

THE WELL-PREPARED

*family*

---

**IS A 'LETTER OF WISHES'  
RIGHT FOR YOUR TRUST?**

As a complement to your trust agreement, this letter can help ensure that your intentions are understood

If you place assets into a long-term, irrevocable trust, you may give your trustee broad discretion over distributions. That way, as facts and circumstances evolve—beneficiaries' lives change, and assets ebb and flow—the trustee will be able to exercise judgment about releasing funds. A letter of wishes can help communicate your views.

This letter, sometimes called a “statement of intent” or “family values statement,” travels with your trust agreement for as long as the trust exists, providing general guidance rather than specific, legally binding direction.

Your letter of wishes can be shared with your beneficiaries to give them insights into your thinking. Or you can arrange for your letter to be seen by the trustee only.

As a corporate trustee with a global presence, we have handled a great many letters of wishes over the years. Here, we share some **additional perspective, five best practices that we've identified, and a few scenarios that may help you think through the issues.**

### A GROWING TREND

Letters of wishes have long been common in some countries, but more recently have gained popularity in the United States. Several factors may be driving this trend:

- **Concern about outdated instructions.** Many people don't want to include directions that may no longer apply and want to provide explanations of their instructions.
- **Proliferation of multigenerational or perpetual trusts.** Trust creators often appoint a close friend or relative as the initial trustee, thinking that person understands their values. But successor trustees are less likely to have that insight and this lack of familiarity may increase over time. Additionally, the preservation of real wealth is often the goal of a multigenerational trust, where trustees may benefit from guidance on whether and to what extent sustainable distribution levels should be maintained.

### CREATING A FAMILY TRADITION

**A matriarch used a letter of wishes to convey a philosophy of “take only what you need and pass the rest on.”**

A family asked one of our trust officers to participate in their family meeting and explain to their youngest members:

- The mechanics of their family's dynasty trust
- The philosophy of the letter of wishes for this trust

The family's matriarch, long deceased, had written the letter of wishes 50 years earlier. And the message she left for her descendants, our trust officer says, is “elegant.”

She asked the trust's current beneficiaries to view themselves as stewards of the family fortune. They should draw on the funds to help them with their life's basic building blocks, the letter said. But they also should feel responsible for conserving the trust assets for future generations.

Use trust funds, she wrote, only to finance your education, your first home and your first business. After that, she asked them to rely on their own funds. However, neither the trust she created nor her letter prohibits the trustee from going beyond the basics, if need be.

“This letter of wishes established a tone—setting expectations—and everybody rose to the occasion,” the trust officer says. “The family took this philosophy extremely seriously. The letter of wishes helped create a strong family tradition.”

- **Desire for the expertise of a corporate trustee.** Some of our most sophisticated clients create letters of wishes because, as one J.P. Morgan trust officer explained, “They want the benefit of an independent fiduciary with the comfort that the fiduciary understands their values.”
- **Globalization.** A growing number of multinational families and professional advisors are involved in cross-border issues. These families and advisors may be familiar with letters of wishes because they have long been routinely used with non-U.S. trusts.

### BEFORE YOU BEGIN WRITING...

It is important to understand the flexibility and limitations of your letter of wishes. Only a trust agreement legally binds the trustee. And, once signed, a trust agreement cannot be changed in many cases—except by court order.

In contrast, you can change, replace, and even discard your letter of wishes, as circumstances change. The letter is meant to communicate your vision when establishing the trust.

For example, many U.S. trust agreements direct trustees to provide for the “health, support, maintenance and education” of the beneficiaries. In a letter of wishes, you may want to offer more detail about what “education” means to you. After all, one person’s idea of education may be a Ph.D. in economics, while another’s may be a yoga class taken for health and self-discovery.

Even your close friend serving as trustee might not grasp the nuances of what your trust agreement means by saying funds should be used to enable your children to continue living “in the style to which they have grown accustomed.” Does that mean a new luxury car every two years, a “pre-owned” vehicle every few, or something in between?

Some letters of wishes run to 20 pages and read like contracts, while others are more like intimate family messages. You can write a letter of wishes when creating a trust or, as often happens, long after. Some letters last decades, while others are frequently amended or replaced. And while some people have their lawyers draft their letters of wishes, others write it themselves. If you draft your own letter of wishes, we recommend you have your lawyer review it to be sure you don’t contradict your trust document.

