Business

### A. Description of the Advisory Firm

This Brochure relates to the investment advisory services offered by 55I, LLC d/b/a 55ip (“55ip” or the “Adviser”). 55ip is registered with the United States Securities and Exchange Commission (“SEC”) as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). 55ip, together with Bear Stearns Asset Management Inc., Campbell Global, LLC, Highbridge Capital Management, LLC, J.P. Morgan Alternative Asset Management, Inc., JPMorgan Asset Management (Asia Pacific) Limited, JPMorgan Asset Management (UK) Limited, JPMorgan Funds Limited, J.P. Morgan Investment Management Inc. (“JPMIM”), Security Capital Research & Management Incorporated, each an SEC registered investment adviser, various affiliated foreign investment advisers and the asset management division of JPMorgan Chase Bank, N.A. comprise the Asset Management (“AM”) business of J.P. Morgan Asset & Wealth Management (“JPMawm”). J.P. Morgan Asset Management (“JPMAM”) is the marketing name for the AM businesses of JPMorgan Chase & Co. and its affiliates worldwide (“JPMC”). JPMC is a publicly traded global financial services firm.

55 Institutional Partners, LLC, which is a subsidiary of JPMC, owns 100% of the common stock of 55ip. 55ip is a Delaware limited liability company formed on June 28, 2016.

### B. Types of Advisory Services

55ip primarily offers the following types of discretionary and non-discretionary advisory services to its clients (collectively, the “Clients”, each a “Client”):

- Sub-advisory services are offered to affiliated and unaffiliated institutions including other registered investment advisers (“RIAs”) (each a “Sub-Advisory Client”), including advisory services through wrap fee programs as well as the Tax-Smart Active (e.g., Large Cap Leaders strategy) and Tax-Smart Index strategies where 55ip is delegated certain authority;
- Trade list delivery services are offered to affiliated and unaffiliated institutions, including RIAs (each a “Trade List Client”).

55ip provides advisory services pursuant to each Client’s investment advisory agreement, sub-advisory agreement, or trade list delivery services agreement with 55ip or its affiliates (each, an “Agreement”). These services typically include buy and sell trade recommendations to its clients at the individual account level, pursuant to the applicable agreement. Further, in addition to the services described in this section, 55ip may provide in limited instances additional services or customizations to existing services which are detailed in the applicable agreement.

55ip provides an online investment strategy engine (the “55ip Services Portal”) where Clients can access model portfolios and select tax management services. Each Client directs 55ip to utilize one or more model portfolios comprised of mutual funds, exchange traded funds (“ETFs”), and/or stocks (“Models”) pursuant to their specifications. 55ip does not create the Models; instead, the Models are provided by affiliated and unaffiliated investment advisers (“Model Providers”), as well as certain Clients who choose to use their own Models in certain circumstances (“Client-provided

Models"). Models include specific securities (including share classes) and allocation weightings established by the Model Provider or Client. In certain instances Sub-Advisory Clients can work directly with a Model Provider, including 55ip's affiliate JPMIM, to customize a Model. Certain Model Providers also offer various Models to correspond to different risk profiles. Clients can then select the Model that best fits their risk profile needs. Generally, Models include both the Model Provider's proprietary Funds (as defined in Item 8.A) as well as third-party Funds; however, Models provided by JPMIM, are generally comprised of either 100% mutual funds and ETFs managed by JPMIM or its affiliates ("JPMorgan Affiliated Funds") or a very significant percentage of JPMorgan Affiliated Funds, subject to JPMIM's program parameters. 55ip is not responsible for selecting the funds within a Model provided by a Model Provider. Information pertaining to selected Models, including brochures, fact sheets, commentaries and other documents produced by Model Providers, is also available through the 55ip Services Portal.

55ip's services are offered through the use of 55ip's proprietary technology which incorporates a tax management technique referred to as "tax loss harvesting" that is primarily used in the following ways: "Tax-Smart Transitioning", "Ongoing Tax Management", and "Tax-Smart Withdrawals". See Item 8.A, Methods of Analysis, for more information regarding these tax management techniques.

55ip's services also include ongoing trading and rebalancing services, which generally accommodate cash management, periodic rebalancing and investment changes at a frequency agreed upon by 55ip and the Client. Client-provided Models are assessed for rebalancing typically on a monthly basis. Models provided by Model Providers are typically assessed for rebalancing when the Model Provider communicates an updated Model allocation to 55ip (e.g., quarterly), based on negotiated terms within the agreements between 55ip and the Model Provider. Notwithstanding the rebalancing frequency, other trades may occur in accounts outside of the rebalancing frequency related to tax loss harvesting or to accommodate cash management withdrawal/deposits.

#### Sub-Advisory Clients

When 55ip is engaged to provide discretionary services to its Sub-Advisory Clients, 55ip creates the buy and sell orders and directs trading activity for the individual accounts, pursuant to a sub-advisory Agreement. 55ip does not directly maintain a relationship with underlying investors of its Sub-Advisory Clients. Furthermore, 55ip does not serve as an investment adviser to underlying investors of its Sub-Advisory Clients, except in Wrap Programs.

Tax-Smart Active and Tax-Smart Index strategies (collectively "Tax-Smart Strategies"): 55ip also provides non-discretionary sub-advisory services on behalf of its affiliate, JPMIM, who is acting as a portfolio manager for separately managed account programs, including Wrap Programs. In this program, JPMIM reviews trade orders and chooses whether to implement such trades in JPMIM's underlying investors' accounts. In this context, JPMIM's Models consist of stocks and ETFs. For some of these Models, such as the Tax-Smart Index strategies, instead of providing a Model with specific securities and allocation weightings, JPMIM provides the investment guidelines for the strategy and 55ip utilizes proprietary technology guided by structured, mathematical, and rules-based methodologies to implement client portfolios. In this program, 55ip does not directly maintain a relationship with, nor serve as an investment adviser to any underlying investor of its Sub-Advisory

Clients. Additional information for those invested in the Tax-Smart Active and Tax-Smart Index strategies within the Pershing Managed Connect program: Due to operational constraints of the platform, your respective account application (or other similar custodial agreement) with Pershing indicates 55ip as the investment adviser of this strategy. However, as described herein, JPMIM is in fact the investment adviser for this strategy and delegates certain tax overlay and implementation responsibilities to 55ip, its affiliate. See JPMIM's Form ADV Part 2A at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) for more information regarding the Tax-Smart Active and Tax-Smart Index strategies.

#### Trade List Clients

When 55ip is engaged to provide non-discretionary trade list delivery services, 55ip provides buy and sell recommendations to its Trade List Clients at the individual account level, pursuant to a Trade List Delivery Services Agreement. The Trade List Clients then choose when and whether to execute such trades in their underlying investors' accounts. 55ip does not maintain a direct relationship with, nor serve as an investment adviser to any underlying investor of its Trade List Clients.

#### C. Client Tailored Services and Client Imposed Restrictions

Certain investment services may be tailored for each Client's specific needs and objectives. The Adviser typically makes investments for Clients in accordance with the guidelines associated with each of the Models and determined by the Model Providers (the "Model Guidelines"). Custom Model services are also available in certain instances where Clients can work directly with a Model Provider to customize a Model. The Adviser has controls to monitor compliance with each Model Provider's Model Guidelines. For taxable accounts, Clients can select tax transition and/or tax management services, where the Adviser may deviate from Model Guidelines to account for these specific considerations. For more information about custom Models, see Item 4.B, Types of Advisory Services.

When providing services on behalf of its affiliate, JPMIM, as described above (e.g., the Tax-Smart Active and Tax-Smart Index strategies), Clients can request reasonable restrictions on the management of their accounts, subject to JPMIM's acceptance and the program's parameters. These restrictions can include certain industries, sectors or specific securities, as available through the 55ip Services Portal. Certain restriction categories include criteria derived from an affiliate.

#### D. Wrap Fee Programs

The Adviser's sub-advisory services are also available through bundled wrap fee programs ("Wrap" or "Wrap Programs") sponsored by certain broker-dealers or investment advisers ("Sponsors").

A client in a Wrap Program typically receives professional investment management of account assets through one or more investment advisers participating in the program. Except for execution charges for certain transactions as described below, clients pay a single, all-inclusive (or "wrap") fee charged by the Sponsor based on the value of the client's account assets for asset management, transactions effected by the Sponsor, custody, performance monitoring and reporting through the Sponsor. The Adviser receives a portion of this wrap fee for its investment management services. The Sponsor typically assists the client in defining the client's investment objectives based on



information provided by the client, aids in the selection of one or more investment advisers to manage the client's account, and periodically contacts the client to ascertain whether there have been any changes in the client's financial circumstances or objectives that warrant a change in the management of the client's assets. In certain Wrap Programs, the Sponsor contracts with other investment advisers to perform these services. The Sponsor typically pays the Adviser a fee based on the assets of clients invested in the applicable strategy in the Wrap Program.

The Adviser also manages client assets in unbundled advisory programs. Wrap clients should be aware that comparable services may be available at lower aggregate costs on an unbundled basis through the Sponsor or through other firms. In such cases, fees are unbundled for various services and negotiated separately by the client including, but not limited to, investment management, custody and trade execution, although the Adviser's fee covers only investment management services and not custody and brokerage services.

Depending on the circumstances, the aggregate of any separately paid fees may be lower (or higher) than the wrap fee charged in the Wrap Program. Payment of a bundled asset-based wrap fee may or may not produce accounting, bookkeeping, or income tax results better than those resulting from the separate payment of (i) securities commissions and other execution costs on a trade-by-trade basis and (ii) advisory fees.

Wrap accounts are generally managed in the same or similar manner to other Sub-Advisory Client accounts. However, Wrap Programs may impose specific restrictions and investment guidelines that are more restrictive than other accounts; this is discussed in the Sponsor's Form ADV brochure. See the Sponsor's Form ADV brochure for more information.

For additional information regarding Fees and Compensation, Brokerage Practices and Custody, please see Items 5.A-E, Item 12, and Item 15, respectively. Please refer to Schedule D in Part 1A of 55ip's Form ADV for a full list of the Wrap Programs in which 55ip participates.

#### Trading Away Practices for Wrap Program Accounts

The Adviser may place a Wrap Program Client's trade with a broker-dealer other than the Sponsor (or the Sponsor's designated broker-dealer) if it determines that using another broker-dealer would meet its best execution obligations to Clients. This practice is frequently referred to as "trading away". Trading away from the Sponsor will usually result in the imposition of a commission or equivalent fee on the trade or other charges, including but not limited to foreign currency conversion fees, American Depositary Receipts ("ADRs") fees, and foreign tax charges, as well as fees embedded in the price of the security being bought or sold, such as a mark-up or mark-down. Such fees are paid by the Client and are in addition to the wrap fee.

If the Adviser trades away from the Sponsor to effect an agency trade for a Wrap Program account, Clients should expect that any execution costs charged by that other broker-dealer will be charged to the Wrap Program account. In certain circumstances, transactions may be effected by that other broker-dealer on a principal basis and therefore the spread, mark-ups and mark-downs will be paid by the account on those trades to the third-party broker-dealer. As noted above, such execution costs are in addition to the wrap fee paid by Clients. For a discussion of order aggregation with respect to Wrap Program accounts, see Item 12.B, Order Aggregation.

E. Amounts Under Management

As of February 29, 2024, 55ip had assets under management in the amounts set forth below:

<b>Assets Under Management</b>	<b>U.S. Dollar Amount</b>
Assets Managed on a Discretionary Basis	\$19,484,140,392
Assets Managed on a Non-Discretionary Basis	\$0
<b>Total Regulatory Assets Under Management</b>	<b>\$19,484,140,392</b>
Other Advisory Assets not included in Regulatory Assets Under Management*	\$12,551,876,398
<b>Total Assets Under Management</b>	<b>\$32,036,016,790</b>

\*This category includes Trade List Delivery Services and Tax-Smart Strategies.

