

How can J.P. Morgan make a difference to your business and satisfy your investors through assets safety?

Custody of long positions

J.P. Morgan is one of the World's largest and strongest global custodians, with balance sheet assets of \$2 trillion and over \$15 trillion of client assets under custody in segregated, bankruptcy remote client asset accounts. We also provide one of the most extensive sub-custodian contractual liability protections in the marketplace. Covering all major markets through our own branches and remainder 94 markets via reputable sub-custody network we lead in counter-party strength, 24/7 network monitoring, full contingent networking and the ability to switch sub-custodians in less than 24 hours. Where assets are held with J.P. Morgan Prime Broker we also provide Prime Custody to offer a robust counter-party risk protection in the most seamless, integrated and efficient way.

Cash and liquidity management

J.P. Morgan clients take advantage of our AA rating to use market leading liquidity and cash investment products to help develop a sustainable cash and liquidity management strategy in any market environment.

All of our cash and liquidity management solutions can be delivered on a combined or stand-alone basis, and our cash investment reporting shows consolidated cash position broken down by instrument type, tenor and counterparty.

(A) Stable Balance Deposit Account –

A straightforward deposit account intended for discretionary, unencumbered cash balances that have reasonable level of stability. It offers daily liquidity as well as preferential interest rates with a minimum payout “floor rate”. As interest rates are linked to a one month rather than an overnight benchmark, the Stable Balance Deposit Account typically offers higher returns than other overnight liquid products.

(B) Automated Money Market Fund

Investment – This service sweeps into a wide range of money market and government funds from J.P. Morgan Asset Management and a select range of other third-party money market providers. As the World's largest institutional money market fund provider, J.P. Morgan Asset Management is typically able to offer highly competitive yields, compared to other money market fund providers with similar asset break-down and credit quality in their money market fund portfolios.

(C) Cash Trade Execution – An automated, agency-traded cash investment service which diversifies cash according to managers' requirements. This includes a range of short-term cash investment instruments (including time deposits, repos and commercial papers) and maturities (from overnight to six months) with up to 50 financial institutions, which are continuously credit monitored by J.P. Morgan. Cash Trade Execution places and settles the equivalent of more than \$45 billion daily, achieving strong performance by placing larger, “market size” deals at the best available market rates.

Derivative Collateral Management ('DCM')

J.P. Morgan's 'Margin-Control' service has agreements with most major OTC brokers on the street. We hold Independent Amounts in a tri-party custody account in the fund's name, eliminating the broker's counter-party default risk and also helping UCITS funds in their counter-party exposure calculations towards that counterparty. Any collateral held can have optimised return through automated investment to J.P. Morgan Money Market Funds.

The core DCM service independently calculates collateral on all CSAs daily, calling collateral back when in excess and checking all collateral before paying. All collateral amounts are held in a custodian account as client assets, so are bankruptcy remote. The DCM service ensures that only eligible collateral moves as per the terms of the CSA and can also accept non-cash collateral, if authorised in the CSA. Any collateral held optimises returns, by investing in J.P. Morgan Money Market Funds.

Additionally our Administration plus services can call excess collateral back from the PB on a daily basis. This further reduces counter-party risk and optimises returns, by using J.P. Morgan market leading liquidity services.

J.P. Morgan solutions described above are all proven as demonstrated through client advocacy; we are the preferred service provider for many leading managers and investors. Our solutions are available now and do not need any changes to your current Administration or Broker arrangements.