

# Jeffrey Epstein

April 16, 2010

## JPMORGAN PRIVATE BANK CASH MANAGEMENT

**Global Investment Specialist**

Jeff Matusow



**Investment products: Not FDIC insured • No bank guarantee • May lose value**

Please see important information at the end of this presentation.

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### Option 1 – Day-to-Day Liquidity

**Money Market Strategy:  
Managing Short Term  
Liquidity Needs**

**Objective:**

- Meet near term liquidity needs
- Mitigate principal volatility in a rising rate environment

**Solution:**

- **J.P. Morgan Capital Prime Money Market Fund (CJPXX)**
  - Money Market Fund
  - Daily Liquidity
  - 2a7 regulated
  - Weighted Average Maturity: 51 days
  - Yield : 0.11%

### Option 2- Reserve Cash

**Managed Cash Strategy:  
Enhancing your Cash Yield**

**Objective:**

- Enhance income by investing in short term high quality securities with an average duration slightly longer than money market funds
- Minimize principal volatility to a level appropriate for a 6-18 month time horizon

**Solution:**

- **J.P. Morgan Taxable Managed Cash Strategy**
  - Separately Managed Account
  - T+3 liquidity
  - Duration: 0.5 years / 0.9 years
  - Average Life: 0.7 years / 1 year
  - Yield: 0.6% / 0.8%

### Option 3 – Strategic Cash

**Short Term Fixed Income Strategy:  
Augmenting your Total Return**

**Objective:**

- Complements cash portfolio seeking to enhance total returns
- Short term fixed income investment intended for strategic cash with a time horizon of at least 18 months

**Solution:**

- **J.P. Morgan Short Duration Bond Fund (JSDUX)**
  - Short term fixed income mutual fund
  - T+1 liquidity
  - Duration: 1.9 years
  - Average Life: 2.3 years
  - Yield: 1.27%

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## Day-to-Day Liquidity: J.P. Morgan USD Prime Money Market Fund Profile (CJPXX)

As of April 15, 2010

### Fund Features

Current yield (7 day avg.) <sup>1</sup>	0.11%
WAM	51 days
Assets	\$146.3 bn
Credit Rating	AAAm, Aaa/MR1+, AAA/V1+ (S&P, Moody's, Fitch)
Minimum investment (Capital)	\$50 mm
Settlement	T+0 (5:00 PM EST cutoff time)
Annual Total Expenses	18 bps
CUSIP	4812A0367
Ticker	CJPXX

<sup>1</sup> Source: JPMorgan Asset Management as of April 15, 2010

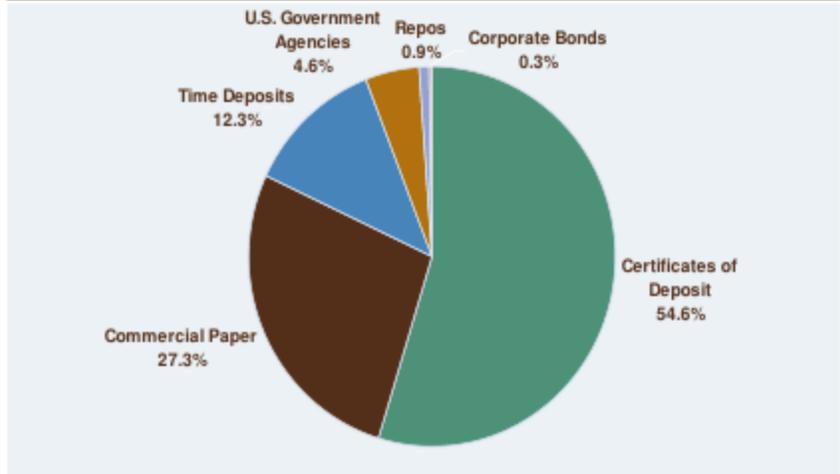
### Maturity Distribution



### Investment Parameters

- Invested in low risk money market instruments
- Minimum credit quality of A-1/P-1
- Minimum 50% assets A-1+/P-1
- Diversified pool of investments
- Maximum 5% in single issuer (ex repo)
- Maximum security maturity 397 days
- Maximum portfolio maturity 60 days

### Portfolio Composition



Due to rounding, values may not total 100%.