## Item 5 – Fees and Compensation

A. Advisory Fees and Compensation

Clients generally pay an advisory fee based on a percentage of the market value of the assets managed by the Adviser. Such fee is referred to as an asset-based fee. The fees and compensation payable to 55ip, and the timing of their payment, are negotiable and vary among Clients based upon the program, size of the account, investment objective and other business factors. 55ip may, in its sole discretion, reduce, or waive the fee with respect to any Client. In addition, 55ip partners with select Model Providers who may choose to subsidize all, or a portion of the fees typically charged to Clients who invest in such Models. See Item 5.B, Payment of Fees, below for more information. However, compensation is generally as follows:

Sub-Advisory Clients

In return for providing sub-advisory services, 55ip receives sub-advisory fees from Sub-Advisory Clients. The fees paid to 55ip vary widely depending on the complexity and features of the specific investment strategy selected by the Sub-Advisory Client and are typically between 5 and 40 basis points per year. Sub-advisory fees are negotiated in advance and are not based on performance. Each sub-advisory Agreement in place between 55ip and the Sub-Advisory Client specifies how sub-advisory fees will be charged. In addition, for certain Sub-Advisory Clients, a portion of the fee is passed through to certain Model Providers pursuant to contractual arrangements between the Adviser and such Model Providers.

For certain services contracted through its affiliate, including the Tax-Smart Active and Tax-Smart Index strategies, the affiliate, instead of the Client, compensates 55ip pursuant to a separate arrangement.

With respect to Wrap Programs, the Adviser is paid an asset-based fee by the Sponsor in connection with the advisory services provided. The Adviser’s advisory fee is calculated by the Sponsor based on a percentage of the assets under management. Such compensation ranges from 7.5-40 basis points annually, based on the investment mandate and the terms and conditions negotiated with the Sponsor. In addition, in certain Wrap Programs, a portion of the wrap fee is passed through to

certain Model Providers pursuant to contractual arrangements between the Adviser and such Model Providers. See Item 5.B, Payment of Fees, below for more information.

### Trade List Clients

In return for providing trade list delivery services, 55ip receives trade list delivery fees from Trade List Clients. In the case of Trade List Clients, 55ip bills the Trade List Client and fees are paid to 55ip by the Trade List Client. The trade list delivery fees paid to 55ip vary widely depending on the complexity and features of the specific investment strategy selected by the Trade List Client and are typically between 8 and 30 basis points per year. Trade list delivery fees are negotiated in advance and are not based on performance. Each Trade List Delivery Services Agreement in place between 55ip and the Trade List Client specifies how fees will be charged. For certain services contracted through its affiliate, the affiliate compensates 55ip in lieu of the Trade List Client.

### B. Payment of Fees

In most cases, fees are directly debited from the Client's or underlying investor's account, pursuant to each Client's agreement. In these cases, the Client authorizes the direct deduction or withdrawal of fees to be paid to 55ip from either the Client's or underlying investor's account(s). However, for Trade List Delivery Clients and certain Sub-Advisory Clients, 55ip will bill the Client, in which case, the Client is responsible for directing the payment of fees to 55ip for some or all of their accounts.

Accounts are billed on a monthly or quarterly basis. Accounts can be billed in arrears or in advance, but are typically billed in arrears. When accounts are billed in arrears, fees are typically calculated based on the average daily balance of the previous period. For new accounts opened during a billing period, fees will be calculated from the account opening date through the end of the month or quarter, as applicable. For accounts billed in advance, fees are typically calculated based on the period's beginning value.

For programs that are contracted through an affiliate, including the Tax-Smart Active and Tax-Smart Index strategies, 55ip does not deduct fees or bill client accounts but is compensated by its affiliate pursuant to the applicable agreement.

In Wrap Programs, 55ip does not directly bill client accounts; instead the Sponsor is responsible for calculating fees and billing client accounts. Sponsors typically require that their fees be paid in advance, on a monthly or quarterly basis. In cases where the Wrap Program account is terminated before the end of the billing period, the Sponsor will be responsible for providing fee refunds. Wrap clients should review the terms and conditions of the Wrap Program or contact the Sponsor regarding arrangements for refunds of pre-paid fees.

55ip partners with select Model Providers who may choose to subsidize all, or a portion of the fees typically charged to Clients who invest in such Models. In these instances, the Model Providers pay the fees outlined above to 55ip in lieu of the clients. If these Model Providers decide to no longer subsidize the fees in the future, 55ip will begin charging the Sub-Advisory Client accounts according to applicable agreements. Fees and arrangements are explicitly detailed in each Client's agreement with 55ip.

In certain instances and pursuant to each Sub-advisory agreement or Trade List agreement, 55ip is also responsible for calculating and billing fees to be paid to the Model Provider and/or Sub-Advisory Client. In these cases, the Model Provider and/or Sub-Advisory Client establishes its fee schedule and 55ip will add those fees to 55ip's advisory fee and bill the client, pursuant to the methods outlined above. Once received, 55ip will not retain the Model Provider's and/or Sub-Advisory Client's fees but will forward them to the Model Provider and/or Sub-Advisory Client on a monthly or quarterly basis. The fees established by the Model Provider and/or Sub-Advisory Client are in addition to the Adviser's fees described in Item 5.A, Advisory Fees and Compensation, above.

C. Additional Fees and Expenses

In addition to 55ip's advisory fees described above, Clients may be subject to other fees and expenses in connection with the Adviser's advisory services.

Clients invested in ETFs or mutual funds will bear the pro-rata share of the expenses of the fund. Such fees may include, but are not limited to, (i) management fees; and (ii) all operating and administration expenses, such as, custodial fees, accounting, brokerage commissions, clearing fees, borrowing charges, interest on margin and other borrowings, and taxes incurred in connection with the Client's account. In addition, Clients will bear any other expenses as may be set forth in each Client's Agreement.

55ip's advisory fees are exclusive of any applicable brokerage commissions, transaction fees, short-term redemption fees, and other related costs and expenses which are incurred by the Clients or end-investors. Such charges, fees, and commissions are exclusive of and in addition to 55ip's fee, and 55ip does not receive any portion of these charges, fees, and commissions. For more information, please see Item 12, Brokerage Practices.

When trading away from the account's custodian, transactions may involve costs in addition to a typical commission, including undisclosed mark-ups/mark-downs netted into the price received on a trade, and/or operational fees assessed by custodial firms on transactions. For more information, please see Item 12.A, Factors Used to Select Broker-Dealers.

D. Prepayment of Fees

For accounts that bill in advance, a refund will be made for the pro-rata portion of any fees collected from the date of closing through the end of the quarter or month if the advisory agreement is terminated prior to the end of the billing period.

E. Outside Compensation for the Sale of Securities

Not applicable. Neither 55ip nor any of its Supervised Persons accept compensation for the sale of securities or other investment products. Supervised Persons means any of the Adviser's officers, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on the Adviser's behalf and is subject to the Adviser's supervision or control.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Not applicable. Neither 55ip nor any of its Supervised Persons accept performance-based fees.

## **Item 7 – Types of Clients**

55ip's primary business is to provide sub-advisory and trade list delivery services to institutions, including other RIAs.

The minimum account size is \$50,000 for accounts electing tax management services and \$10,000 for accounts without tax management services. Accounts below these specified minimums are subject to termination at the discretion of 55ip.

In addition, there is an ongoing Client relationship requirement for the sum total of assets in the Client's accounts with 55ip to be a minimum of \$10,000,000 (the "Relationship Minimum"). Clients are expected to reach or exceed this Relationship Minimum within 12 months of the effective date of the Client's agreement with 55ip. If a Client does not reach this Relationship Minimum, the Client and its accounts are subject to termination at the discretion of 55ip.

55ip also provides sub-advisory services on behalf of its affiliate, JPMIM. The minimum account size for the Tax-Smart Active and Tax-Smart Index strategies range from \$100,000-\$250,000, respectively. Please refer to JPMIM's Form ADV Part 2A Brochure for information regarding minimum account requirements.

Minimums are subject to waiver in the Adviser's discretion and are waived for Client accounts from time to time.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **A. Methods of Analysis and Investment Strategies**

When providing advisory services, 55ip utilizes proprietary technology guided by structured, mathematical, and rules-based methods of analysis. This technology incorporates a tax management technique referred to as "tax loss harvesting" and is primarily used in the following ways:

1. "Tax-Smart Transitioning" utilizes tax loss harvesting to offset realized gains and losses in order to transition clients from legacy portfolio holdings to their target investment allocation strategy (including Proxy Replacement Securities, as defined below). This process seeks to make moving to different investment strategies more tax-efficient. 55ip's automated approach seeks to capture investment losses in a client's portfolio which are then used to offset near-term tax liabilities, help increase after-tax returns, and minimize the tax liability associated with moving to a different portfolio.

Certain programs or Clients will have access to a feature that enables additional customization of the Tax-Smart Transitioning service by allowing certain securities in a Model to be substituted (the "Security Substitution Feature"). This feature seeks to lower the

estimated tax liability of transitioning an account's existing securities while maintaining a similar tracking error to the target Model. The Security Substitution Feature will review an account's existing holdings that have unrealized capital gains to determine if they are similar to securities in the target Model, based on statistical and qualitative factors (e.g., asset class exposure and benchmark) or based on criteria provided by the Model Provider or Client. If there's a substitution match, the existing security will be kept in the account and used in lieu of the target Model position. Accounts utilizing the Security Substitution Feature should expect that their positions will deviate from the target Model holdings, and will typically have increased tracking error and typically take longer for the existing holdings to invest in the target Model positions, up to an indefinite period of time depending upon the Client provided tax bill.

2. "Ongoing Tax Management" incorporates a recurring tax loss harvesting cycle which attempts to create harvesting opportunities on a recurring basis, typically every 31 days. While 55ip seeks to review accounts about every 31 days, there are circumstances when accounts are reviewed less frequently. (Note, from time to time, 55ip may enter into different arrangements with the client related to other frequencies.) For tax loss harvesting, 55ip engages in trades intended to incur capital losses, typically by selling a position within the target strategy and replacing it with a purchase of a Proxy Replacement Security. 55ip's tax management algorithms prioritize rebalancing to the target Model allocation (including Proxy Replacement Securities, as defined below) with a secondary objective of performing tax loss harvesting. This means that not all tax loss harvesting opportunities will be realized in an account if making such trades will cause the account to deviate from the Model beyond established parameters.
3. "Tax-Smart Withdrawal" generates withdrawal scenarios in order to help Clients determine if they prefer to minimize taxes (but increase tracking error relative to the investment strategy) or minimize impact to the account's tracking error relative to the investment strategy (but increase the tax liability). Note, accounts that select the minimize taxes scenario will automatically move into Tax-Smart Transitioning with a \$0 tax budget. See Tax-Smart Transitioning Risk in Item 8.B for more information.

The 55ip tax loss harvesting feature offers the capability to harvest losses in securities in a portfolio by replacing them with other securities known as 'proxies' that have similar characteristics, such that changes to the intended exposures of the portfolio are minimized. 55ip's tax loss harvesting services operate on an account basis and consider only securities and transactions within a particular account when reviewing for tax loss harvesting as well as instances of wash sale transactions.

