

## Derivatives Collateral Management – Margin Control

### Safeguards and controls for collateral, custody and margin management

J.P. Morgan's collateral agency service allows clients to concentrate on core derivatives trading activities, confident that their accounts are separate from their counterparty's assets. As the complexity of managing collateral increases with multiple Credit Support Annexes, J.P. Morgan clients can rely on our expertise and scalable, global infrastructure to manage expanding trading relationships.

#### KEY FEATURES AND BENEFITS

| Client Need         | J.P. Morgan Solutions  |
|---------------------|--|
| Increase Efficiency | <ul style="list-style-type: none"> <li>• Simple, streamlined program set-up and onboarding</li> <li>• Expert program support provided by dedicated collateral management experts, from daily operations through inquiry and issue management</li> <li>• Minimal requirements for the clients' in-house IT teams</li> </ul>   |
| Mitigate Risk       | <ul style="list-style-type: none"> <li>• J.P. Morgan's independent custody service offers security with a strong credit rating and capital position</li> <li>• Clearly defined processes, controls and audit trails; defined release mechanism triggered in the event of either party's insolvency</li> <li>• Collateral holdings, valuations and exposure for each counterparty or fund are fully visible and easily monitored via comprehensive reporting</li> <li>• Market standards are met or exceeded through J.P. Morgan's continued investment in both product and technology</li> </ul> |
| Enhance Returns     | <ul style="list-style-type: none"> <li>• Cash reinvestment options combine security with competitive rates, helping clients extract additional value from their assets</li> <li>• Available vehicles include both on- and off-balance sheet options</li> <li>• Timely payments of income and coupon distributions to the pledgor</li> <li>• Cost-effective and scalable solution supports program growth and changing market conditions without client investment</li> </ul>   |

As active participants in ISDA and the Collateral Framework Groups, J.P. Morgan's collateral management experts consistently work with market participants to define industry best practices.

J.P. Morgan's expertise in managing risk and exposure forms the foundation of the specialized services we deliver in support of OTC derivatives trading. We provide clients with a more robust, scalable and cost-effective means of managing collateral and counterparty/market risk – particularly critical to institutions managing their compliance with regulatory requirements or changing market practices.

#### Highlights

##### Clients include:

- Prime Brokers
- Hedge Fund Independent Amounts
- UCITS Funds
- Companies required to conform to the Investment Company Act of 1940
- Institutions seeking to partially outsource collateral management services or additional protections in managing counterparty risk

##### Key features

- Operates under Control and Custodian agreements, Credit Support Annex (CSA) under New York Law or English Law Credit Support Deed (CSD)
- Rapid set-up and onboarding
- Expert support from dedicated client service manager and relationship team
- Daily asset valuation
- Available as a bilateral or tri-party arrangement

##### Leadership and innovation

- Leading provider of end-to-end derivatives collateral management solutions, with 50+ global clients
- Multiyear strategic investment in Global Collateral Engine program, designed to transform the delivery of enterprise-wide collateral management services

##### Complementary products

- Full end-to-end collateral management services across all asset types, trade structures and geographies, including tri-party repos and derivatives
- Global Derivatives Services – lifecycle management and independent valuation of OTC derivatives
- Custody

To learn more, speak to your representative or visit us at [jpmorgan.com/wss](http://jpmorgan.com/wss)