

## MIFID II QUALITATIVE ANALYSIS OF BEST EXECUTION

This report (the **Report**) is published in accordance with the requirements of the Markets in Financial Instruments Directive (2014/65/EU) and associated regulatory technical standards.

J.P. Morgan SE Wealth Management (JPMSE WM or the Private Bank) is required to meet certain obligations in relation to what is called Best Execution. Best Execution relates to the way in which we execute, place or transmit orders on our clients' behalf. On the 22nd January 2022, the business of J.P. Morgan Bank Luxembourg S.A. (JPMBL) was merged with another member of the J.P. Morgan group, J.P. Morgan AG (JPMAG). The transfer was implemented by way of cross-border merger of JPMBL and JPMAG. Subsequently JPMAG converted into the legal form of a Societas Europaea, and named J.P. Morgan SE (JPMSE). This 2022 report includes pre-merger transactions executed by JPMBL (up to, and including 21 January 2022) and all post-merger transactions executed by JPMSE WM (24th January - 30th December 2022).

All clients are treated as if they are Retail clients for the purposes of the Best Execution policy. All execution decisions are made by a central desk who execute according to a single policy. This Report therefore is for both Retail and Professional clients of the Private Bank.

A description of the approach taken by the Private Bank to achieve Best Execution when executing or transmitting client orders (entitled "Best Execution Summary") is available below. The following information explains the strategies and tools used by the Private Bank to effect and assess the quality of execution of transactions in the asset classes listed below.

JPMSE Investment Banks (JPMSE CIB) MiFID II qualitative analysis of best execution can be found [here](#)

### EQUITIES

#### 1. Equities, Exchange Traded Products, Equity Derivatives – Listed Option & Exchange Traded Warrants

ESMA Class of Instrument	Equities – Shares and Depositary Receipts Exchange Traded Products Equity Derivatives – Options and Futures admitted to trading on a trading venue Securitized Derivatives – Warrants and Certificate Derivatives
--------------------------	--

The execution factors which we consider and their order of importance are listed below:

1. Total consideration
2. Speed
3. Size of order
4. Nature of order
5. Likelihood of execution

Equities, Exchange Traded Funds and Equity Derivative – Listed Options orders are transmitted to J.P. Morgan Asset Management (UK) Limited (**JPMAM**), J.P. Morgan Securities PLC (**JPMSL**), J.P. Morgan Securities LLC (**JPMS**) and J.P. Morgan SE (**JPMSE CIB**). In deciding to use these entities, we have considered price and cost in terms of the ability to offer the best possible outcome in terms of total consideration on a consistent basis (based on a comparison with other entities).

Total consideration is the price plus costs payable on execution. Costs include costs and expenses related to execution, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. Total consideration is the most important factor and other factors will only be given precedence insofar as they are instrumental in delivering the best possible result.

JPMSE, JPMAM, JPMSL, JPMS are all ultimately owned by JPMorgan Chase & Co. Employees of the Private Bank execute orders using JPMAM, JPMSL, JPMS or JPMSE infrastructure on behalf of Private Bank clients. The Private Bank is able to directly compare market prices on behalf of its clients. The Private Bank may select JPMAM, JPMSL, JPMS or JPMSE as counterparty to a given transaction, where this is the case management information is reviewed on a frequent basis to ensure that best execution is achieved.

The Transaction and Advice fee charged per transaction, which includes any fees or charges of JPMSL, JPMS or JPMSE, is disclosed to clients in the "J.P. Morgan Private Bank Fee Schedule".

## FIXED INCOME

### 2. Fixed Income

<b>ESMA Class of Instrument</b>	Debt Instrument Bonds
---------------------------------	-----------------------

The factors which we consider and their order of importance are listed below:

1. Total consideration
2. Size of order
3. Speed
4. Likelihood of execution
5. Nature of order

Orders in Fixed Income Securities are transmitted to J.P. Morgan Asset Management (UK) Limited (**JPMAM**), J.P. Morgan Securities PLC (**JPMSL**), J.P. Morgan Securities LLC (**JPMS**) and J.P. Morgan SE (**JPMSE CIB**). In deciding to use these entities, we have considered price and cost in terms of the ability to offer the best possible outcome in terms of total consideration on a consistent basis (based on a comparison with other entities).