55ip's proxy selection algorithm evaluates possible replacements for a security and selects a suitable replacement ("Proxy Replacement Security") based on certain criteria, guided by structured, mathematical, and rules-based methods of analysis. The aim of the algorithm is to select proxies that have similar exposures as the original security so that the tracking error of the post-harvesting portfolio with the initial model portfolio is minimized. The Model Provider or Client can set certain criteria for 55ip's proxy selection algorithm, including defining a limited universe of securities to select from and/or setting thresholds on replacements such as market capitalization

and liquidity. In cases where the Model Provider or Client has placed limiting criteria on Proxy Replacement Securities, the account will likely experience higher tracking error relative to a similar Model portfolio where there are no limiting criteria on Proxy Replacement Securities. In many cases, the Model Provider or Client will choose a specific Proxy Replacement Security to replace a security within the target Model, in which case, 55ip has no role in the selection of the Proxy Replacement Security and 55ip will use this Proxy Replacement Security instead of utilizing its proxy selection algorithm. Certain Clients have the ability to link multiple 55ip accounts (within certain parameters) for the purpose of tax loss harvesting. When a Client links accounts, 55ip will consider all holdings and transactions within the linked accounts in order to minimize the instances of wash sale transactions. As a result, Clients should expect that the individual accounts will realize less tax loss harvesting trades and a potential for increased tracking error from the target Model(s). It is the Client's responsibility to perform an assessment as to whether linking accounts is beneficial for the account holder(s) or consistent with tax requirements. 55ip does not provide tax advice.

Certain Clients have the ability to select securities in a custodial account and establish them as "unmanaged securities." Unmanaged securities are securities in an account that are excluded from 55ip's management of the account. These securities are not reviewed, managed, or monitored in any way by 55ip and 55ip does not include unmanaged securities in its services to the account (including when monitoring for wash sales).

In certain circumstances, including market instability or in response to certain types of operational or technological errors, 55ip may determine not to rebalance or trade accounts at the established frequency. Under normal market conditions, it can take several business days to process the investment of funds in accounts (whether initial investments or subsequent additions) and requests to sell or withdraw funds from accounts, but these time frames can be longer due to market conditions and/or other factors.

With respect to the Tax-Smart Index strategies, investment results seek to correspond, before fees and expenses and any client requested restrictions/customizations, to the performance of an index. These strategies utilize optimization-based investing, which is an indexing strategy in which an account invests in a representative sample of the index's underlying holdings while seeking to maintain low tracking error versus the index. Because an account will not be invested in all of the underlying securities of the index, investors should expect that their accounts will realize tracking error relative to the index. See Items 4.D, Wrap Fee Programs, and 11.B, Aggregating Trading for Multiple Client Accounts, for more information related to conflicts of interest. JPMIM determines the investment guidelines and the appropriate trading thresholds for tracking error and harvesting losses, while 55ip utilizes proprietary technology guided by optimization-based methodologies to implement account portfolios. As a result, investors should expect that their portfolios will differ from other accounts invested in the same strategy. JPMIM may change the strategy's optimization parameters, including the manner and frequency of optimization, at any time without notice. Certain Tax-Smart Index strategies seek to track indices that are owned, administered and governed by JPMIM. Depending on the Model, Client assets will be invested in mutual funds, ETFs (together with mutual funds, "Funds"), including JPMorgan Affiliated Funds, and stocks, including JPMC stock. The Funds hold various types of securities or assets in U.S. and foreign developed or emerging markets, including but not limited to, equity and debt securities (including treasuries), derivatives,

real estate, commodities, and currencies. Index tracking strategies will typically include JPMC stock when the applicable index includes JPMC stock as an underlying holding. For information about conflicts of interest related to investing in JPMC stock, see the Clients' Investments in Affiliated Companies section within Item 11.B.

**B. Material, Significant, or Unusual Risks Relating to Investment Strategies**

The investment strategies utilized by the Adviser depend on the requirements of the Client and the investment guidelines associated with the Client's account. Each strategy is subject to material risks. An account or fund may not achieve its objective if the Adviser's expectations regarding particular securities or markets are not met. Any investment includes the risk of loss, and there can be no guarantee that a particular level of return will be achieved.

Set forth below are some of the material risk factors that are often associated with the investment strategies and types of investments relevant to many of the Adviser's clients. This is a summary only. The information included in this Brochure does not include every potential risk associated with each investment strategy or applicable to a particular client account. It is impossible to identify all the risks associated with investing and the particular risks applicable to a client account will depend on the nature of the account, its investment strategy or strategies, and the types of securities held. While the Adviser seeks to manage accounts so that risks are appropriate to the strategy, it is often impossible or not desirable to fully mitigate risks. Clients should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses. Clients should not rely solely on the descriptions provided below and should carefully read all applicable informational materials and offering or governing documents prior to retaining the Adviser to manage an account or investing in any JPMorgan Affiliated Funds. Clients are urged to ask questions regarding risk factors applicable to a particular strategy or investment product, read all product-specific risk disclosures and any other materials that may be provided by 55ip and consult with their own advisers to determine whether a particular investment strategy or type of security is suitable for their account in light of their specific circumstances, investment objectives and financial situation.

In the case of Funds, including JPMorgan Affiliated Funds, the risk factors associated with the relevant fund's investment strategy are disclosed in the prospectus, governing documents, or other materials of the fund. Prospective investors should carefully read the relevant offering documents and consult with their own counsel and advisers as to all matters concerning an investment in a fund.

**General Portfolio Risks**

The following are a summary of the investment and trading risk factors associated with a separately managed account. Clients are exposed to the risks summarized below through investments in Funds included in Models and through direct investments, if any. The degree to which these risks apply to a particular Client will vary according to its strategy and investment guidelines.

**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 under perform 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 or pandemics.

For example, the outbreak of COVID-19 negatively affected economies, markets and individual companies throughout the world, including those in which Client accounts and Funds invest. 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 Client accounts and Fund investments, increase Client account and Fund volatility, exacerbate pre-existing political, social, and economic risks to Client accounts and Funds, 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 instruments in which a Client account or Fund invests, or the issuers of such instruments, in ways that could have a significant negative impact on such account or fund's investment performance. The ultimate impact of any pandemic or other global event and the extent to which the associated conditions and governmental responses impact a separately managed account or JPMorgan Affiliated Fund will also depend on future developments, which are highly uncertain, difficult to accurately predict and subject to frequent changes.

**Cyber Security Risk.** As the use of technology has become more prevalent in the course of business, the Adviser has become more susceptible to operational and financial risks associated with cyber security, including: theft, loss, misuse, improper release, corruption and destruction of, or unauthorized access to, confidential or highly restricted data relating to the Adviser and its clients, and compromises or failures to systems, networks, devices, and applications relating to the operations of the Adviser and its service providers. Cyber security risks may result in: financial losses to the Adviser and its clients; the inability of the Adviser 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 Adviser's service providers (including any sub-advisers, administrator, transfer agent, and custodian or their agents), financial intermediaries, companies in which the client accounts and funds invest, and parties with which the Adviser engages in portfolio or other transactions also may be adversely impacted by cyber security risks in their own businesses, which could result in losses to the Adviser or its clients. While measures have been developed which are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since the Adviser does not directly control the cyber security defenses or plans of its service providers, financial intermediaries, and companies in which they invest or with which they do business.

**Intellectual Property and Technology Risks Involved in International Operations.** There can be risks to technology and intellectual property that can result from conducting business outside the United States. This is particularly true in jurisdictions that do not have comparable levels of protection of corporate proprietary information and assets such as intellectual property, trademarks, trade secrets, know-how, and customer information and records. As a result, the Adviser can be more susceptible to potential theft or compromise of data, technology, and intellectual property from a myriad of sources, including direct cyber intrusions or more indirect routes such as companies being required to compromise protections or yield rights to technology, data, or intellectual property in order to conduct business in a foreign jurisdiction.

**Data Sources Risk.** Although the Adviser obtains data and information from third-party sources that it considers to be reliable, the Adviser does not warrant or guarantee the accuracy and/or completeness of any data or information provided by these sources. The Adviser does not make any express or implied warranties of any kind with respect to such third-party data. The Adviser shall not have any liability for any errors or omissions in connection with any data provided by third party sources.

**Regulatory Risk.** Changes in the laws or regulations of the United States or other countries, including any changes to applicable tax laws and regulations, could impair the ability of an account to achieve its investment objective and could increase Fund operating expenses. In addition, there have been legislative, tax and regulatory changes and proposed changes that may apply to the activities of the Adviser that may require legal, tax and regulatory changes, including requirements to provide additional information pertaining to a client account to the Internal Revenue Service or other taxing authorities. Regulatory changes and restrictions imposed by regulators, self-regulatory organizations and exchanges vary from country to country and may affect the value of client investments and their ability to pursue their investment strategies. Any such rules, regulations and other changes, and any uncertainty in respect of their implementation, may result in increased costs, reduced profit margins and reduced investment and trading opportunities, all of which may negatively impact performance.

**Counterparty Risk.** An account may have exposure to the credit risk of counterparties with which it deals in connection with the investment of its assets, whether engaged in exchange traded or off-exchange transactions or through brokers, dealers, custodians, and exchanges through which it engages. In addition, many protections afforded to cleared transactions, such as the security afforded by transacting through a clearing house, might not be available in connection with over the counter ("OTC") transactions. Therefore, in those instances in which an account enters into OTC transactions, the account will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and will sustain losses.

**Liquidity Risk.** Investments in some equity and privately placed securities, structured notes or other instruments may be difficult to purchase or sell, possibly preventing the sale of these illiquid securities at an advantageous price or when desired. A lack of liquidity may also cause the value of investments to decline, and the illiquid investments may also be difficult to value.

**Geographic and Sector Focus Risk.** Certain strategies and funds concentrate their investments in a region, small group of countries, an industry, or economic sector, and as a result, the value of the

portfolio may be subject to greater volatility than a more geographically or sector diversified portfolio. Investments in issuers within a country, state, geographic region, industry, or economic sector that experiences adverse economic, business, political conditions, or other concerns will impact the value of such a portfolio more than if the portfolio's investments were not so concentrated. A change in the value of a single investment within the portfolio may affect the overall value of the portfolio and may cause greater losses than it would in a portfolio that holds more diversified investments.

**Currency Risk.** Changes in foreign currency exchange rates will affect the value of certain portfolio securities. Generally, when the value of the U.S. dollar rises in value relative to a foreign currency, an investment impacted by that currency loses value because that currency is worth less in U.S. dollars. Currency exchange rates may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates. Devaluation of a currency by a country's government or banking authority also will have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets, may be riskier than other types of investments and may increase the volatility of a portfolio.

**Foreign Securities and Emerging Markets Risk.** Investments in securities of foreign issuers denominated in foreign currencies are subject to risks in addition to the risks of securities of U.S. issuers. These risks include political and economic risks, civil conflicts and war, greater volatility, expropriation and nationalization risks, sanctions or other measures by the United States or other governments, currency fluctuations, higher transactions costs, delayed settlement, possible foreign controls on investment, liquidity risks, and less stringent investor protection and disclosure standards of some foreign markets. Events and evolving conditions in certain economies or markets may alter the risks associated with investments tied to countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. These risks are magnified in countries in emerging markets, which may have relatively unstable governments and less-established market economies than those of developed countries. Emerging markets may face greater social, economic, regulatory and political uncertainties. These risks make emerging market securities more volatile and less liquid than securities issued in more developed countries.

**High Portfolio Turnover Risk.** Certain strategies engage in active and frequent trading leading to increased portfolio turnover, higher transaction costs, and the possibility of increased capital gains, including short-term capital gains that are generally taxable as ordinary income.

**Initial Public Offering ("IPO") Risk.** IPO securities have no trading history, and information about the companies may be available for very limited periods. The prices of securities sold in IPOs may be highly volatile and their purchase may involve high transaction costs. At any particular time or from time to time, the Adviser may not be able to invest in securities issued in IPOs on behalf of its clients, or invest to the extent desired, because, for example, only a small portion (if any) of the securities being offered in an IPO may be made available to the Adviser. In addition, under certain market conditions, a relatively small number of companies may issue securities in IPOs. Similarly, as the number of purchasers to which IPO securities are allocated increases, the number of securities issued to the Adviser's clients may decrease. The performance of an account during periods when it is unable to invest significantly or at all in IPOs may be lower than during periods when it is able to

do so. In addition, as an account increases in size, the impact of IPOs on the account's performance will generally decrease.

