

Collateral Management Services for Public Funds

Specialized services for deposit banks managing collateral for their public entities

Collateral is a vital tool for public entities seeking to mitigate counterparty risk as required by state statute. J.P. Morgan offers a premium service for the efficient optimization, control and reporting of collateral assets managed against municipal or public deposits.

J.P. Morgan's technology enables the deposit bank to reduce risk, enhance operational efficiencies and efficiently utilize its collateral assets while conforming to the requirements of the governing Collateral Pledge and Control Agreement.

J.P. Morgan ACCESSSM, J.P. Morgan's secure web-based securities servicing portal, offers ready access to comprehensive reporting to help clients easily track, reconcile and report collateral positions to state authorities.

BENEFITS AND FEATURES

Benefit	Features
Mitigate Risks	<ul style="list-style-type: none"> Effectively manage collateral on a daily basis for clients seeking to adhere to state statutes Establish and update eligibility schedules, complete with predetermined concentration terms, margin/haircut parameters, and other complex tests/rules Optimize use of assets with sophisticated collateral eligibility testing
Increase Efficiency	<ul style="list-style-type: none"> Support same day recalls while maintaining collateralization levels Minimize operational risk with efficient holding, marking-to-market, reporting, substitution and redelivery of collateral across multiple states and jurisdictions Manage margin calls for daily deposit fluctuations Benefit from standard legal documentation to govern tri-party relationships, in accordance with state legislation Utilize one central account to manage collateral requirements across multiple states, with collateral movements to/from the accounts pledged to each individual government entity Access a full range of asset management services, including principal and interest payments and corporate actions Generate reporting packages containing a summary and detailed breakdown of all accounts, holdings, asset types, prices and requirements
Enhance Performance	<ul style="list-style-type: none"> View detailed reporting of positions and collateralization throughout the day, in order to extract value from portfolios and business activities Limit expenses with low cost of entry; minimize ongoing administrative costs and technology/infrastructure investment View accurate collateral values for all assets with daily pricing feeds from independent vendors

Highlights

Broad range of securities types:*

- Treasuries
- Agency debentures
- Corporate bonds
- Mortgage-backed securities
- Asset-backed securities

Innovation and leadership:

- Manages billions of dollars of collateral daily for the world's leading broker-dealers, banks, financial institutions and asset managers
- Invests and innovates, including a multiyear capital investment program for enterprise-wide collateral management

Complementary services

- Collateral Management for Securities
- Custody
- Clearance

For more information, please contact your J.P. Morgan representative or visit jpmorgan.com/wss.

*Certain features, benefits, and securities types may not be available in certain jurisdictions.

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