### TRUST OFFICERS’ PERSPECTIVE

Corporate trust officers should welcome well-crafted letters of wishes or other expressions of intent, but the letters are not essential to effective trust administration.

A trust officer at J.P. Morgan explains, “I like when a trust creator provides a letter of wishes because the more information a trustee has to carry out the trust creator’s intentions, the better.”

But, adds another trust officer, “Not everyone needs a letter of wishes because a good trustee and a good trust document are usually sufficient. A letter might serve as a helpful complement, but I certainly have never felt stymied for lack of one. While individuals are unique, human behavior and fiduciary duties have patterns, so experienced professionals are able to respond appropriately.”

Many trust officers say they encourage trust creators to write a letter only if they have strong feelings about a particular issue. For example, you may want to be sure to tell your trustee to support your descendants’ ability to engage in charitable work or to pursue careers in a less financially rewarding profession (such as teaching). Or maybe you want to encourage family members to see themselves as stewards, rather than as consumers, of an inheritance.

### FIVE BEST PRACTICES

Lawyers have varying opinions on the usefulness of letters of wishes. Some lawyers say that guidance is better placed in the trust agreement itself; others express concerns about how a letter of wishes may be interpreted by beneficiaries or tax authorities.

If you and your advisors decide that a letter of wishes is right for you, please consider these five best practices:

#### 1 Your legal advisors should write your letter of wishes, or at least review it.

Your lawyers can help you ensure that your letter of wishes is consistent with your trust document.

#### 2 Write your letter of wishes with the understanding that it cannot change the original trust document.

If there is a contradiction between your trust agreement and your letter of wishes, the trust agreement controls; if it didn’t, you’d risk having the trust assets included in your taxable estate.

For example: A mother created a trust for the benefit of her son and, in the trust agreement, authorized the trustee to be extremely generous, to keep the son in a very comfortable lifestyle and to favor him over the remaindermen (those who would inherit whatever remained in the trust when the trust term expired).

Later, the mother and son had a falling-out. She grew critical of the son’s life choices, friends and views. She provided the trustee with a letter of wishes expressing her wish that distributions to her son be scaled back to a minimum.

The trustee could not follow the new instructions and explained to the mother that the trust agreement was being followed and that the existing level of distributions was both reasonable and maintainable.

Had the trust officer followed the mother's letter of wishes, U.S. Internal Revenue Service (IRS) might reasonably have argued that there was an implied agreement between the mother and the trustee to follow the mother's wishes regarding trust distributions. Such an implied agreement would have given the mother (the trust creator) a legally impermissible amount of control over the trust funds. She'd be acting as the owner of the trust assets. The IRS might then have a claim that the trust assets should be included in the mother's estate.

### **3 Keep in mind that your heirs might see the letter of wishes.**

Hurt feelings and friction may result from beneficiaries seeing a letter of wishes. Consider how a beneficiary might feel discovering in a letter of wishes that his parents were disappointed with his lifestyle and thought him incapable of handling his finances. While such an insight might be useful for the trustee, you may want to weigh the benefit of writing that to the trustee against the potential damage this disclosure might do to your beneficiary's feelings and family relationships.

If a beneficiary were to ask for a copy of a letter of wishes, a trustee may be hard-pressed to deny the request. Trustees are generally required to provide beneficiaries, on request, with any information relevant to the beneficiaries' interest in the trust and to allow beneficiaries to inspect the trust's books and records. It is unclear whether a letter of wishes, which could shed light on the grantor's intent, would be included in this list of relevant trust documents. We have found no reported U.S. cases specifically addressing this question. Presumably, though, a letter of wishes would be discoverable in litigation if it were relevant to the subject matter of the lawsuit.

A few courts outside of the United States have addressed the discoverability of letters of wishes. In these offshore jurisdictions, a beneficiary generally is not entitled to demand a copy of the letter of wishes, as it is thought to be related to the reasons for a trustee's use of discretionary powers, and intended to be confidential. An exception is made, however, if a trustee's bad faith is suspected.

Better, then, to accept that there is a risk that your beneficiaries may one day see your letter of wishes. It is therefore wise to write these statements with an eye on how these beneficiaries might perceive your words.

