

Precious Metals as Collateral

Automated use of gold as collateral in J.P. Morgan Tri-Party

Gold can now be used as collateral to satisfy securities lending, repo, pledge and other obligations with counterparties. As the only tri-party agent able to offer this innovative, integrated solution, J.P. Morgan combines its market-leading commodities, vault and collateral management capabilities to extend the range of collateral types available to tri-party clients.

BENEFITS AND FEATURES

Benefit	Features
Enhance Returns	<ul style="list-style-type: none"> Seamlessly merge commodities and securities financing businesses, supporting single global funding models Automatically receive reporting on utilisation of gold and other collateral Benefit from automated and daily mark-to-market of collateral assets; over-collateralised positions are automatically returned Extend the trading day: assets moved to J.P. Morgan's global tri-party program can be allocated outside of normal market hours Fully optimise collateral across counterparties with regular scheduled or ad-hoc intraday allocation runs
Increase Efficiency	<ul style="list-style-type: none"> Use gold in unallocated form to satisfy collateral obligations Create single pool of collateral, combining gold with securities and cash Define the order in which assets are used, assigning priority to gold, cash or securities collateral Same day recall of gold positions, subject to cut-offs and availability of eligible substitute collateral
Mitigate Risk	<ul style="list-style-type: none"> Leverage J.P. Morgan's expertise as a global market leader, with more than 30 years' experience in the provision of precious metals services Access Secured Credit Line to better manage intraday financing

Additional precious metals and commodities will become available for use as collateral. The ability to support any collateral type, settlement platform or region is a key component of J.P. Morgan's Global Collateral Engine initiative. Designed to be asset and obligation neutral, Global Collateral Engine offers clients greater flexibility in how they mobilise collateral to extract maximum value.

Highlights

Broad range of collateral types

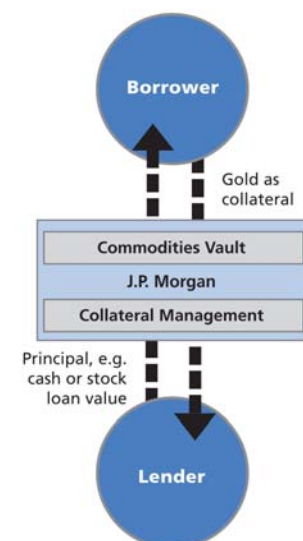
- Gold
- Equities
- Corporate Bonds
- Government Bonds
- Convertible Bonds
- Asset Backed Securities
- Exchange Traded Funds
- Cash

Broad range of exposure drivers

- Equity Financing
- Fixed Income Financing
- Tri-Party Repo
- Securities Lending
- Secured Credit
- Collateral Pledge
- Margin Management

Leadership and innovation

- 2010 Best Tri-Party Provider in Asia Pacific (*The Asset Magazine*)
- The only truly global provider—commended in Europe, North America and Asia Pacific in the 2010 Global Custodian Tri-Party Repo Survey



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