JPMSE, JPMAM, JPMSL, JPMS are all ultimately owned by JPMorgan Chase & Co. Employees of the Private Bank execute orders using JPMAM, JPMSL, JPMS or JPMSE infrastructure on behalf of Private Bank clients. The Private Bank is able to directly compare market prices on behalf of its clients. The Private Bank may select JPMAM, JPMSL, JPMS or JPMSE as counterparty to a given transaction, where this is the case management information is reviewed on a frequent basis to ensure that best execution is achieved.

The Transaction and Advice fee charged per transaction, which includes any fees or charges of JPMSL, JPMS or JPMSE, is disclosed to clients in the "J.P. Morgan Private Bank Fee Schedule".

## DERIVATIVES

### 3. Foreign Exchange Derivatives, Commodity Derivatives, Credit Derivatives, Equity OTC Derivatives & Interest Rate Derivatives

<b>ESMA Class of Instrument</b>	Currency Derivatives - swaps, forwards and other currency derivatives Commodity Derivatives Credit Derivatives Equity Derivatives - swaps and other equity derivatives Interest Rate Derivatives - swaps, forwards and other IR derivatives
---------------------------------	---

The factors which we consider and their order of importance are listed below:

1. Total consideration
2. Speed
3. Likelihood of execution
4. Size of order
5. Nature of order

Orders in OTC Derivative Transactions are executed with J.P. Morgan SE (**JPMSE CIB**). We consider the conflict of interest arising from using JPMSE as a single derivative counterparty on an annual basis. Given the collateral costs and credit risk premium which we would need to charge in executing with other market counterparties, we consider JPMSE to be the most effective counterparty in terms of total consideration.

The Transaction and Advice fee charged per transaction, which includes any fees or charges of JPMSE, is disclosed to clients in the "J.P. Morgan Private Bank Fee Schedule".

## STRUCTURED PRODUCTS

### 4. Structured Products

ESMA Class of Instrument	Structured Finance Instruments
--------------------------	--------------------------------

The factors which we consider and their order of importance are listed below:

1. Total consideration
2. Likelihood of execution
3. Nature of order
4. Speed
5. Size of order

Structured Products are issued by the counterparties listed in the Best Execution Summary, including J.P. Morgan Structured Products B.V. (**JPMSP**). In deciding to transact with these entities, we have considered price and cost in terms of the ability to offer the best possible outcome in terms of total consideration on a consistent basis (based on a comparison with other entities).

Percentage of directed orders for Structured Products is negligible and is less than 0.02%.

JPMSE and JPMSP are ultimately owned by JPMorgan Chase & Co. We manage the conflict of interest arising from using JPMSP as an Issuer of structured products, by arranging for competing quotes from other structured products issuers, where practicable. The Transaction and Advice fee charged per transaction is disclosed to clients in the "J.P. Morgan Private Bank Fee Schedule".

### OTHER PRODUCTS (Private Equity, Hedge Funds, Mutual Funds)

There will commonly only be one method of purchasing or redeeming these instruments, for example via the manager, administrator, transfer agent or general partner of the fund. This limits the applicability of factors other than likelihood of execution and speed. Nevertheless when executing orders in these instruments internal policies and guidelines are followed to ensure efficient execution and the best possible client outcome.

Orders for J.P. Morgan Mutual Funds and Hedge Funds are executed directly with the transfer agent of the fund. Where orders are executed in Third Party Mutual Funds orders are sent to the market settlement systems for onward transmission to the fund's transfer agent.

### ALL PRODUCTS

JPMSE does not use output of a consolidated tape provider. JPMSE receives market data feeds directly from the market where it executed its orders.