On the other hand, we've seen some of the letters that are meant to share messages about the trust creator's family values, not only with trustees, but also with the current beneficiaries and future generations.

### **4 Consider your trustee's ability to carry out your specific wishes.**

Letters of wishes sometimes direct trustees to determine what is happening in beneficiaries' lives before making a distribution.

For example, a trustee may be asked to consider withholding a distribution if a beneficiary has a substance or gambling abuse problem. The difficulty is that trustees often do not have enough daily contact with a beneficiary to properly make such determinations.

If you want your beneficiaries to be closely monitored, consider appointing a co-trustee or trust "advisor" in the trust document, who is more familiar with the beneficiary's lifestyle and has access to information that could help make such determinations.

If you were to provide this type of instruction to your trustee solely in a letter of wishes, it would be important to carefully state in your letter of wishes that you are identifying "considerations" as opposed to outright requirements.

### **5 Simple, up-to-date letters of wishes may serve you best.**

The simpler the language and suggestions, the less likely you may feel compelled to later revise or amend your letter of wishes.

That said, J.P. Morgan Wealth Advisors in Asia report that clients typically review and update their letters every two to three years.

In the United States, our trust officers find clients tend to update letters of wishes when they are older and revisiting their estate planning documents. One trust officer said, "People consider it an active part of their plans: Do they have a health proxy? Are their letters of wishes up to date?"

## THINKING THROUGH THE ISSUES

To help you decide what guidance to provide your trustee, consider your personal values.

We have an exercise that many clients find useful. We present them with a series of short, hypothetical situations and ask what they would like their trustee to do. This helps them express their values around critical issues such as:

- Productivity and education
- Family unity and continuity
- Maintenance and support
- Family legacy
- Preservation of principal and loans

To give you an idea of how that exercise works, review some scenarios that pertain to a few of these common areas of concerns. What should your trustee do?

### SCENARIO 1: PRODUCTIVITY AND EDUCATION

## Asking for Seed Capital

A daughter, a hardworking recent graduate of the Wharton School of the University of Pennsylvania, has put together a solid business plan to buy two tattoo parlors in Daytona Beach, Florida. She would like \$500,000 in seed capital. (The trust has \$5 million in assets, all liquid.)

**What should your trustee do? Check one:**

- Pay \$500,000 to cover the seed capital.
- Pay the seed capital only after an outside consultant has determined that the business plan is sound.
- Decline the funding, because the type of business is inappropriate.
- Other, please explain: \_\_\_\_\_

**Would your answer be the same or different if the request came from a grandchild? A great-grandchild? If the trust had \$20 million in assets?**

### SCENARIO 2: FAMILY UNITY AND CONTINUITY

## Asking for a Destination Wedding

A 25-year-old son living in Los Angeles wants a destination wedding in Hawaii for 100 people at an estimated cost of \$750,000 and has asked the trustee to make a distribution for the full amount. (The trust has \$10 million in assets, all liquid.)

**What should your trustee do?**

- Pay 100%.
- Pay 50%.
- Ask the son to revise plans, as this wedding is too lavish.
- Other, please explain: \_\_\_\_\_

**Would your answer be the same or different if the request came from a grandchild? A great-grandchild? If the trust had \$20 million in assets?**

### SCENARIO 3: MAINTENANCE AND SUPPORT

## Asking to Subsidize Roommates

A son just graduated from the University of the Arts London and has secured a marketing job in New York City. He would like to rent an apartment in a safe neighborhood with two friends from his university. The friends, together, will be able to afford only a quarter of the monthly rent. The son has asked for a monthly distribution of \$4,000 to cover both his portion of the rent and to subsidize his roommates. (The trust has \$5 million in assets, all liquid.)

**What should your trustee do?**

- Pay 100% of the rent every month because the son will be in a new city with people he knows and trusts.
- Pay only the son's share of the rent.
- Ask the son to find a less expensive apartment.
- Other, please explain: \_\_\_\_\_

**Would your answer be the same or different if the request came from a grandchild? A great-grandchild? If the trust had \$20 million in assets?**

**SCENARIO 4: MAINTENANCE AND SUPPORT****Asking for an Elaborate Trip**

A 35-year-old son and daughter-in-law want to homeschool their three young children while sailing around the world for the year as a 360-degree learning experience. They would like to make the trip in a 75-foot sailboat with a three-person crew to cook, clean and teach the family how to operate the vessel. The son has asked that the trust fund the trip, which he estimates will cost \$1 million. (The trust has \$20 million in assets, all liquid.)