**Algorithm Risk.** The Adviser uses proprietary quantitative tools and algorithms in providing implementation and tax management services to Clients. These tools may perform differently than expected as a result of errors, flaws, or being incomplete if such issues are not identified. This may have an adverse effect on investment performance and result in adverse tax consequences. If the methods on which the tools are based do not perform as expected, there is no guarantee that the use of quantitative tools and/or algorithms will result in effective implementation or tax management for clients.

**Software (Optimizer) Changes.** 55ip has in the past and may in the future modify or change the optimizer or other software from time to time which can result in differences in the outcome for accounts, which may not be beneficial to a client, including differences with the trade list, increased tracking error and increased tax impact. 55ip performs reviews to help ensure that trades are in line with established account parameters.

**Account/Custodial Set-Up Risk.** It is the Client's responsibility to set up an account's characteristics with the custodian per 55ip's requirements, including, but not limited to, tax lot disposal method, cost basis accounting method, and dividend and capital gain reinvestment information. If an account is not set up per 55ip's requirements, 55ip's tax management services, trading and rebalancing services, and other features will not perform as expected.

**Tax Loss Harvesting Risk and Proxy Replacement Security Risk.**

Proxy Replacement Securities will likely perform differently than the target Model security. As a result, clients should expect that their accounts will likely realize increased tracking error versus accounts in the target Model that don't utilize tax loss harvesting. Increased exposure to Proxy Replacement Securities will likely result in a higher tracking error relative to the Model portfolio.

In addition, depending on the program or strategy, Clients may remain invested in a Proxy Replacement Security for an extended period of time (up to an indefinite period) as 55ip may not sell out of a Proxy Replacement Security to return to the target Model security until certain criteria are met, such as when a prescribed capital loss threshold can be realized. Thus, elevated levels of tracking error versus the target Model can persist as long as an account is invested in Proxy Replacement Securities.

In certain cases, the Model Provider or Client will specify that certain securities in the target Model should not be utilized for tax loss harvesting. Clients should expect that accounts invested in these Models will have less tax loss harvesting opportunities.

**Tax Management Risk.** The Adviser provides tax management services to Clients which involve tax loss 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 loss harvesting opportunities will be limited.

The quantitative tools and algorithms used by the Adviser to perform tax management services may perform differently than expected as a result of errors, flaws, or being incomplete if such issues are

not identified. This may have an adverse effect on investment performance and result in adverse tax consequences.

In some instances, the Adviser may inadvertently generate a capital gain on a given trade(s) for a number of reasons, such as when the price of a position moved from the time when the order was generated to when it was executed in the market.

In addition, the Adviser may in limited instances engage in wash sale transactions in certain strategies as a result of trading activity for risk management purposes or where the Adviser doesn't have access to the client's historical trading activity, among other reasons. In these instances, the tax benefit of this trading activity will be limited and clients may have additional tax liability.

**Tax-Smart Transitioning Risk.** Tax-Smart Transitioning leverages an estimated tax bill (also sometimes referred to as tax budget or tax liability) that is selected and provided by the Client. The estimated tax bill can be provided by Clients as a dollar amount or as a percentage of the account's total portfolio value; however, Clients should be aware that while 55ip trades accounts with this tax bill in mind and seeks an outcome close to the indicated tax bill, it is an estimated value, and 55ip will typically exceed or fall beneath the tax bill as part of 55ip's standard trading practices. As a result, capital gains realized from trading activity in accounts may be more or less than expected. Further, Clients should be aware that the smaller the tax bill selected by the Client, the more deviation the Client will typically have relative to the target Model, including increased tracking error from the target Model, until tax lots with unrealized losses can be sold to rebalance the account towards the target Model. 55ip will seek to realize the full estimated tax bill upon first trading the account. Afterwards, the tax bill will reset to \$0 unless updated by the Client. This means that 55ip will not move the account closer to the target Model when those trades are expected to result in additional capital gains. Depending on market factors and the Client's tax bill, Clients can remain in Tax-Smart Transitioning for an indefinite period of time. Clients should regularly review and update their tax bill with 55ip.

**Quantitative Risk.** The Adviser uses proprietary quantitative tools in providing tax management services to Clients. If these tools have errors, or are flawed or incomplete and such issues are not identified, it may have an adverse effect on investment performance and result in adverse tax consequences.

**Model Risk.** Some strategies may include the use of various proprietary quantitative or investment models. Investments selected using models may perform differently than expected as a result of changes from the factors' historical - and predicted future - trends, and technical issues in the implementation of the models, including, for example, issues with data feeds. Moreover, the effectiveness of a model may diminish over time, including as a result of changes in the market and/or changes in the behavior of other market participants. A model's return mapping is based partially on historical data regarding particular economic factors and securities prices. The operation of a model, similar to other fundamental, active investment processes, may result in negative performance, including returns that deviate materially from historical performance, both actual and pro-forma. For a model-driven investment process - and again similar to other, fundamental, and active investment processes, there is no guarantee that the use of models will result in effective investment outcomes for clients.

**Operational Risk (Cash Withdrawals, Cash Management, Trade Suspensions and Account Minimums):**

- Cash raised for recurring withdrawals that are not withdrawn by the date selected by the Client (or the following business day if the date falls on a weekend/holiday) are subject to reinvestment. If a Client does not withdraw the cash by the selected date and it is reinvested, a subsequent withdrawal request will lead to additional trades and may result in additional capital gains. In addition, 55ip seeks to maintain a minimum cash level in an account to minimize potential overdraft concerns while trading. This minimum cash level may not align with the cash allocation within the target Model, which may lead to performance deviations from the Target Model.
- Clients have the ability to suspend trading in an account for a limited period of time. Clients should be aware that 55ip will not review the account or perform any trading during a trade suspension period and that regular fee schedules outlined within the Client's agreement will apply and will continue to be charged. 55ip reserves the right to terminate an account if the account remains in a suspended status beyond the parameters established by 55ip.
- 55ip has various minimum account size requirements outlined within Item 7. Accounts below the specified minimums can experience unintended rebalancing and/or tax management outcomes (including increased tracking error) due to implementation constraints.

**Master Limited Partnership ("MLP") Risk.** MLPs are limited partnerships whose ownership interests are publicly traded and that primarily derive their income from, among other industries, the mining, production, transportation or processing of minerals or natural resources, although they may also finance entertainment, research and development, real estate and other projects. Investments held by an MLP may be relatively illiquid, limiting the MLP's ability to vary its portfolio promptly in response to changes in economic or other conditions. In addition, MLPs may have limited financial resources, their securities may trade infrequently and in limited volume and they may be subject to more abrupt or erratic price movements than securities of larger or more broadly-based companies. The risks of investing in an MLP are generally those inherent in investing in a partnership as opposed to a corporation. For example, state law governing partnerships is often less restrictive than state law governing corporations. Accordingly, there may be fewer protections afforded investors in an MLP than investors in a corporation. Additional risks involved with investing in an MLP are risks associated with the specific industry or industries in which the partnership invests, such as the risks of investing in real estate, or oil and gas industries.

**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 or unavailability, which may affect the value, volatility, liquidity or return on certain of a fund's or other client account's loans, notes, derivatives and other instruments or investments comprising some or all of a fund's or other client 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 other client account or their 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.

### **Primary Risks Applicable to Equity Investments**

**Equity Securities Risk.** Investments in equity securities (such as stocks) may be more volatile and carry more risks than some other forms of investment. 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 a portfolio or the securities market as a whole, such as changes in economic or political conditions.

**Growth Investing Risk.** Growth investing attempts to identify companies that the Adviser or Model Provider believes will experience rapid earnings growth relative to value or other types of stocks. The value of these stocks generally is much more sensitive to current or expected earnings than stocks of other types of companies. Short-term events, such as a failure to meet industry earnings expectations, can cause dramatic decreases in the growth stock price compared to other types of stock. Growth stocks may trade at higher multiples of current earnings compared to value or other stocks, leading to inflated prices and thus potentially greater declines in value.

**Value Investing Risk.** Value investing attempts to identify companies that, according to the Model Provider's estimate of their true worth, are undervalued, or attractively valued. The Model Provider selects stocks at prices that it believes are temporarily low relative to factors such as the company's earnings, cash flow or dividends. A value stock may decrease in price or may not increase in price as anticipated by the Model Provider if other investors fail to recognize the company's value or the factors that the Model Provider believes will cause the stock price to increase do not occur.

**Smaller Companies Risk.** Certain strategies invest in securities of smaller companies. Investments in smaller companies may be riskier than investments in larger companies. Securities of smaller companies tend to be less liquid than securities of larger companies. In addition, small companies may be more vulnerable to economic, market, and industry changes. As a result, the changes in value of their securities may be more sudden or erratic than in large capitalization companies, especially over the short term. Because smaller companies may have limited product lines, markets, or financial resources or may depend on a few key employees, they may be more susceptible to particular economic events or competitive factors than large capitalization companies. This may cause unexpected and frequent decreases in the value of an account's investments. Finally, emerging companies in certain sectors may not be profitable and may not realize earning profits in the foreseeable future.

### **Primary Risks Applicable to Fixed Income, Liquidity and other Debt Investments**

**Interest Rate Risk.** Fixed income securities increase or decrease in value based on changes in interest rates. If rates increase, the value of these investments generally decline. On the other hand, if rates fall, the value of the investments generally increases. Securities with greater interest rate sensitivity and longer maturities generally are subject to greater fluctuations in value. Variable and floating rate securities are generally less sensitive to interest rate changes than fixed rate instruments, but the value of variable and floating rate securities may decline if their interest rates do not rise as quickly, or as much, as general interest rates. Many factors can cause interest rates to rise. Some examples include central bank monetary policy (such as an interest rate increase by the Board of Governors of the Federal Reserve System (the "Federal Reserve"), rising inflation rates, and general economic conditions.

**Credit Risk.** There is a risk that issuers and/or counterparties will not make payments on securities and instruments when due or will default completely. Such default could result in losses. In addition, the credit quality of securities and instruments may be lowered if an issuer's or a counterparty's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security or instrument, affect liquidity and make it difficult to sell the security or instrument. Certain strategies may invest in securities or instruments that are rated in the lowest investment grade category. Such securities or instruments are also considered to have speculative characteristics similar to high yield securities, and issuers or counterparties of such securities or instruments are more vulnerable to changes in economic conditions than issuers or counterparties of higher-grade securities or instruments. Prices of fixed income securities may be adversely affected, and credit spreads may increase if any of the issuers of or counterparties to such investments are subject to an actual or perceived deterioration in their credit quality. Credit spread risk is the risk that economic and market conditions or any actual or perceived credit deterioration of an issuer may lead to an increase in the credit spreads (i.e., the difference in yield between two securities of similar maturity but different credit quality) and a decline in price of the issuer's securities.

**Government Securities Risk.** Some strategies invest in securities issued or guaranteed by the U.S. government or its agencies and instrumentalities (such as the Government National Mortgage Association ("Ginnie Mae"), the Federal National Mortgage Association ("Fannie Mae"), or the Federal Home Loan Mortgage Corporation ("Freddie Mac"). U.S government securities are subject to market risk, interest rate risk and credit risk. Securities, such as those issued or guaranteed by Ginnie Mae or the U.S. Treasury, that are backed by the full faith and credit of the United States are guaranteed only as to the timely payment of interest and principal when held to maturity. Notwithstanding that these securities are backed by the full faith and credit of the United States, circumstances could arise that would prevent the payment of principal and interest. Securities issued by U.S. government related organizations, such as Fannie Mae and Freddie Mac, are not backed by the full faith and credit of the U.S. government and no assurance can be given that the U.S. government will provide financial support.

