JPMorgan Liquidity Funds - US Dollar Treasury Liquidity Fund

JPM A (acc.)

April 2017

Fund overview

Investment objective

The Sub-Fund seeks to achieve a return in the Reference Currency in line with prevailing money market rates whilst aiming to preserve capital consistent with such rates and to maintain a high degree of liquidity.

Fund statistics

Morningstar Category™	USD Money Market - Short Term
Fund manager(s)	John Tobin
Client portfolio manager(s)	Jason Straker
Fund currency	USD
Asset (as at 30.04.17)	USD 35.4billion
Inception date	26.11.03
Currency hedging	N
Minimal initial investment	USD 50.000
Minimal additional investment	USD 5.000
Expenses	0,55%
Valuation date	Daily
Cash settlement date	T+1
Dealing deadline	1700_EST
Fund structure	SICAV/UCITS
Domicile	Luxembourg

Fund codes

ISIN	LU0176037280
Bloomberg	JPMLIQA LX
Cusip	L5781B155
Reuters	LU0176037280.LUF

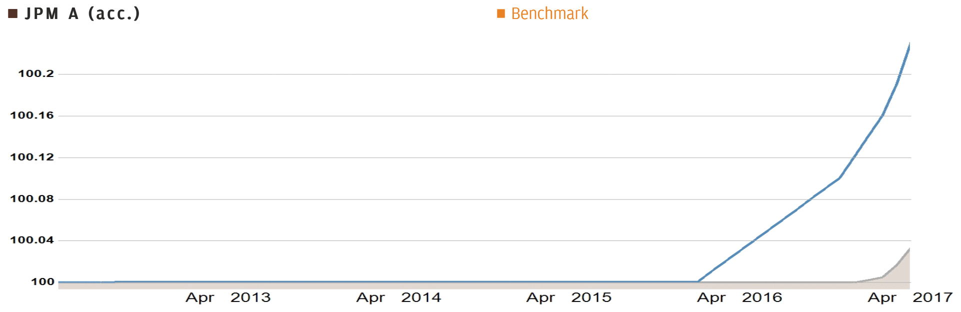
Benchmark

iMoneynet Institutional US Treasury and Repo Money Fund Index

Performance

(as at April 30, 2017)

Cumulative performance



Cumulative performance

%	1 M	3 M	1 Y	3 Y	5 Y	Since inception
JPM A (acc.)	0.0166	0.0311	0.0335	0.0335	0.0335	14.5204
Benchmark	0.0400	0.0900	0.2001	0.2302	0.2308	15.4068

Calendar year

	2013	2014	2015	2016	YTD
JPM A (acc.)	0.00	0.00	0.00	0.00	0.03
Benchmark	0.00	0.00	0.00	0.12	0.11

Annualised performance

%	3 Y	5 Y	10 Y	Since inception
JPM A (acc.)	0.0112	0.0067	0.4017	1.0150
Benchmark	0.0767	0.0461	0.4575	1.0739

Fund facts

Fund charges

Annual Mgt.	0.40%
Ongoing charge (comprises):	0.55%

Statistical analysis review

(as at April 30, 2017)

	3 years	5 years
Correlation	0.80	0.79
Alpha	-0.07	-0.04
Beta	0.28	0.26
Annualised volatility	0.01	0.01
Sharpe ratio	-5.21	-13.08
Tracking error	0.02	0.02
Information ratio	-2.66	-1.86

Monthly Comments

Review

(as at December 31, 2016)

The major event of the fourth quarter was the surprise Republican sweep of the White House and both chambers of Congress. With the exception of a very brief risk-off reaction by global markets, bond yields and equity prices have moved higher since the US election on expectations of deregulation, corporate and individual tax cuts, and higher infrastructure spending. US Treasuries suffered and the curve steepened over the quarter - two-year yields rose 43 basis points (bps) to 1.19%, five-year yields climbed 78bps to 1.93% and 10-year yields soared 85bps to 2.44%.

The fourth quarter was highlighted by money market reform and the Federal Reserve (Fed) raising rates for the second time in almost a decade. Money market reform saw a trillion dollar of assets migrate from prime money market funds to government funds. Higher Treasury and agency issuance, as well as larger holdings of securities by dealers, allowed repo and short government rates to remain stable. The Fed raised rates by 0.25% to a new range of 0.50% to 0.75%, raising the theoretical floor on repo to 0.50%. The fund continues to carry ample liquidity and was active in both fixed and floating rate securities opportunistically across the curve.

Outlook

(as at December 31, 2016)

Expectations for stronger growth and higher inflation are reflected in the recent move to higher rates. This should provide support for the Fed to dial down its accommodative stance, as it began to do at its December meeting. We expect the Fed to raise rates another three to four times in 2017. We also anticipate that the US dollar has room to move higher.

Investor suitability

Investor profile

This is a treasury liquidity Sub-Fund that invests primarily in short-term treasury securities. Investors in the Sub-Fund are therefore likely to be looking for an alternative to cash deposits for their medium-term or temporary cash investments, including seasonal operating cash for pension funds or the liquidity components of investment portfolios.

Key risks

The Sub-Fund's objective may not be achieved in adverse market conditions and Shareholders may get back less than they originally invested.
In adverse market conditions, the Sub-Fund may invest in zero or negative yielding securities which will have an impact on the return of the Sub-Fund.
The value of debt securities may change significantly depending on economic and interest rate conditions as well as the credit worthiness of the issuer. Issuers of debt securities may fail to meet payment obligations or the credit rating of debt securities may be downgraded.
The credit worthiness of unrated debt securities is not measured by reference to an independent credit rating agency.
The counterparty of repurchase agreements may fail to meet its obligations which could result in losses to the Sub-Fund.