**What should your trustee do?**

- Pay 100%.
- Offer to pay the amount of the son's and daughter-in-law's combined replacement salaries.
- Tell them the plan is too lavish and ask them for another plan that is more sensible.
- Other, please explain: \_\_\_\_\_

**Would your answer be the same or different if the request came from a grandchild? A great-grandchild? If the trust had \$50 million in assets?**

**SCENARIO 5: MAINTENANCE AND SUPPORT****Asking to Help a Sick Friend**

A 40-year-old daughter's lifelong friend does not have health insurance and needs a kidney transplant to avoid dialysis treatment several times a week. The daughter begs the trustee to give her the money to cover the expenses. (The trust has \$20 million in assets, all liquid.)

**What should your trustee do?**

- Cover the expense 100% to encourage the daughter's altruism.
- Lend the daughter the money to pay for her friend's medical procedure, setting up a schedule of repayment.
- Simply tell the daughter that the expense is beyond the scope of the trust.
- Other, please explain: \_\_\_\_\_

**Would your answer be the same or different if the request came from a grandchild? A great-grandchild? If the trust had \$50 million in assets?**

**BOTTOM LINE**

You may want to provide guidance to your trustee regarding distributions in a manner that goes beyond the broad or more general language in your trust document. If so, a letter of wishes may help you to accomplish this.

If you are considering a letter of wishes, we recommend that you consult with your advisors to help ensure it is consistent with legal standards and the provisions of the trust.

Because the practical application of a letter of wishes is critical, you and your advisors may want to consult with the designated trustee early in the drafting process.

With over 200 years of experience, J.P. Morgan has a longstanding history of acting as a fiduciary for our clients and their families. Our Wealth Advisors and Trust Officers are available to work with you and your professional advisors to meet all of your wealth needs.

**We look forward to helping you with your wishes—for you and your legacy.**

**FROM THE ADVICE LAB AT J.P. MORGAN PRIVATE BANK**

The Advice Lab is a team of specialists with deep experience in a variety of disciplines, and who develop strategies in executive compensation, asset allocation, analytics and ownership structures to maximize our clients' wealth, after taxes and across generations.

**WRITTEN BY**

**Anne Cutler**, Head of Estate Disposition Analysis, with contributions from **Amy Richards**, Specialist in Estate Disposition Analysis



## IMPORTANT INFORMATION

### Key Risks

This material is for information purposes only, and may inform you of certain products and services offered by J.P. Morgan's wealth management businesses, part of JPMorgan Chase & Co. ("JPM"). Products and services described, as well as associated fees, charges and interest rates, are subject to change in accordance with the applicable account agreements and may differ among geographic locations. Not all products and services are offered at all locations. If you are a person with a disability and need additional support accessing this material, please contact your J.P. Morgan team or email us at [accessibility.support@jpmorgan.com](mailto:accessibility.support@jpmorgan.com) for assistance. **Please read all Important Information.**

### General Risks & Considerations

Any views, strategies or products discussed in this material may not be appropriate for all individuals and are subject to risks. **Investors may get back less than they invested, and past performance is not a reliable indicator of future results.** Asset allocation/diversification does not guarantee a profit or protect against loss. Nothing in this material should be relied upon in isolation for the purpose of making an investment decision. You are urged to consider carefully whether the services, products, asset classes (e.g., equities, fixed income, alternative investments, commodities, etc.) or strategies discussed are suitable to your needs. You must also consider the objectives, risks, charges, and expenses associated with an investment service, product or strategy prior to making an investment decision. For this and more complete information, including discussion of your goals/situation, contact your J.P. Morgan team.