**High Yield Securities Risk.** Certain strategies invest in securities and instruments that are issued by companies that are highly leveraged, less creditworthy, or financially distressed. These investments (known as junk bonds) are considered speculative and are subject to greater risk of



loss, greater sensitivity to interest rate and economic changes, valuation difficulties, and potential illiquidity.

**Equity Investment Conversion Risks.** A non-equity investment, such as a convertible debt obligation, may convert to an equity security. Alternatively, equity securities may be acquired in connection with a restructuring event related to non-equity investments. An investor may be unable to liquidate the equity investment at an advantageous time from a pricing standpoint.

**Asset-Backed, Mortgage-Related and Mortgage-Backed Securities Risk.** Asset-backed, mortgage-related and mortgage-backed securities differ from conventional debt securities and are subject to certain additional risks because principal is paid back over the life of the security rather than at maturity. The value of mortgage-related and asset-backed securities will be influenced by the factors affecting the property market and the assets underlying such securities. As a result, during periods of difficult or frozen credit markets, significant changes in interest rates, or deteriorating economic conditions, mortgage-related and asset-backed securities may decline in value, face valuation difficulties, be more volatile and/or become illiquid. Since mortgage borrowers have the right to prepay principal in excess of scheduled payments, there is a risk that borrowers will exercise this option when interest rates are low to take advantage of lower refinancing rates. When that happens, the mortgage holder will need to reinvest the returned capital at the lower prevailing yields. This prepayment risk, as well as the risk of a bond being called, can cause capital losses. Conversely, when rates rise significantly, there is a risk that prepayments will slow to levels much lower than anticipated when the mortgage was originally purchased. In this instance, the risk that the life of the mortgage security is extended can also cause capital losses, as the mortgage holder needs to wait longer for capital to be returned and reinvested at higher prevailing yields. In periods of rising interest rates, a portfolio may exhibit additional volatility. Some of these securities may receive little or no collateral protection from the underlying assets and are thus subject to the risk of default described under "Credit Risk." The risk of such defaults is generally higher in the case of asset-backed, mortgage-backed, and mortgage-related investments that include so-called "sub-prime" mortgages (which are loans made to borrowers with low credit ratings or other factors that increase the risk of default), credit risk transfer securities and credit-linked notes issued by government-related organizations. The structure of some of these securities may be complex and there may be less available information than other types of debt securities. Additionally, asset-backed, mortgage-related and mortgage-backed securities are subject to risks associated with their structure and the nature of the assets underlying the securities and the servicing of those assets. Certain asset-backed, mortgage-related, and mortgage-backed securities may face valuation difficulties and may be less liquid than other types of asset-backed, mortgage-related, and mortgage-backed securities, or debt securities.

**Mezzanine Loans Risk.** Mezzanine real estate loans may be secured by one or more direct or indirect ownership interests in an entity owning, operating, and/or controlling, one or more real estate properties. Commercial properties owned by such entities are likely to be subject to existing mortgage loans and other indebtedness. Repayment of the loans underlying mezzanine loans are dependent on the successful operation of the underlying real estate properties. Unlike mortgage loans, mezzanine loans are not secured by interests in the underlying real estate properties and are structurally subordinate to senior debt, which are typically secured by the property. Although

unlikely, the ownership interests securing a mezzanine loan may represent only a partial interest in the borrower and may not control either the borrower or the underlying property. As a result, the effective realization on the collateral securing a mezzanine loan in the event of default may be limited.

Mezzanine investments often reflect a greater possibility that adverse changes in the financial condition of the obligor or general economic conditions may impair the ability of the obligor to make payment of principal and interest. Mezzanine investments are often issued in connection with leveraged acquisitions or recapitalizations, in which the issuer incurs a substantially higher amount of indebtedness than the level at which it had previously operated. Some issuers maybe highly leveraged and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flows to service their debt obligations.

**Leveraged Loans Risk.** Leveraged loans have significant liquidity and market value risks since they are not generally traded on organized exchange markets. Loans are not purchased or sold as easily as publicly traded securities but are privately negotiated and customized between buyer and seller. Historically, the trading volume in loan markets has been small relative to high yield debt securities markets. In addition, leveraged loans have historically experienced greater default rates than has been the case for investment grade securities. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on leveraged loans. A non-investment grade loan or debt obligation (or an interest therein) is generally considered speculative in nature and may become a defaulted obligation for a variety of reasons. A defaulted obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such defaulted obligation. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted obligation. The liquidity for defaulted obligations may be limited, and to the extent that defaulted obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. Furthermore, there can be no assurance on what the amount of ultimate recovery on any defaulted obligation will be. Additionally, loans could also be covenant-lite ("Covenant-lite"). Covenant-lite loans typically do not obligate the obligor to comply with financial covenants that would be applicable during reporting periods. Investments comprised of Covenant-lite loans may expose risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with other loans. In addition, the lack of such financial covenants may make it more difficult to trigger a default in respect of such loans.

**Municipal Obligations Risk.** The risk of a municipal obligation generally depends on the financial and credit status of the issuer. Changes in a municipality's financial health may make it difficult for the municipality to make interest and principal payments when due. A number of municipalities have had significant financial problems recently, and these and other municipalities could, potentially, continue to experience significant financial problems resulting from lower tax revenues and/or decreased aid from state and local governments in the event of an economic downturn. Under some circumstances, municipal obligations might not pay interest unless the state legislature or municipality authorizes money for that purpose. Some securities, including municipal lease

obligations, carry additional risks. For example, they may be difficult to trade or interest payments may be tied only to a specific stream of revenue.

Municipal bonds may be more susceptible to downgrades or defaults during recessions or similar periods of economic stress. Factors contributing to the economic stress on municipalities may include lower property tax collections as a result of lower home values, lower sales tax revenue as a result of consumers cutting back spending, and lower income tax revenue as a result of a higher unemployment rate. In addition, since some municipal obligations may be secured or guaranteed by banks and other institutions, the risk to an investor could increase if the banking or financial sector suffers an economic downturn and/or if the credit ratings of the institutions issuing the guarantee are downgraded or at risk of being downgraded by a national rating organization. If such events were to occur, the value of the security could decrease or the value could be lost entirely, and it may be difficult or impossible for an investor or a Fund to sell the security at the time and the price that normally prevails in the market. Interest on municipal obligations, while generally exempt from federal income tax, may not be exempt from federal alternative minimum tax.

**Index Related Risk.** For those client accounts and funds that track an index, the return may not track the return of the underlying index for a number of reasons and therefore may not achieve its investment objective. For example, the relevant client account or fund incurs costs in buying and selling securities, especially when rebalancing securities holdings to reflect changes in the composition of the underlying index. These transaction costs may be higher for client accounts and funds investing in foreign securities. In addition, the client account's and fund's return may differ from the return of the underlying index as a result of, among other things, pricing differences (including differences between a security's price at the local market close and the valuation of a security at the time of valuation of the account) and the inability to purchase certain securities included in the underlying index due to regulatory or other restrictions. The risk that a client account or fund may not track the performance of its underlying index may be heightened during times of increased market volatility or other unusual market conditions.

**Passive Management Risk.** Certain client accounts and funds are not actively managed and are designed to track the performance and holdings of a specified index. Securities may be purchased, held and sold by a client account or fund following an index at times when an actively managed account or fund would not do so. The relevant client account's or fund's performance could be lower than accounts or funds that may actively shift their portfolio assets to take advantage of market opportunities or lessen the impact of a market decline or a decline in the value of one or more issuers.

**Sampling Risk.** To the extent a client account or a fund uses a representative sampling approach, it will hold a smaller number of securities than are in its index. As a result, an adverse development respecting an issuer of securities held by a client account or fund could result in a greater decline in the value of the client account's or fund's assets than would be the case if the fund held all of the securities in its index. Conversely, a positive development relating to an issuer of securities in its index that is not held by a client account or fund could cause the account or fund to underperform the index.

**Exchange Traded Funds.** ETFs are a type of index fund bought and sold on a securities exchange. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying index; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable.

### **Primary Risks Applicable to Derivatives Investments, Commodities and Short Sales**

**Derivatives Risk.** Certain strategies may use derivatives. Derivatives, including forward currency contracts, futures, options and commodity-linked derivatives and swaps, may be riskier than other types of investments because they may be more sensitive to changes in economic and market conditions, and could result in losses that significantly exceed the investor's original investment in the derivative. Many derivatives create leverage thereby causing a portfolio to be more volatile than it would have been if it had not been exposed to such derivatives. Derivatives also expose a portfolio to counterparty risk (the risk that the derivative counterparty will not fulfill its contractual obligations), including the credit risk of the derivative counterparty. Certain derivatives are synthetic instruments that attempt to replicate the performance of certain reference assets. With regard to such derivatives, an investor does not have a claim on the reference assets and is subject to enhanced counterparty risk. Derivatives may not perform as expected, so an investor may not realize the intended benefits. The possible lack of a liquid secondary market for derivatives and the resulting ability to sell or otherwise close a derivatives position could expose a portfolio to losses.

When used for hedging, the change in value of a derivative may not correlate as expected with what is being hedged. In addition, given their complexity, derivatives expose an investor to risks of mispricing or improper valuation.

**Futures/Cleared Derivatives Transactions Risk.** U.S. Commodity Futures Trading Commission ("CFTC") guidance may increase the risk exposure of and adversely impact separate accounts under customer agreements with a futures commission merchant ("FCM"). Pursuant to this guidance, FCMs are required to view exposure at the beneficial owner level, not the account level. Therefore, agreements between a FCM and a beneficial owner (whether entered into directly or through an asset manager) may not prevent the FCM from withholding margin from (or calling for margin with respect to) any of such beneficial owner's accounts held by such FCM and may not limit such beneficial owner's losses. Accordingly, in the event of a margin shortfall with respect to an Adviser-managed account of a beneficial owner held by a FCM, the FCM can withhold margin from (or call for margin with respect to) other accounts of the beneficial owner held by that FCM, including other accounts managed by the Adviser, accounts managed by other investment advisers, and accounts managed directly by the beneficial owner, which may have adverse impacts on those accounts. Similarly, if a FCM's margin call made in respect of an account managed directly by a beneficial owner (or by an investment manager other than the Adviser on behalf of a beneficial owner) is not met, the FCM may withhold margin for (or call for margin with respect to) such beneficial owner's accounts managed by the Adviser that are held by such FCM, which may have adverse impacts to such accounts. This regulatory guidance may increase exposure risks and/or costs of futures and/or

cleared derivatives transactions and potentially adversely impact performance or the utility of futures and cleared derivatives trading in accounts managed by the Adviser or by others.

**Commodity Risk.** Certain strategies have exposure to commodities. Exposure to commodities and commodity-related securities may subject a portfolio to greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity. In addition, to the extent that a portfolio gains exposure to an asset through synthetic replication by investing in commodity-linked investments rather than directly in the asset, it may not have a claim on the applicable underlying asset and will be subject to enhanced counterparty risk.

**Position Limits Risk.** The CFTC and/or exchanges both within and outside the United States have established "speculative position limits" on the maximum net long or net short position which any person or group of persons may hold or control in particular futures, and options on futures contracts. Currently, positions held by all accounts deemed owned or controlled directly or indirectly by the Adviser or certain affiliates, including client accounts and funds managed by the Adviser and such affiliates, are aggregated. If such aggregate position thresholds are reached, the Adviser and its affiliates will be restricted from acquiring additional positions and may be compelled to liquidate positions in client accounts and funds. Such restriction or liquidation could adversely affect the operations and profitability of the client accounts and funds by increasing transaction costs to liquidate positions and limiting potential profits on the liquidated positions.

