

# Client Relationship Summary

The best relationships are built on trust and transparency. That's why, at J.P. Morgan Alternative Asset Management, Inc. ("JPMAAM," "our firm," "we," "us"), we want you to fully understand the ways you can invest with us, and the basic differences between our product and service offerings that may be relevant to you, as well as their fees and costs.

We are registered with the Securities and Exchange Commission ("SEC") as an investment adviser. Brokerage and investment advisory services and fees differ and it is important for clients ("you") to understand the differences. Free and simple tools are available for you to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

## WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

JPMAAM offers investment advisory services to clients through the Institutional Hedge Fund Solutions ("IHFS") separately managed accounts program ("program"). Under the program, JPMAAM seeks to deliver the institutional quality hedge fund solutions provided by us to a subset of large and sophisticated private bank clients. With each strategy, these accounts invest in third party investment pools ("hedge funds") not affiliated with JPMAAM, which are recommended by JPMAAM and approved for investment by the clients that participate in the program. Through the IHFS program, private clients will open accounts directly with JPMAAM where they are charged an advisory fee (and in some cases an incentive fee tied to the performance of the account) in return for investment advice, investment access, and operational support.

When a client appoints JPMAAM as the non-discretionary investment manager, the client does not grant us investment and trading discretion over the account. With our limited authority, we are responsible for offering investment advice regarding the strategy's security selection and weightings, as well as operational support for client accounts. The client makes the ultimate decision regarding the purchase or sale of investments.

Clients who are on boarded to the IHFS program will have regular dialogue with their designated JPMAAM investment specialist who will provide hedge fund industry color and offer recommendations around fund selection and portfolio construction within JPMAAM's universe of approved investments in accordance with each client's stated objective and risk profile. IHFS clients may also be provided with some access to meet with approved managers and/or the JPMAAM research analysts who provide due diligence on those managers.

As part of JPMAAM's services, we perform ongoing monitoring activities of investments, such as reviews of a strategy's portfolio construction and underlying investments.

JPMAAM sets the criteria for the program's eligibility, including minimum investment amounts and account size criteria that clients must meet in order to participate in the program. Clients also establish guidelines and restrictions for their accounts, for us

to adhere to. Please see our Form ADV for more detailed information about JPMAAM's services at <https://adviserinfo.sec.gov/firm/summary/20989>

## CONVERSATION STARTERS

Throughout this Relationship Summary we've included "Conversation Starters." These are questions the SEC thinks you should consider asking your financial professional. Please contact your financial professional or us directly for more information.

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

## WHAT FEES WILL I PAY?

Clients generally pay JPMAAM an investment management fee based on the market value of hedge fund securities in a client's account advised by us. Since fees are charged based on the amount of assets invested in a client's account, the more assets you have invested in our strategies, the larger the fee will be in dollar-terms. Thus, we benefit from an increase in assets. Some clients will pay an incentive fee in addition to an investment management fee.

Clients will pay additional fees directly to the third party hedge funds in which they invest. Such fees are disclosed by the third party hedge funds in their respective offering documents and are separate from the above stated fees JPMAAM charges for its investment advisory services. Please see our Form ADV at <https://adviserinfo.sec.gov/firm/summary/20989> for more information.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more information, please contact your JPMAAM representative or see our Form ADV at <https://adviserinfo.sec.gov/firm/summary/20989>.

**CONVERSATION STARTERS**

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

**WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN ACTING AS MY INVESTMENT ADVISER? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?**

***When we act as your investment adviser***, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means

- A fee based on the performance of your account creates an incentive for us to recommend more speculative hedge funds than we would in the absence of such performance-based compensation.
- Conflicts of interest arise from how your account fees are calculated as a result of our also being responsible for determining the fair value of your account's assets.
- When we manage another account that pays or could potentially pay higher fees and invests in the same or similar strategy or assets, we have an incentive to favor the account paying potentially higher fees.

JPMAAM has policies, procedures and controls in place that are designed to mitigate the conflicts described above and ensure the fair treatment of clients over time as described within our Form ADV brochure.

**CONVERSATION STARTERS**

- *How might your conflicts of interest affect me, and how will you address them?*

More detailed information about JPMAAM's conflicts of interest are available in our Form ADV, available at <https://adviserinfo.sec.gov/firm/summary/20989>

**HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?**

JPMAAM maintains a balanced financial compensation program for its financial professionals, which includes a mix of fixed compensation and variable compensation in the form of an incentive program. Their compensation is not directly tied to the frequency of client trading or the amount of client assets enrolled in a program.

**DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?**

Yes, we disclose legal or disciplinary history related to our parent company, JPMorgan Chase & Co. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**CONVERSATION STARTERS**

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*
- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*

You can find additional information about JPMAAM's investment advisory services at:

<https://adviserinfo.sec.gov/firm/summary/20989> or (212) 648-1597.