### Non-Reliance

Certain information contained in this material is believed to be reliable; however, JPM does not represent or warrant its accuracy, reliability or completeness, or accept any liability for any loss or damage (whether direct or indirect) arising out of the use of all or any part of this material. No representation or warranty should be made with regard to any computations, graphs, tables, diagrams or commentary in this material, which are provided for illustration/reference purposes only. The views, opinions, estimates and strategies expressed in this material constitute our judgment based on current market conditions and are subject to change without notice. JPM assumes no duty to update any information in this material in the event that such information changes. Views, opinions, estimates and strategies expressed herein may differ from those expressed by other areas of JPM, views expressed for other purposes or in other contexts, and **this material should not be regarded as a research report.** Any projected results and risks are based solely on hypothetical examples cited, and actual results and risks will vary depending on specific circumstances. Forward-looking statements should not be considered as guarantees or predictions of future events.

**Nothing in this document shall be construed** as giving rise to any duty of care owed to, or advisory relationship with, you or any third party. Nothing in this document shall be regarded as an offer, solicitation, recommendation or advice (whether financial, accounting, legal, tax or other) given by J.P. Morgan and/or its officers or employees, irrespective of whether or not such communication was given at your request. J.P. Morgan and its affiliates and employees do not provide tax, legal or accounting advice. You should consult your own tax, legal and accounting advisors before engaging in any financial transactions.

## IMPORTANT INFORMATION ABOUT YOUR INVESTMENTS AND POTENTIAL CONFLICTS OF INTEREST

Conflicts of interest will arise whenever JPMorgan Chase Bank, N.A. or any of its affiliates (together, "J.P. Morgan") have an actual or perceived economic or other incentive in its management of our clients' portfolios to act in a way that benefits J.P. Morgan. Conflicts will result, for example (to the extent the following activities are permitted in your account): (1) when J.P. Morgan invests in an investment product, such as a mutual fund, structured product, separately managed account or hedge fund issued or managed by JPMorgan Chase Bank, N.A. or an affiliate, such as J.P. Morgan Investment Management Inc.; (2) when a J.P. Morgan entity obtains services, including trade execution and trade clearing, from an affiliate; (3) when J.P. Morgan receives payment as a result of purchasing an investment product for a client's account; or (4) when J.P. Morgan receives payment for providing services (including shareholder servicing, recordkeeping or custody) with respect to investment products purchased for a client's portfolio. Other conflicts will result because of relationships that J.P. Morgan has with other clients or when J.P. Morgan acts for its own account.

Investment strategies are selected from both J.P. Morgan and third-party asset managers and are subject to a review process by our manager research teams. From this pool of strategies, our portfolio construction teams select those strategies we believe fit our asset allocation goals and forward-looking views in order to meet the portfolio's investment objective.

As a general matter, we prefer J.P. Morgan managed strategies. We expect the proportion of J.P. Morgan managed strategies will be high (in fact, up to 100 percent) in strategies such as, for example, cash and high-quality fixed income, subject to applicable law and any account-specific considerations.

While our internally managed strategies generally align well with our forward-looking views, and we are familiar with the investment processes as well as the risk and compliance philosophy of the firm, it is important to note that J.P. Morgan receives more overall fees when internally managed strategies are included. We offer the option of choosing to exclude J.P. Morgan managed strategies (other than cash and liquidity products) in certain portfolios.

The Six Circles Funds are U.S.-registered mutual funds managed by J.P. Morgan and sub-advised by third parties. Although considered internally managed strategies, JPMC does not retain a fee for fund management or other fund services.

### Legal Entity, Brand & Regulatory Information

In the **United States**, bank deposit accounts and related services, such as checking, savings and bank lending, are offered by **JPMorgan Chase Bank, N.A.** Member FDIC.

**JPMorgan Chase Bank, N.A.** and its affiliates (collectively "JPMCB") offer investment products, which may include bank-managed investment accounts and custody, as part of its trust and fiduciary services. Other investment products and services, such as brokerage and advisory accounts, are offered through **J.P. Morgan Securities LLC ("JPMS")**, a member of **FINRA** and **SIPC**. JPMCB and JPMS are affiliated companies under the common control of JPM. Products not available in all states.