**Short Selling Risk.** Certain strategies may engage in short selling. A portfolio will incur a loss as a result of a short sale if the price of the security sold short increases in value between the date of the short sale and the date on which the portfolio re purchases the security. In addition, if the security sold short was first obtained by borrowing it from a lender, such as a broker or other institution, the lender may request, or market conditions may dictate, that the security sold short be returned to the lender on short notice, and the portfolio may have to buy the security sold short at an unfavorable price. If this occurs, any anticipated gain to the portfolio will be reduced or eliminated or the short sale may result in a loss. The portfolio's losses are potentially unlimited in a short sale transaction. Short sales are speculative transactions and involve special risks, including greater reliance on the Adviser's ability to accurately anticipate the future value of a security. Furthermore, a portfolio may become more volatile because of the form of leverage that results from taking short positions in securities.

**Use of Leverage and Financing.** A Client may pledge its securities in order to borrow additional funds for investment purposes. Any event which adversely affects the value of an investment by the Client would be magnified to the extent the Client is leveraged. The cumulative effect of the use of leverage by a Client in a market that moves adversely to the Client's investments could result in a substantial loss that would be greater than if the Client were not leveraged.

**Hedging Transactions.** Certain Funds may enter into hedging transactions to seek to reduce risk, but such transactions may result in a poorer overall performance than the Fund had not engaged in any such hedging transactions. For a variety of reasons, the Fund may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such

imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Client to risk of loss.

C. Risks Associated with Particular Types of Securities

See Item 8.B, Material, Significant, or Unusual Risks Relating to Investment Strategies, for a summary of the risks associated with certain types of securities and asset classes

### **Item 9 – Disciplinary Information**

A. Civil or Criminal Proceedings

The Adviser has no civil or criminal actions to report.

B. Administrative Proceedings Before Regulatory Authorities

The Adviser has no administrative actions before regulatory authorities to report.

C. Self-Regulatory Organization Proceedings

The Adviser has no self-regulatory organization disciplinary proceedings to report.

### **Item 10 – Other Financial Industry Activities and Affiliations**

A. Registration as a Broker-Dealer or Broker-Dealer Representative

Not applicable. Neither 55ip nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or broker-dealer registered representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Not applicable. Neither 55ip nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading adviser, or associated person of any of the foregoing entities.

C. Relationships with Related Persons that are Material to this Advisory Business and Possible Conflicts of Interest

The Adviser has certain relationships or arrangements with related persons that are material to its advisory business or its clients. Below is a description of such relationships and some of the conflicts of interest that arise from them. For a more complete discussion of the conflicts of interest and corresponding controls designed to prevent, limit or mitigate conflicts of interests, please see Item 11.B, Participation or Interest in Client Transactions and Other Conflicts of Interest.

#### **Broker Dealers, Other Investment Advisers, and Investment Companies**

JPMIM, an affiliated adviser, is a Model Provider in the programs described within Item 4.B. of this Brochure and provides Models for use by 55ip's Clients. Certain Models provided by JPMIM are

generally comprised of JPMorgan Affiliated Funds. 55ip has an incentive to direct Clients to the JPMIM Models because JPMIM and its affiliates receive compensation when Clients invest in the JPMorgan Affiliated Fund creating a conflict of interest. When a Client enters into an agreement with 55ip, the Client selects the Model Provider (and not 55ip) mitigating the conflict of interest created by the affiliation.

In addition, 55ip also provides certain tax management services on behalf of JPMIM, which is acting as a portfolio manager for separately managed account programs, including Wrap Programs. In certain instances, the Adviser provides these services to JPMorgan Chase Bank, N.A.'s ("JPMCB") private banking division and J.P. Morgan Securities LLC ("JPMS"), as delegated by JPMIM.

JPMS is a U.S. Financial Industry Regulatory Authority member and is dually registered as a broker-dealer and an investment adviser with the SEC. The Adviser acts as a sub-adviser for certain JPMS-sponsored Wrap Programs in which JPMS also typically provides custody and trade execution services to the program clients. JPMS does not receive any additional brokerage commissions from its Wrap clients when the Adviser places trades for those clients with JPMS. Additionally, the Adviser does not receive any additional fees or compensation from placing trades for these JPMS-sponsored Wrap accounts with JPMS.

### **Banking or Thrift Institution**

JPMC, 55ip's parent company is a public company that is a bank holding company registered with Federal Reserve. JPMC is subject to supervision and regulation by the Federal Reserve and is subject to certain restrictions imposed by the Bank Holding Company Act of 1956 and related regulations.

JPMCB is a national banking association affiliated with 55ip. JPMCB is subject to supervision and regulation by the U.S. Department of Treasury's Office of the Comptroller of the Currency. JPMCB is also an Exempt Commodity Pool Operator and Exempt Commodity Trading Adviser with the CFTC. JPMCB acts as a qualified custodian for certain client accounts.

Certain functions, such as human resources, legal, compliance, risk management, IT, product support and research support, and operations, are provided through AM and/or JPMC as shared functions across all of its geographical entities.

### **Other Affiliate Relationships**

55ip's parent company, 55 Institutional Partners, LLC, develops and markets financial analytic software to various enterprises, including Clients of 55ip.

### **Considerations Relating to Information Held by the Adviser and Its Affiliates**

JPMAM 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 JPMAM, WM, and within JPMC more broadly. JPMAM relies on these information barriers to protect the integrity of its investment process and to comply with fiduciary duties and regulatory obligations. JPMAM also relies upon these barriers to mitigate potential conflicts, to preserve confidential information and to prevent the inappropriate flow of material, non-public information and confidential information to and from the Adviser, and to other public and private JPMC lines of business. Material, non-public information ("MNPI") is information not generally disseminated to

the public that a reasonable investor would likely consider important in making an investment decision. This information is received voluntarily and involuntarily and under varying circumstances, including, but not limited to, upon execution of a non-disclosure agreement, as a result of serving on the board of directors of a company, serving on ad hoc or official creditors' committees and participation in risk, advisory or other committees for various trading platforms, clearinghouses and other market infrastructure related entities and organizations. JPMAM information barriers include, where appropriate: information system firewalls; the establishment of separate legal entities; physical separation of employees from different business divisions; and written policies and procedures designed to limit the sharing of MNPI and confidential information.

As a result of information barriers, the Adviser generally will not have access, or will have limited access, to information and personnel in other areas of JPMC, and generally will not manage the client accounts with the benefit of information held by these other areas.

For additional information regarding restrictions on trading on MNPI and potential related conflicts of interest, please see Item 11.A, Code of Ethics and Personal Trading and Item 11.B, Participation or Interest in Client Transactions and Other Conflicts of Interest.

D. Material Conflicts of Interest Relating to Other Investment Advisers

55ip's selected investments include Funds and JPMorgan Affiliated Funds provided by Model Providers. Each Fund is advised by its own investment adviser (some of which are affiliated with 55ip) who is responsible for selecting and trading holdings in the Fund. Each Fund has its own expenses, which includes an advisory fee and other fees and expenses. These fees and expenses are outlined in each Fund's prospectus and reduce the Fund's overall return.

JPMIM as a Model Provider has a conflict of interest when it selects JPMorgan Affiliated Funds for the Models because JPMIM and/or its affiliates benefit from an increased allocation to JPMorgan Affiliated Funds, and certain affiliates of JPMIM may receive distribution, placement, administration, custody, trust services or other fees for services provided to such funds. The fees that JPMIM receives from its Models' investments in JPMorgan Affiliated Funds are typically its only compensation with respect to the Models. This conflict of interest may result in Models with lower performance or higher fees than they would have had if the Models did not invest in proprietary funds. See the JPMIM's Form ADV brochure for more information.

55ip has a conflict of interest when it selects or recommends JPMorgan Affiliated Funds as Proxy Replacement Securities for certain Models because JPMIM and/or its affiliates, including 55ip, benefit from an increased allocation to JPMorgan Affiliated Funds, and certain affiliates may receive distribution, placement, administration, custody, trust services, or other fees for services provided to such funds. 55ip may select or recommend a JPMorgan Affiliated Fund as a Proxy Replacement Security when its proprietary algorithms indicate that the JPMorgan Affiliated Fund is the most appropriate Proxy Replacement Security based on a variety of statistical data.

55ip receives monetary compensation from Model Providers to provide the services described herein. As a result of this monetary compensation from the Model Providers, 55ip has a conflict of interest whenever 55ip recommends or uses a Model Provider's Funds in Client portfolios. Any additional potential conflicts of interest applicable to a specific Client will be disclosed to the Clients



and managed, to the extent feasible in the context of 55ip's business model and operational capabilities, in the best interest of the Client.

55ip may enter into additional agreements with the Model Providers, other RIAs, technology platforms, or other firms separate and apart from the advisory services it provides to its Clients. Each such agreement presents unique conflicts which will be disclosed to 55ip's Clients and managed, to the extent feasible in the context of 55ip's business model and operations, in the best interest of the Adviser's Clients. In certain instances, 55ip will enter into agreements with Model Providers where Model Providers will (i) subsidize certain Client fees as described in Item 5.B, Payment of Fees, above, (ii) provide additional compensation to 55ip for meeting certain participation targets in the Models, and/or (iii) provide additional compensation to 55ip for implementing customized Models. In addition, for agreements where Model Providers provide additional compensation to 55ip for meeting certain participation targets in the Models or for implementing customized Models, the Model Provider is the party soliciting clients to invest in the Models, mitigating the conflict of interest for 55ip.

In addition, if 55ip is deemed to be affiliated with a fund included in a Model Portfolio, it could restrict the ability of 55ip's affiliates to transact with or provide services to such fund and its affiliates. In order to avoid these potential restrictions, certain Model Providers will provide substitute securities, which, depending on the substitute security used, could lead to increased tracking error.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

### **A. Code of Ethics**

The Adviser and its registered investment adviser affiliates have adopted the Code of Ethics for JPMAM (the "Code of Ethics") pursuant to Rule 204A-1 under the Advisers Act. The Code of Ethics is designed to ensure that the Adviser's employees comply with applicable federal securities laws and place the interests of clients first in conducting personal securities transactions. The Code of Ethics imposes certain restrictions on securities transactions in the personal accounts of covered persons to help avoid or mitigate conflicts of interest, as described more fully below. A copy of the Code of Ethics is available free of charge to any client upon request by contacting your client service representative or financial adviser.

The Code of Ethics contains policies and procedures relating to:

- Account holding reports, personal trading, including reporting and pre-clearance requirements for all employees of the Adviser;
- Confidentiality obligations to clients set forth in the JPMC privacy notices;
- Employee conflicts of interest, which includes guidance relating to restrictions on trading on MNPI, gifts and business hospitality, political and charitable contributions and outside interests; and

- Escalation guidelines for reporting Code of Ethics violations.

In general, the personal trading rules under the Code of Ethics require that accounts of employees and associated persons be maintained with an approved broker and that certain trades in reportable securities for such accounts be pre-cleared and monitored by Compliance personnel. The Code of Ethics also prohibits certain types of trading activity, such as short-term and speculative trades. Employees of the Adviser must obtain approval prior to engaging in all covered security transactions, including those issued in private placements. In addition, certain employees of the Adviser are not permitted to buy or sell securities issued by JPMC during certain periods throughout the year. Certain "Access Persons" (defined as persons with access to non-public information regarding the Adviser's recommendations to clients, purchases, or sales of securities for client accounts and advised funds) are prohibited from executing personal trades in a security or similar instrument five business days before and after a client or fund managed by that Access Person transacts in that security or similar instrument. In addition, Access Persons are required to disclose household members, personal security transactions and holdings information. These disclosure obligations and restrictions are designed to mitigate conflicts of interest that may arise if Access Persons transact in the same securities as advisory clients.

