It’s Prime Time
Capitalizing on the resurgence of prime money market funds (MMFs)

Since the October 2016 implementation of SEC amendments to Rule 2a-7, AUM in institutional prime money market funds has doubled to over $275 billion.

GROWING INTEREST IN PRIME ACROSS THE INDUSTRY
Institutional Historical AUM ($B) Growth

Source: iMoneyNet Fund Analyzer. Based on assets under management (AUM) from 10/31/16 to 7/31/19. Start date selected to coincide with SEC amendments to Rule 2a-7 in 2016.

BUILD STRONGER LIQUIDITY STRATEGIES WITH J.P. MORGAN
Rigorous credit and risk management combined with access to J.P. Morgan’s global resources and expertise, help us deliver the most effective short-term fixed income solutions for our clients.

A COMPELLING YIELD DIFFERENTIAL

1. ATTRACTIVE YIELD
Spreads between government and prime MMFs remain wide by historical standards and yields on prime MMFs are attractive relative to other investments.

Chart source: J.P. Morgan Asset Management; data as of 7/31/19. For illustrative purposes only.
2 SIZE MATTERS
With AUM of over $50 billion, the JPMorgan Prime Money Market Fund is the largest prime MMF in the industry. Scale of this magnitude can enhance investor diversification, cash flow flexibility, and trading and execution efficiency. (Chart right.)

3 ACTIVE LIQUIDITY MANAGEMENT
We actively manage Weekly Liquid Assets (WLA) well above the 30% regulatory threshold by implementing a robust liquidity buffer. We can utilize a number of tools to increase the buffer, such as limiting term security purchases and/or selling portfolio securities. We also employ a rigorous governance framework to manage client concentration risk. Lastly, our dedicated distribution model fortifies our client relationships, supporting active dialogue and significantly curtailing unknown cash flow activity.

HISTORICAL WEEKLY LIQUID ASSETS
JPMorgan Prime Money Market Fund

HISTORICAL AUM GROWTH ($B): JPMORGAN PRIME MMF VS. TOP 5 COMPETITORS
Chart source: J.P. Morgan Asset Management; data as of 7/31/19.

Chart source: iMoneyNet Fund Analyzer. Based on assets under management (AUM) from 10/31/16 to 7/31/19. Start date selected to coincide with SEC amendments to Rule 2a-7 in 2016.
LIMITED FNAV VOLATILITY

FNAV fluctuations have been small, even after nine rate hikes from the Federal Reserve. Our focus on risk management and credit analysis plays a critical role in keeping FNAV fluctuations within a narrow band.

HISTORICAL MARKET-BASED/FLOATING NAV

Additionally, with net yields now above 2%, fluctuations in NAV are small relative to the daily income generated. As illustrated in the hypothetical scenario to the right, the dollar value of a $0.0001 change in NAV for a $100 million investment equates to $10,000. However, it only takes 1½ days to earn that $10,000 back with income.

HYPOTHETICAL INVESTMENT SCENARIO

Source: J.P. Morgan Asset Management. Hypothetical yield based on average yield for the YTD period ending 7/31/19.
You could lose money by investing in the Fund. Because the share price of the Fund will fluctuate, when you sell your shares they may be worth more or less than what you originally paid for them. The Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund’s liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund’s sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

Any gain resulting from the sale or exchange of Fund shares will be taxable as long-term or short-term gain, depending upon how long you have held your shares.

Contact JPMorgan Distribution Services at 1-800-766-7722 for a Fund prospectus. You can also visit us at www.jpmorganfunds.com. Investors should carefully consider the investment objectives and risks as well as charges and expenses of the mutual fund before investing. The prospectus contains this and other information about the mutual fund. Read the prospectus carefully before investing.

JPMorgan Funds are distributed by JPMorgan Distribution Services, Inc., which is an affiliate of JPMorgan Chase & Co. Affiliates of JPMorgan Chase & Co. receive fees for providing various services to the funds. Products and services may be offered by JPMorgan Institutional Investment, Inc., member FINRA.

J.P. Morgan Asset Management is the marketing name for the asset management businesses of JPMorgan Chase & Co. Those businesses include, but are not limited to, J.P. Morgan Investment Management Inc., Security Capital Research & Management Incorporated and J.P. Morgan Alternative Asset Management, Inc.

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