In **Luxembourg**, this material is issued by **J.P. Morgan Bank Luxembourg S.A. (JPMBL)**, with registered office at European Bank and Business Centre, 6 route de Treves, L-2633, Senningerberg, Luxembourg. R.C.S Luxembourg B10.958. Authorized and regulated by Commission de Surveillance du Secteur Financier (CSSF) and jointly supervised by the European Central Bank (ECB) and the CSSF. J.P. Morgan Bank Luxembourg S.A. is authorized as a credit institution in accordance with the Law of 5th April 1993. In the **United Kingdom**, this material is issued by **J.P. Morgan Bank Luxembourg S.A., London Branch**, registered office at 25 Bank Street, Canary Wharf, London E14 5JP. Authorized and regulated by Commission de Surveillance du Secteur Financier and jointly supervised by the European Central Bank and the CSSF. Deemed authorized by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the United Kingdom for a limited period while seeking full authorization, are available on the Financial Conduct Authority's website. In **Spain**, this material is distributed by **J.P. Morgan Bank Luxembourg S.A., Sucursal en España**, with registered office at Paseo de la Castellana, 31, 28046 Madrid, Spain. J.P. Morgan Bank Luxembourg S.A., Sucursal en España is registered under number 1516 within the administrative registry of the Bank of Spain and supervised by the Spanish Securities Market Commission (CNMV). In **Germany**, this material is distributed by **J.P. Morgan Bank Luxembourg S.A., Frankfurt Branch**, registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt, Germany, jointly supervised by the Commission de Surveillance du Secteur Financier (CSSF) and the European Central Bank (ECB), and in certain areas also supervised by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin). In **Italy**, this material is distributed by **J.P. Morgan Bank Luxembourg S.A., Milan Branch**, registered office at Via Cordusio 3, 20123 Milano, Italy, and regulated by Bank of Italy and the Commissione Nazionale per le Società e la Borsa (CONSOB). In the **Netherlands**, this material is distributed by **J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch**, with registered office at World Trade Centre, Tower B, Strawinskylaan 1135, 1077 XX, Amsterdam, The Netherlands. J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch is authorized and regulated by the Commission de Surveillance du Secteur Financier (CSSF) and jointly supervised by the European Central Bank (ECB) and the CSSF in Luxembourg; J.P. Morgan Bank Luxembourg S.A., Amsterdam Branch is also authorized and supervised by De Nederlandsche Bank (DNB) and the Autoriteit Financiële Markten (AFM) in the Netherlands. Registered with the Kamer van Koophandel as a branch of J.P. Morgan Bank Luxembourg S.A. under registration number 71651845. In **Denmark**, this material is distributed by **J.P. Morgan Bank Luxembourg, Copenhagen Br, filial af J.P. Morgan Bank Luxembourg S.A.** with registered office at Kalvebod Brygge 39-41, 1560 København V, Denmark. J.P. Morgan Bank Luxembourg, Copenhagen Br, filial af J.P. Morgan Bank Luxembourg S.A. is authorized and regulated by Commission de Surveillance du Secteur Financier (CSSF) and jointly supervised by the European Central Bank (ECB) and the CSSF. J.P. Morgan Bank Luxembourg, Copenhagen Br, filial af J.P. Morgan Bank Luxembourg S.A. is also subject to the supervision of Finanstilsynet (Danish FSA) and registered with Finanstilsynet as a branch of J.P. Morgan Bank Luxembourg S.A. under code 29009. In **Sweden**, this material is distributed by **J.P. Morgan Bank Luxembourg S.A., Stockholm Bankfilial**, with registered office at Hamngatan 15, Stockholm, 11147, Sweden. J.P. Morgan

Bank Luxembourg S.A., Stockholm Bankfilial is authorized and regulated by Commission de Surveillance du Secteur Financier (CSSF) and jointly supervised by the European Central Bank (ECB) and the CSSF. J.P. Morgan Bank Luxembourg S.A., Stockholm Bankfilial is also subject to the supervision of Finansinspektionen (Swedish FSA). Registered with Finansinspektionen as a branch of J.P. Morgan Bank Luxembourg S.A. In **France**, this material is distributed by **JPMorgan Chase Bank, N.A. ("JPMCB")**, **Paris branch**, which is regulated by the French banking authorities Autorité de Contrôle Prudentiel et de Résolution and Autorité des Marchés Financiers. In Switzerland, this material is distributed by J.P. Morgan (Suisse) SA, which is regulated in Switzerland by the Swiss Financial Market Supervisory Authority (FINMA).