Source: JPMorgan Asset Management February 28, 2010.

\*For floating rate securities the maturity is defined as the time to next reset. For amortizing securities the maturity is defined as the average life of the bond.

**Past performance is not indicative of future results.** Investment returns will fluctuate so that the redemption amount may be worth more or less than the original investment. Performance information is shown net of investment management fees. Performance includes the reinvestment of interests when applicable. Please refer to the prospectus for more detailed information.

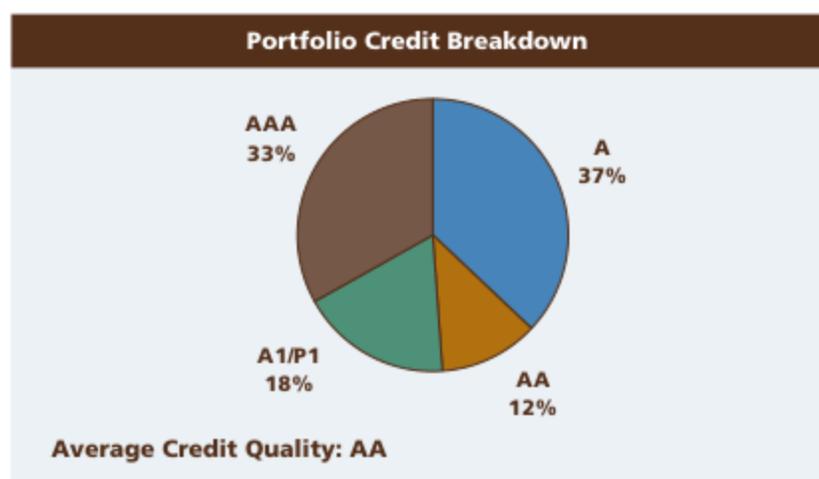
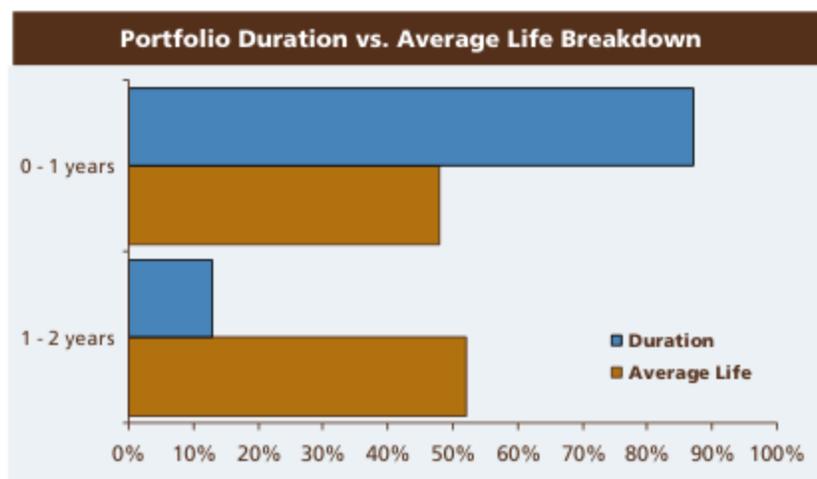
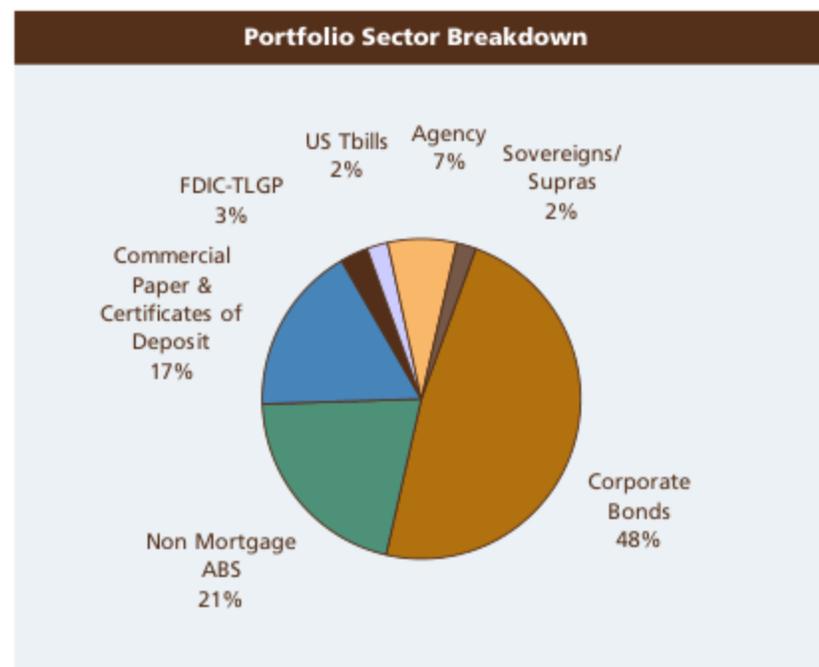
## Reserve Cash – Option 1: J.P. Morgan Taxable Managed Cash Strategy

