

JPMorgan Liquidity Funds - Sterling Gilt Liquidity Fund

JPM C (dist.)

May 2016

Fund overview

Fund ratings

Moody's Credit Quality Rating	Aaa-mf
Fitch Rating	AAAmf

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

Overnight GBP LIBID

Fund highlights

Daily liquidity ensures ease of access and flexibility
Safety of principal Low volatility of returns
Alternative to cash deposits Medium-term or temporary cash investments Seasonal operating cash

Fund statistics

Morningstar Category™	-
Fund manager(s)	Olivia Maguire
Client portfolio manager(s)	Jason Straker
Fund currency	GBP
Asset (as at 31/05/16)	GBP 234.9m
Inception date	04/11/15
Currency hedging	N
Minimal initial investment	GBP 6,000,000
Minimal additional investment	GBP 60,000
Expenses	0.21%
Valuation date	Daily
Cash settlement date	
Dealing deadline	1000_GMT
Fund structure	SICAV/UCITS
Domicile	Luxembourg

Fund codes

ISIN	LU1303372103
Sedol	BZBX157
Bloomberg	JPMMSGDC LX
Reuters	LU1303372103.LUF

Performance

Performance (%) - 30 Day Average Yield

(Performance since 30/06/15)

Jun'15	Jul'15	Aug'15	Sep'15	Oct'15	Nov'15	Dec'15	Jan'16	Feb'16	Mar'16	Apr'16	May'16
0.0000	0	0	0	0	0	0.2930	0.2837	0.2815	0.2760	0.2658	0.2589

7 day current yield as of 31/05/16 was 0.25%

Annualised yields are quoted with a 366 day count convention.

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
38	50	54	47	47	56	43	41	47	32	50	53

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
				47	56	43	41	47	32	50	53

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.

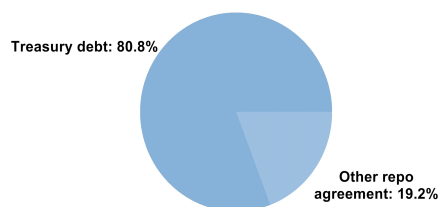
Portfolio Analysis Breakdown - Country

(as at 31/05/16)

Country	% of Fund
United Kingdom	80.8%
United States	12.8%
France	6.4%
Total	100.0%

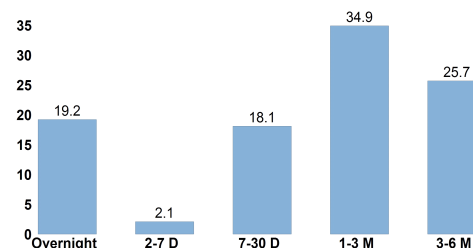
Portfolio Analysis Breakdown - Sector

(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%

Weighted average maturity was generally maintained at around 50-53 days over the month and the fund held around 20-30% in overnight 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%.

Investor suitability

Investor profile

This is a GBP-denominated liquidity Sub-Fund that invests primarily in short-term UK government 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.

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Explanatory Notes, Risks and Important Information

Notes

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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