In **Hong Kong**, this material is distributed by **JPMCB, Hong Kong branch**. JPMCB, Hong Kong branch is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission of Hong Kong. In Hong Kong, we will cease to use your personal data for our marketing purposes without charge if you so request. In **Singapore**, this material is distributed by **JPMCB, Singapore branch**. JPMCB, Singapore branch is regulated by the Monetary Authority of Singapore. Dealing and advisory services and discretionary investment management services are provided to you by JPMCB, Hong Kong/Singapore branch (as notified to you). Banking and custody services are provided to you by JPMCB Singapore Branch. The contents of this document have not been reviewed by any regulatory authority in Hong Kong, Singapore or any other jurisdictions. You are advised to exercise caution in relation to this document. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. For materials which constitute product advertisement under the Securities and Futures Act and the Financial Advisers Act, this advertisement has not been reviewed by the Monetary Authority of Singapore. JPMorgan Chase Bank, N.A. is a national banking association chartered under the laws of the United States, and as a body corporate, its shareholder's liability is limited.

With respect to countries in **Latin America**, the distribution of this material may be restricted in certain jurisdictions. We may offer and/or sell to you securities or other financial instruments which may not be registered under, and are not the subject of a public offering under, the securities or other financial regulatory laws of your home country. Such securities or instruments are offered and/or sold to you on a private basis only. Any communication by us to you regarding such securities or instruments, including without limitation the delivery of a prospectus, term sheet or other offering document, is not intended by us as an offer to sell or a solicitation of an offer to buy any securities or instruments in any jurisdiction in which such an offer or a solicitation is unlawful. Furthermore, such securities or instruments may be subject to certain regulatory and/or contractual restrictions on subsequent transfer by you, and you are solely responsible for ascertaining and complying with such restrictions. To the extent this content makes reference to a fund, the Fund may not be publicly offered in any Latin American country, without previous registration of such fund's securities in compliance with the laws of the corresponding jurisdiction. Public offering of any security, including the shares of the Fund, without previous registration at Brazilian Securities and Exchange Commission—CVM is completely prohibited. Some products or services contained in the materials might not be currently provided by the Brazilian and Mexican platforms.

JPMorgan Chase Bank, N.A. (JPMCBNA) (ABN 43 074 112 011/AFS Licence No: 238367) is regulated by the Australian Securities and Investment Commission and the Australian Prudential Regulation Authority. Material provided by JPMCBNA in Australia is to "wholesale clients" only. For the purposes of this paragraph the term "wholesale client" has the meaning given in section 761G of the Corporations Act 2001 (Cth). Please inform us if you are not a Wholesale Client now or if you cease to be a Wholesale Client at any time in the future.

JPMS is a registered foreign company (overseas) (ARBN 109293610) incorporated in Delaware, U.S.A. Under Australian financial services licensing requirements, carrying on a financial services business in Australia requires a financial service provider, such as J.P. Morgan Securities LLC (JPMS), to hold an Australian Financial Services Licence (AFSL), unless an exemption applies. **JPMS is exempt from the requirement to hold an AFSL under the Corporations Act 2001 (Cth) (Act) in respect of financial services it provides to you, and is regulated by the SEC, FINRA and CFTC under U.S. laws, which differ from Australian laws.** Material provided by JPMS in Australia is to "wholesale clients" only. The information provided in this material is not intended to be, and must not be, distributed or passed on, directly or indirectly, to any other class of persons in Australia. For the purposes of this paragraph the term "wholesale client" has the meaning given in section 761G of the Act. Please inform us immediately if you are not a Wholesale Client now or if you cease to be a Wholesale Client at any time in the future.

This material has not been prepared specifically for Australian investors. It:

- May contain references to dollar amounts which are not Australian dollars;
- May contain financial information which is not prepared in accordance with Australian law or practices;
- May not address risks associated with investment in foreign currency denominated investments; and
- Does not address Australian tax issues.

References to "J.P. Morgan" are to JPM, its subsidiaries and affiliates worldwide. "J.P. Morgan Private Bank" is the brand name for the private banking business conducted by JPM. This material is intended for your personal use and should not be circulated to or used by any other person, or duplicated for non-personal use, without our permission. If you have any questions or no longer wish to receive these communications, please contact your J.P. Morgan team.