As of April 15, 2010

Portfolio Summary	
Average Credit Quality	AA
Average Duration	0.5 Years
Average Life	0.7 Years
Average Market Yield	0.6%

Typical Benchmarks	
■ Federal Funds Effective	■ 3-Month U.S. Treasury Bills
■ iMoneyNet First Tier Inst'l	■ 6-Month U.S. Treasury Bills
■ Lipper Money Market Fund Indx	■ Ibbotson U.S. Treasury Bills
■ 30-Day Commercial Paper	■ Consumer Price Index (CPIU)
■ 3-Month Certificates of Deposit	



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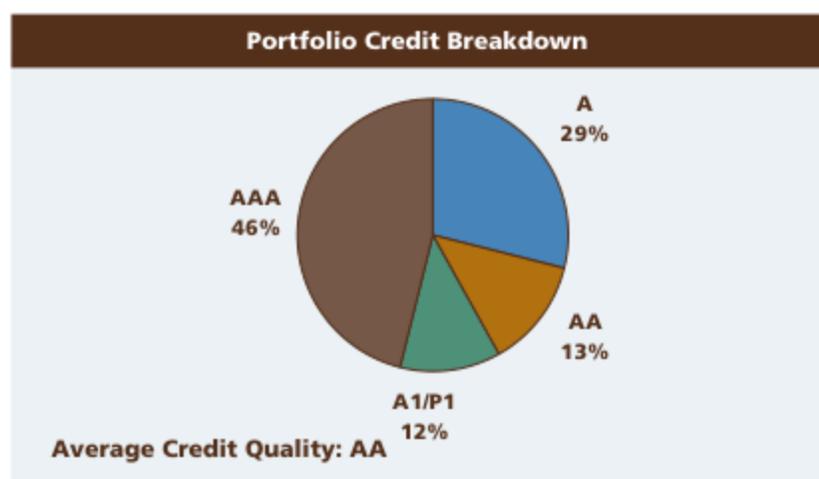
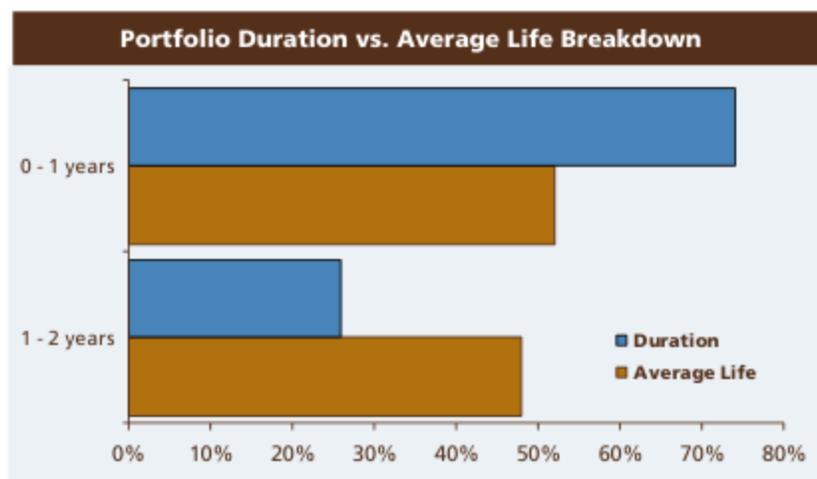
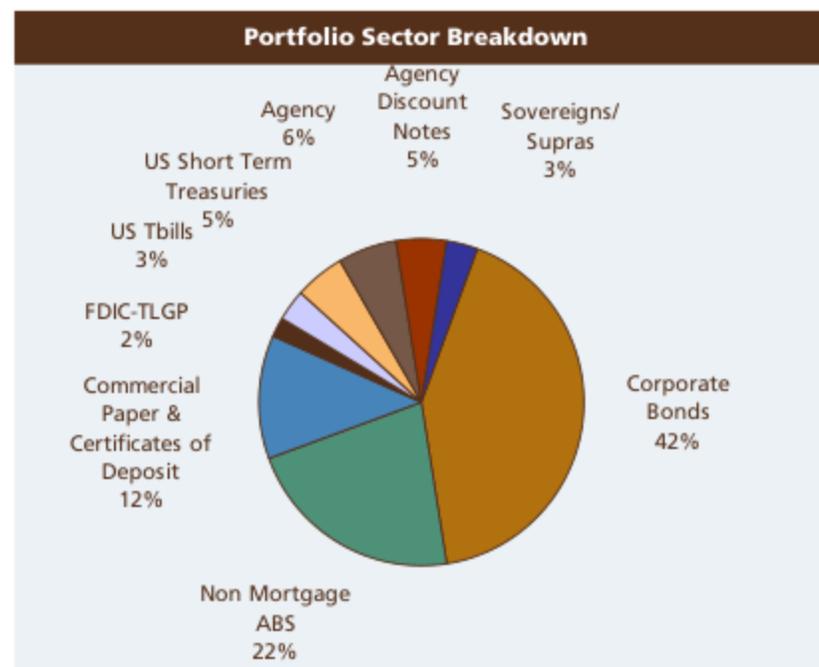
## Reserve Cash – Option 2: J.P. Morgan Taxable Managed Cash Strategy

As of April 15, 2010

Portfolio Summary	
Average Credit Quality	AA
Average Duration	0.9 Years
Average Life	1.0 Years
Average Market Yield	0.8%

Typical Benchmarks	
■ Federal Funds Effective	■ 3-Month U.S. Treasury Bills
■ iMoneyNet First Tier Inst'l	■ 6-Month U.S. Treasury Bills
■ Lipper Money Market Fund Indx	■ Ibbotson U.S. Treasury Bills
■ 30-Day Commercial Paper	■ Consumer Price Index (CPIU)
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# Strategic Cash – J.P. Morgan Short Duration Bond Fund (JSDUX)

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# JPMorgan Short Duration Bond Fund

Ultra (JSDUX)

Data as of March 31, 2010

## Fund overview

### Objective

The Fund seeks current income consistent with preservation of capital through investment in high- and medium-grade fixed income securities.

### Strategy/Investment process

- Under normal conditions, may invest at least 80% in bonds.
- Generally maintains an average weighted maturity of 3 years or less, taking into account expected amortization and prepayment of principal on certain investments.
- Seeks market sectors and individual securities that it believes will perform well over time.
- May purchase taxable or tax-exempt municipal securities.