Additionally, all of the Adviser's employees are subject to the JPMC firm-wide policies and procedures including those found in JPMC's Code of Conduct (the "Code of Conduct"). The Code of Conduct sets forth restrictions regarding confidential and proprietary information, information barriers, private investments, outside interests and personal trading. All JPMC employees, including the Adviser's employees, are required to familiarize themselves with, comply with, and attest annually to their compliance with the provisions of the Code of Conduct's terms as a condition of continued employment.

## B. Recommendations Involving Material Financial Interests

### **JPMC Acting in Multiple Commercial Capacities**

JPMC is a diversified financial services firm that provides a broad range of services and products to its clients and is a major participant in the global currency, equity, commodity, fixed income, and other markets in which the Adviser's client accounts invest or may invest. JPMC is typically entitled to compensation in connection with these activities and the Adviser's clients will not be entitled to any such compensation. In providing services and products to clients other than the Adviser's clients, JPMC, from time to time, faces conflicts of interest with respect to activities recommended to or performed for the Adviser's clients on one hand and for JPMC's other clients on the other hand. For example, JPMC has, and continues to seek to develop banking and other financial and advisory relationships with numerous U.S. and non-U.S. persons and governments. JPMC also advises and represents potential buyers and sellers of businesses worldwide. The Adviser's client accounts have invested in, or may wish to invest in, such entities represented by JPMC or with which JPMC has a banking, advisory, or other financial relationship. In addition, certain clients of JPMC, including the Adviser's clients, may invest in entities in which JPMC holds an interest, including a JPMorgan Affiliated Fund. In providing services to its clients and as a participant in global markets, JPMC from time to time recommends or engages in activities that compete with or otherwise adversely affect an Adviser's client account or its investments. It should be recognized that such relationships can

preclude the Adviser's clients from engaging in certain transactions and can also restrict investment opportunities that may be otherwise available to the Adviser's clients. For example, JPMC is often engaged by companies as a financial adviser, or to provide financing or other services, in connection with commercial transactions that are potential investment opportunities for the Adviser's clients. There are circumstances in which advisory accounts are precluded from participating in such transactions as a result of JPMC's engagement by such companies. JPMC reserves the right to act for these companies in such circumstances, notwithstanding the potential adverse effect on the Adviser's clients. In addition, JPMC derives ancillary benefits from providing investment advisory, custody, administration, prime brokerage, transfer agency, fund accounting and shareholder servicing, and other services to the Adviser's clients, and providing such services to the Adviser's clients may enhance JPMC's relationships with various parties, facilitate additional business development, and enable JPMC to obtain additional business and generate additional revenue. For example, allocating a client account's assets or a JPMorgan Affiliated Fund's assets to a third-party private fund or product enhances JPMC's relationship with such third-party investment fund or product and their affiliates and could facilitate additional business development or enable JPMC or the Adviser to obtain additional business and generate additional revenue.

The following are descriptions of certain additional conflicts of interest and potential conflicts of interest that may be associated with the financial or other interests that the Adviser and JPMC may have in transactions effected by, with, or on behalf of its clients. In addition, many of the activities that create these conflicts of interest are limited and/or if prohibited by law, are conducted under an available exception.

#### **Client Participation in Offerings where JPMC acts as Underwriter or Placement Agent**

A Model will, from time to time, and subject to the investment guidelines, objectives, restrictions, conditions, limitations, directions, and cash needs, and subject to compliance with applicable law, regulations, and exemptions, include the purchase of securities during an underwriting or other offering of such securities in which a broker-dealer affiliate of the Adviser acts as a manager, co-manager, underwriter or placement agent. The Adviser's affiliate typically receives a benefit in the form of management, underwriting, or other fees.

When a broker-dealer affiliate serves as underwriter in connection with an initial or secondary public offering of securities held in client accounts or certain Funds, including JPMorgan Affiliated Funds, JPMC typically requires certain equity holders, including such client account or such Fund, to be subject to a lock-up period following the offering during which time such equity holders' ability to sell any securities is restricted. In addition, JPMC internal policies or identified actual or potential conflicts arising from the role of such broker-dealer affiliate could preclude a client account or a Fund from selling into such an offering. These factors could restrict the Adviser's ability to dispose of such securities at an opportune time and thereby adversely affect the relevant account or Fund and its performance. Affiliates of the Adviser also act in other capacities in such offerings and such affiliates will receive fees, compensation, or other benefit for such services.

The commercial relationships and activities of the Adviser's affiliates may at times indirectly preclude the Adviser from engaging in certain transactions on behalf of its clients and constrain the investment flexibility of client accounts. For example, when an affiliate of the Adviser is the sole

underwriter of an initial or secondary offering, the Adviser cannot purchase or sell securities in the offering for its clients. In such case, the universe of securities and counterparties available to the Adviser's clients will be smaller than that available to clients of advisers that are not affiliated with major broker-dealers.

### **Conflicts Related to Advisers and Service Providers**

Certain advisers or service providers to clients managed by the Adviser (including investment advisers, accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and investment or commercial banking firms) provide goods or services to, or have business, personal, financial, or other relationships with JPMC and/or the Adviser, their affiliates, advisory clients, and portfolio companies. Such advisers and service providers may be clients of JPMC and the Adviser, sources of investment opportunities, co-investors, commercial counterparties, or entities in which JPMC has an investment. Additionally, certain employees of JPMC or the Adviser could have family members or relatives employed by such advisers and service providers. These relationships could have the appearance of affecting or potentially influencing the Adviser in deciding whether to select or recommend such advisers or service providers to perform services for its clients or investments held by such clients (the cost of which will generally be borne directly or indirectly by such clients).

In addition, JPMC has entered into arrangements with service providers that include fee discounts for services rendered to JPMC. For example, certain law firms retained by JPMC discount their legal fees based upon the type and volume of services provided to JPMC. The cost of legal services paid by the Adviser's clients is separately negotiated and is not included in the negotiation or calculation of the JPMC rate and, as a result, the fees that are charged to the clients typically reflect higher billing rates. In the event that legal services are provided jointly to JPMC and a client with respect to a particular matter, the client and JPMC will each bear their pro-rata share of the cost of such services which may reflect the JPMC discount or a higher rate, depending on the facts and circumstances of the particular engagement.

### **Clients' Investments in Affiliated Companies**

Subject to applicable law, from time to time a Model will include investments in fixed income or equity instruments or other securities that represent a direct or indirect interest in securities of JPMC, including JPMC stock. The Adviser will receive fees for its services on the portion of client holdings invested in such instruments or other securities through the Model, and may be entitled to vote or otherwise exercise rights and take actions with respect to such instruments or other securities on behalf of its clients. Generally, such activity occurs when a Client account includes an index or enhanced index strategy that targets the returns of certain indices in which JPMC securities are a component. The Adviser has authority to execute trades to implement the Models provided by the Model Providers or Sub-Advisory Clients, however, the choice to include the investments in JPMC stock or other securities that represent a direct or indirect interest in securities of JPMC is solely that of the Model Provider or Sub-Advisory Client.

Clients' direct or indirect investments in companies affiliated with JPMC, or in which the Adviser, its affiliates, or the Adviser's other clients have an interest may result in benefits to the Adviser, its affiliates, or other clients of the Adviser. For example, through a Model, a client account may acquire securities or indebtedness of a company affiliated with JPMC, either directly or indirectly such as

through syndicate or secondary market purchases, or may make a loan to, or purchase securities from, a company that uses the proceeds to repay loans made by JPMC. Under these circumstances, such investments by the Adviser on behalf of its clients are beneficial to JPMC's own investments in, and its activities with respect to, such companies.

### **Conflicts Relating to Material Financial Interests in Client Transactions**

The Adviser may receive compensation from Model Providers if aggregate Client investments exceed certain thresholds in investment products offered by such Model Providers. Accordingly, 55ip has a financial incentive to recommend such investments.

### **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 the Adviser has an incentive to allocate trades or investment opportunities to certain accounts or funds. For example, the Adviser may receive more compensation from one account than it does from a similar account. This could incentivize the Adviser to allocate opportunities of limited availability to the account that generates more compensation for the Adviser.

The Adviser's allocation and order aggregation practices are designed to achieve a fair and equitable allocation and execution of investment opportunities among its client accounts over time, and these practices are designed to comply with securities laws and other applicable regulations. See Item 12.C, Aggregating Trading for Multiple Client Accounts, for a complete description of the Adviser's allocation and aggregation practices.

### **Investing Personal Money in the Same Securities as Clients**

From time to time the Adviser, its Employees and/or the related persons may also personally buy or sell the same instruments that the Adviser buys or sells for Clients, and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for Clients because of the Adviser's recommendations regarding a particular security. A conflict of interest exists in such cases because we have the ability to trade ahead of Clients and potentially receive more favorable prices than Clients will receive. To mitigate this conflict of interest, it is our policy that neither the Adviser nor any of its Employees or related persons shall have priority over Clients' accounts in the purchase or sale of securities or other instruments and may not benefit from price movements that may be caused by transactions for Clients or otherwise.

### **Companies with an Ownership Interest in JPMC Stock**

Certain unaffiliated asset management firms (each, an "unaffiliated asset manager") through their funds and separately managed accounts currently hold a 5% or more ownership interest in JPMC publicly traded stock. Ownership interests in this range or of greater amounts present a conflict of interest when the Adviser purchases publicly traded securities of the unaffiliated asset manager or invests in funds that are advised by such unaffiliated asset manager, on behalf of client accounts or JPMorgan Affiliated Funds. The Adviser does not receive any additional compensation for client

accounts' or JPMorgan Affiliated Funds' investments in publicly traded securities or funds of an unaffiliated asset manager as a result of its ownership interest in JPMC stock. JPMC monitors ownership interests in JPMC 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. hold more than a 5% interest in JPMC.

C. Trading Securities At/Around the Same Time as Clients' Securities

As discussed above, from time to time, the Adviser, its Employees, or related persons of the Adviser may buy or sell securities for themselves that 55ip also recommends to the Client.

It is the policy of the Adviser that the firm will not affect any principal or agency cross securities transactions for Client accounts. The Adviser will also not cross trades between Client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between a JPMorgan Affiliated Fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## Item 12 – Brokerage Practices

A. Factors Used to Select Broker-Dealers

For most Sub-Advisory Client accounts, 55ip has discretion as to the selection of broker-dealers and placement of brokerage (and accordingly, the commission rates paid).

In selecting brokers to effect transactions (including the decision to trade away), 55ip considers factors such as price, quality of execution, the liquidity and specific characteristics of securities being traded, opportunities to aggregate like-orders across Sponsors/custodians, market conditions, broker expertise in particular markets, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by Clients, and clearing and settlement capabilities, subject at all times to principles of best execution, in accordance with 55ip's policies and procedures. In selecting broker/dealers to execute transactions, 55ip need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

55ip typically places trades through the account's Sponsor for Wrap Programs or the account's custodian. Although 55ip has discretion to select broker dealers other than the Sponsor in Wrap Programs, 55ip generally places such trades through the Sponsor because the wrap fee paid by each Wrap Program client only covers execution costs on trades executed through the Sponsor or its affiliates. For additional information regarding trading away practices for Wrap Program accounts,

see the Trading Away Practices for Wrap Program Accounts section within Item 4.D. In addition, certain custodians charge accounts an additional transaction fee when the Adviser trades away from the custodian (or the custodian's affiliate). Where it is 55ip's understanding that a client account is subject to such a transaction fee by their applicable custodian, 55ip considers such costs in its decision to trade away from the custodian and will generally seek to place trades with the custodian (or the custodian's affiliate) to avoid such charges, where consistent with its best execution obligations. Certain brokers utilized by 55ip may provide general assistance to 55ip, including, but not limited to technical support, consulting services, and consulting services related to staffing needs. In selecting a broker, 55ip may consider the broker's general assistance and consulting services. To the extent 55ip would otherwise be obligated to pay for such assistance, it has a conflict of interest in considering those services when selecting a broker.

