

# JPMorgan Liquidity Funds - Sterling Liquidity Fund

JPM X (acc.)

May 2016

## Fund overview

### Fund ratings

Fitch Rating	AAAmf
S&P Credit Rating	AAAm

### 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.

### Benchmark

1 Week GBP LIBID

### Fund highlights

The Fund is suitable for temporary or medium-term cash investment, seasonal operating cash, automated cash sweeps and the liquidity components of investment portfolios. The Fund aims to offer a high level of security coupled with instant access and a competitive yield. The Fund's investment strategy continues to focus on the debt obligations of governments, international organisations and corporations or financial institutions of high credit standing.

### Fund statistics

<b>Morningstar Category™</b>	GBP Money Market - Short Term
<b>Fund manager(s)</b>	Olivia Maguire
<b>Client portfolio manager(s)</b>	Jason Straker
<b>Fund currency</b>	GBP
<b>Asset (as at 31/05/16)</b>	GBP 8.7billion
<b>Inception date</b>	23/05/00
<b>Currency hedging</b>	N
<b>Minimal initial investment</b>	
<b>Minimal additional investment</b>	
<b>Expenses</b>	0.05%
<b>Valuation date</b>	Daily
<b>Cash settlement date</b>	T+1
<b>Dealing deadline</b>	1330 GMT
<b>Fund structure</b>	SICAV/UCITS
<b>Domicile</b>	Luxembourg

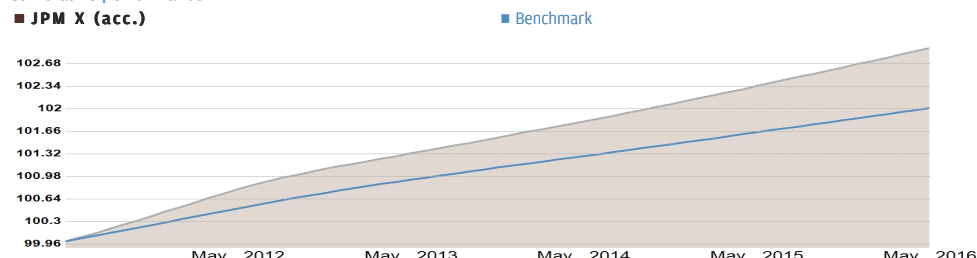
### Fund codes

<b>ISIN</b>	LU0088883706
<b>Sedol</b>	5980981
<b>Bloomberg</b>	JPMGLQX LX
<b>Reuters</b>	LU0088883706.LUF

## Performance

(Performance since 31/05/11)

### Cumulative performance



### Quarterly Rolling 12M ending March 2016

%	2011/12	2012/13	2013/14	2014/15	2015/16
JPM X (acc.)	0.7786	0.5859	0.4722	0.5127	0.5555
Benchmark	0.5022	0.4519	0.3577	0.3524	0.3600

### Cumulative performance

(as at 31/05/16)

%	1 M	3 M	1 Y	3 Y	5 Y	Since inception <sup>A</sup>
JPM X (acc.)	0.0456	0.1445	0.5591	1.5653	2.9154	58.2447
Benchmark	0.0319	0.0915	0.3623	1.0710	2.0122	58.3448

## Holdings

### Weighted Average Maturity in days

(as at 31/05/16)

Jun'15	Jul'15	Aug'15	Sep'15	Oct'15	Nov'15	Dec'15	Jan'16	Feb'16	Mar'16	Apr'16	May'16
52	47	54	46	51	48	45	52	55	49	50	44

Weighted Average Maturity: A Fund's WAM calculates an average time to maturity of all the securities held in the portfolio, weighted by each security's percentage of net assets. The calculation takes into account the final maturity for a fixed income security and the interest rate reset date for floating rate securities held in the portfolio. This is a way to measure a fund's sensitivity to potential interest rate changes.

### Weighted Average Life in days

(as at 31/05/16)

Jun'15	Jul'15	Aug'15	Sep'15	Oct'15	Nov'15	Dec'15	Jan'16	Feb'16	Mar'16	Apr'16	May'16
70	68	82	86	88	81	74	81	88	71	68	58

Weighted Average Life (also known as Weighted Average Final Maturity): A Fund's WAL calculates an average time to maturity of all the securities held in the portfolio, weighted by each security's percentage of net assets. In contrast to WAM, the WAL calculation takes into account the final maturity date for each security held in the portfolio. This is a way to measure a fund's sensitivity to potential credit spread changes.

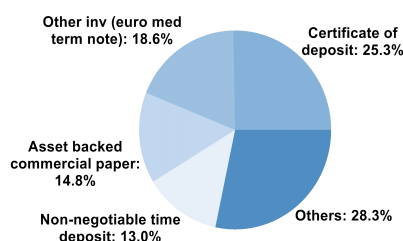
### Portfolio Analysis Breakdown - Country

(as at 31/05/16)

Country	% of Fund
France	23.1%
United Kingdom	16.9%
Australia	12.1%
Japan	11.5%
Netherlands	8.3%
Canada	7.0%
Germany	5.6%
United States	4.1%
Switzerland	3.1%
Sweden	2.6%
Others	5.7%
Total	100.0%

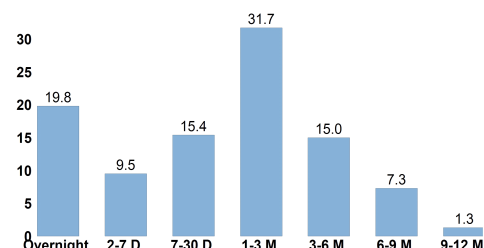
### Portfolio Analysis Breakdown - Sector

(as at 31/05/16)



### Portfolio Analysis Breakdown - Maturity

(as at 31/05/16)



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## Monthly Comments

### Review

(as at 31/05/16)

In May the Bank of England's (BoE) monetary policy committee kept interest rates on hold at 0.5% and the asset purchase programme at GBP 375 billion. Political campaigning intensified as the UK neared its 23 June referendum on whether to exit the European Union (EU). For much of the month, it looked like the "Remain" camp was pulling ahead decisively in the opinion polls, which helped strengthen sterling. However, opinion polls toward the end of May showed a much closer race between the two camps, causing sterling to more than give up its earlier strength and finish the month down around 1% against the US dollar. The second estimate for first-quarter GDP remained at 0.4%, although annual growth was revised down to 2.0% from 2.1%. In the breakdown, both private and government spending rose but business spending fell as EU referendum concerns weighed on investment. Net trade deducted 0.4%, as exports fell by 0.3% in the quarter and imports rose by 0.8%

The weighted average maturity of the fund was generally maintained at around 45-50 days over the month. We carried around 25% in overnight liquidity and 30% in daily liquidity.

### Outlook

(as at 31/05/16)

The BoE is expected to keep its interest rate policy unchanged at its next meeting. A recent poll published by ORB and The Daily Telegraph puts "Remain" on 48% and "Leave" on 47%, while a poll by YouGov and The Times put "Remain" on 43% and "Leave" on 42%.

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## Investor suitability

### Investor profile

This liquidity Sub-Fund uses high quality money market instruments to enhance returns. 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.

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## Explanatory Notes, Risks and Important Information

### Notes

<sup>A</sup>The NAV of the fund was rebased on 24 September 1999 to 10,000. The performance figures shown reflect the fund returns from the date of the rebase.

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested.

All performance details on these pages are NAV to NAV with gross income reinvested.

Source: J.P. Morgan

### Important Information

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