#### 1. Research and Other Soft Dollar Benefits

Except as discussed above, 55ip currently does not anticipate receiving research or other products or services other than execution from a broker-dealer or third-party in connection with Client securities transactions ("soft dollar benefits"). However, in the future, 55ip shall have the right if, in good faith, it considers it to be in the best interest of the Client and consistent with 55ip's obligations to do so, to enter into "soft dollar" arrangements with one or more broker-dealers. All "soft dollar" arrangements will fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended, as that safe harbor is currently interpreted by the SEC.

#### 2. Brokerage for Client Referrals

55ip does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer.

#### 3. Directed Brokerage

55ip does not generally recommend, request or require that clients direct the Adviser to execute transactions through a specified broker-dealer. However, under certain conditions, the Adviser may accept written direction from a client, including those participating in Wrap Programs, to direct brokerage commissions from that client's account to specific brokers, in return for services provided by the brokers to the client. Due to the Adviser's overall objective of effecting client transactions consistent with its duty to seek best execution, the Adviser will accept clients' directed brokerage trade requests only under limited circumstances. The Adviser reserves the right to decline directed brokerage instructions where it believes such trading direction could interfere with its fiduciary duties, or for other reasons, determined in the Adviser's sole discretion. For example, the Adviser generally will not enter client orders with a directed broker when a pending order has been placed with a different broker based on the Adviser's evaluation of its best execution criteria.

#### B. Aggregating Trading for Multiple Client Accounts

The Adviser has allocation practices in place that are designed to reasonably promote fair and equitable allocations of investment opportunities among its client accounts over time and to promote compliance with applicable regulatory requirements. Such practices are designed to reasonably ensure that accounts are treated in a fair and equitable manner and that no one account is systematically favored over another in the allocation of trade orders. The Adviser seeks to treat

accounts in a non-preferential manner, such that allocations are not based upon the client, account performance, fee structure, or the portfolio manager.

In general, orders involving the same investment opportunity are aggregated throughout each trading day when the accounts utilize the same custodian, consistent with the Adviser's obligation to obtain best execution for its clients.

Partially completed orders will generally be allocated among participating accounts on a pro-rated (in proportion) average price basis. 55ip retains the discretion to place orders for the same security for different Clients at different times and in different relative amounts due to differences in investment objectives, cash availability, size of order and practicability of participating in "block" transactions.

The Adviser has an established mechanism for creating a trade rotation among the various custodial platforms and programs, which determines the order in which trade instructions are transmitted to each Sponsor. The trade rotation seeks to allocate trading opportunities such that, over time, no group of accounts, custodial platform or program receives preferential treatment as a result of the timing of the receipt of its trade instructions. Programs which have different investment strategies or which trade on a different frequency are generally traded on their own rotation cycle. The Adviser creates a separate trade rotation for discretionary and non-discretionary programs. Certain Client-directed orders (e.g., cash withdrawal requests) are not included in a rotation. Instead, these orders are typically submitted when ready. 55ip has policies and procedures in place that are designed to promote fair and equitable treatment among its client accounts over time. In addition, for the Tax-Smart Index strategies, the Adviser does not generally utilize a trade rotation but typically sends the trade instructions to all applicable custodians simultaneously.

55ip and/or its related persons or Clients may buy or sell specific securities for its or their own account that are not deemed appropriate for Client accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in Client accounts are made. Where execution opportunities for a particular security are limited, 55ip attempts in good faith to allocate such opportunities among Clients in a manner that, over time, is equitable to all Clients.

### **Trade Errors**

Trade errors and other operational mistakes occasionally occur in connection with the Adviser's management of client accounts. The Adviser has policies and procedures that address the identification and correction of trade errors. Errors can result from a variety of situations, including, situations involving trading, processing or other functions (e.g., miscommunication of information, such as wrong number of shares, wrong price, wrong account, calling the transaction a buy rather than a sell and vice versa, etc.). The Adviser's policies and procedures require that all errors affecting a client's account be resolved promptly and fairly. Under certain circumstances, the Adviser may consider whether it is possible to adequately address an error through cancellation, correction, reallocation of losses and gains or other means. The intent of the policy is to restore a client account to the appropriate financial position considering all relevant circumstances surrounding the error.



The Adviser makes its determinations pursuant to its error policies on a case-by-case basis, in its discretion, based on factors it considers reasonable. Relevant facts and circumstances the Adviser may consider include, among others, the nature of the service being provided at the time of the incident, whether intervening causes, including the action or inaction of third parties, caused or contributed to the incident, specific applicable contractual and legal restrictions and standards of care, whether a client's investment objective was contravened, the nature of a client's investment program, whether a contractual guideline was violated, the nature and materiality of the relevant circumstances, and the materiality of any resulting losses.

The Adviser's policies and procedures generally do not require perfect implementation of investment management decisions, trading, processing or other functions performed by the Adviser. Therefore, not all mistakes will be considered compensable to the client. Imperfections in the implementation of investment decisions, quantitative strategies, financial modeling, trade execution, cash movements, portfolio rebalancing, processing instructions or facilitation of securities settlement, imperfection in processing corporate actions, or imperfection in the generation of cash or holdings reports resulting in trade decisions may not constitute compensable errors, depending on the facts and circumstances. In addition, in managing accounts, the Adviser may establish non-public, formal or informal internal targets, or other parameters that may be used to manage risk, or otherwise guide decision-making, and a failure to adhere to such internal parameters will not be considered an error.

### **Item 13 – Review of Accounts**

#### **A. Frequency and Nature of Periodic Review and Who Makes Those Reviews**

55ip periodically reviews Client accounts to ensure consistency with the Client's strategy and account objectives. Accounts that select Ongoing Tax Management are typically reviewed monthly (typically following the last tax loss harvesting trade or model update) for tax loss harvesting opportunities. In addition, accounts utilizing Client-provided Models are typically reviewed for rebalancing monthly. Relevant accounts are identified and reviewed by the 55ip Trade Operations team, utilizing 55ip's proprietary technology. The information in this Brochure does not include all the specific review features associated with each investment strategy or applicable to a particular client account. Clients are urged to ask questions regarding the Adviser's review process applicable to a particular strategy or investment product.

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

In addition to periodic reviews, the Adviser may perform reviews as it deems appropriate or otherwise required. Additional reviews of client accounts may be triggered by client request, Model updates, cash management changes, compliance/risk monitoring, industry factors, market developments, statutory and regulatory changes, and/or any issues that may have been identified with respect to a client account.

C. Content and Frequency of Regular Reports

Sub-Advisory and Trade List Delivery Clients utilizing 55ip's Ongoing Tax Management service who meet 55ip's reporting criteria receive quarterly reports describing the details of their client accounts including certain benefits like tax savings, depending on the nature of the agreement. Reports will generally be available in electronic format through the 55ip Services Portal.

### **Item 14 – Client Referrals and Other Compensation**

A. Economic Benefits Provided by Third Parties

The Adviser receives monetary compensation from certain affiliated and unaffiliated Model Providers to provide various services more fully described in Item 10, Other Financial Industry Activities and Affiliations.

B. Compensation to Non-Supervised Persons for Client Referrals

Neither the Adviser nor any of its related persons directly or indirectly compensate any non-Supervised Persons or consultants for Client referrals.

### **Item 15 – Custody**

The Adviser generally does not maintain physical custody of its clients' assets. Client assets are typically held by a qualified custodian pursuant to a separate custody agreement (other than for Clients through Wrap Programs). However, pursuant to Rule 206(4)-2 under the Advisers Act, in certain circumstances the Adviser may be deemed to have custody of client assets.

With respect to certain separately managed accounts, the Adviser is deemed to have custody of client assets when an affiliate of the Adviser acts as custodian for accounts or when the Adviser has the ability to deduct its advisory fees directly from an account.

Clients do not receive account statements from the Adviser. Clients receive at least quarterly statements (paper or electronic) from the broker-dealer, bank, or other qualified custodian that holds and maintains the Client's investment assets. Client should carefully review and reconcile the custodian statements to ensure that they reflect appropriate activity in the account. If Clients do not receive periodic accounts statements from their qualified custodian in a timely manner, they should contact their custodian immediately.

### **Item 16 – Investment Discretion**

Each Client's advisory or sub-advisory Agreement (except those for trade list delivery services or other similar services), as well as agreements under which the Adviser has been delegated comparable services, generally grants the Adviser discretionary authority to execute trades and invest its Clients' assets in accordance with the model or strategy selected by the Client, subject to any specific limitations as to type, amount, concentration, or leverage, as determined by each Client and set forth in the applicable Agreement. Any limitations on this authority shall be included in the

applicable Agreement and/or written authority statement. Clients may change/amend these limitations as permitted pursuant to the applicable Agreement, and any such amendment requests shall be in writing.

### **Item 17 – Voting Client Securities**

Due to the nature of products that the Adviser currently trades, the Adviser generally will not receive nor have the opportunity to vote proxies. The Client will generally receive proxies or other solicitations directly from the custodian or transfer agent. 55ip does not exercise voting authority over proxies of the underlying companies within ETFs or mutual funds held in any Client's account. It is the responsibility of the ETF's or mutual fund investment manager to exercise voting authority over proxies of the underlying companies within such ETFs or mutual funds.

55ip is only responsible for voting proxies in cases where the Agreement explicitly includes provisions specifying 55ip's proxy voting obligations. If a client gives 55ip the authority to vote proxies, as a fiduciary, 55ip acts in the best interest of the client with respect to proxy voting activities. 55ip has adopted detailed written proxy voting policies and procedures that are reasonably designed to ensure that proxies are voted in the best interests of clients and to prevent material conflicts of interest, as described in Item 11, from affecting the manner in which proxies are voted, pursuant to Rule 206(4)-6 of the Advisers Act.

To assist 55ip with proxy voting proposals, 55ip retains the services of a third-party proxy voting service (the "Proxy Service"). 55ip will also retain the Proxy Service in situations where a material conflict of interest may exist. The Proxy Service assists in the implementation and administration of certain proxy voting-related functions including operational, recordkeeping and reporting services. The Proxy Service also provides 55ip with comprehensive analysis of proxy proposals as well as recommendations on how to vote each proposal that reflect the Proxy Service's application of the Adviser's Proxy Voting Guidelines to particular proxy issues. In situations where the Proxy Voting Guidelines are silent or recommend a case-by-case analysis, 55ip will review the Proxy Service's recommendations and will determine if the recommendations should be accepted. 55ip may delegate its proxy voting authority to the Proxy Service in whole or in part. Clients cannot direct 55ip's vote in a particular solicitation, unless the Agreement explicitly includes provisions allowing such activity.

Where a proxy proposal raises a material conflict between the Adviser's interests and the interests of the Clients, the Adviser will seek to resolve the conflict in the best interest of the Clients.

Clients may obtain a copy of the Adviser's proxy voting policies and procedures upon request. Clients may also obtain information from the Adviser about how the Adviser voted any proxies on behalf of their account(s) by contacting 55ip.

## Item 18 – Financial Information

### A. Balance Sheet

Pursuant to SEC instructions, the Adviser is not required to include its balance sheet as part of this Brochure.

### B. Financial Conditions Likely to Impair Ability to Meet Contractual Commitments to Clients

The Adviser is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

### C. Bankruptcy Filings

The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.