### Average maturity/quality

Short	Int.	Long	
High			
Medium			
Low			

### Portfolio managers/industry experience

Gregg Hrivnak, 24 years  
Richard Figuly, 16 years

### Portfolio characteristics

Number of holdings	1394
Fund assets (in billions)	\$8.36

### Portfolio breakdown (%)\*\*

Asset Backed Securities	10.1
Collateralized Mortgage Obligations	11.4
Commercial Mortgage-Backed Securities	1.4
Corporate Bonds	13.0
Mortgage Pass-Through Securities	8.1
Short-Term Investments	4.3
U.S. Government Agency Securities	23.8
U.S. Treasury Obligations	27.5
Other	0.4

### Average life (%)\*\*

Less than one year	17.4
Years 1-3	53.3
Years 3-5	25.0
Years 5-7	4.0
Years 7-10	0.3
Duration	1.87 years
Average life	2.33 years

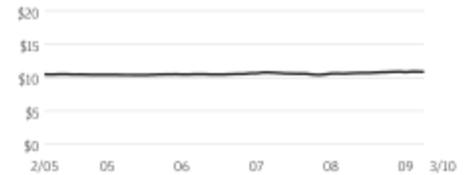
### Quality (%)\*\*

US Government	65.4
AAA	20.7
AA	4.1
A	6.6
BBB	2.7
BB	0.3
B	0.1

\*\*Due to rounding, values may not total 100%.

## Fund performance\*

As it was designed to do, the share price of the JPMorgan Short Duration Bond Fund has remained relatively stable since the share class's inception in February 2005. Share price is for Ultra. Past performance is no guarantee of future results.



Performance at NAV (%)	Total returns		Average annual total returns			
	Latest QTR	YTD	1 yr	3 yrs	5 yrs	10 yrs
Ultra <sup>1</sup>	0.91	0.91	4.87	4.95	4.65	4.70
Barclays Capital 1-3 Year U.S. Government/Credit Bond Index	0.89	0.89	4.15	5.01	4.56	4.82
Lipper Short U.S. Government Funds Index	0.85	0.85	3.51	4.02	3.85	4.04

### SEC yields (%)

	Ultra
30-Day SEC Yield	1.27
30-Day SEC Yield (Unsubsidized)	1.21

### Calendar-year returns (%)

	2005	2006	2007	2008	2009
Ultra at NAV	2.20	4.57	6.33	3.88	5.20
Barclays Capital 1-3 Year U.S. Government/Credit Bond Index	1.77	4.25	6.83	4.97	3.83
Lipper Short U.S. Government Funds Index	1.68	4.02	5.56	3.46	3.59

\*The performance quoted is past performance and is not a guarantee of future results. Mutual funds are subject to certain market risks. Investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Current performance may be higher or lower than the performance data shown. For performance current to the most recent month-end please call 1-800-480-4111.

### Morningstar ratings

	Overall	3-Year	5-Year	10-Year
Rating/number of funds in category	★★★★/385	★★★★/385	★★★★/317	Not yet rated

### Ultra share class: Short-Term Bond Category

Morningstar calculates a Morningstar Rating metric each month by subtracting the return on a 90-day U.S. Treasury Bill from the fund's load-adjusted return for the same period, and then adjusting this excess return for risk.

### Annual operating expenses

	Ultra
Expense cap expiration date	6/30/2010
Expense cap (%)	0.44
Total annual Fund operating expenses (%) <sup>2</sup>	0.40

<sup>2</sup>The Investment Advisor, Administrator and Distributor have contractually agreed to waive fees and/or reimburse expenses to the extent that Total Annual Operating Expenses (excluding Acquired Fund Fees and Expenses, dividend expenses relating to short sales, interest, taxes and extraordinary expenses and expenses related to the Board of Trustees' deferred compensation plan) exceed the expense cap of the average daily net assets through the expense cap expiration date. Without the Acquired Fund Fees and Expenses, the Total Annual Operating Expenses and Net Expenses would have been lower. In addition, the Fund's service providers may voluntarily waive or reimburse certain of their fees, as they may determine, from time to time.

### Portfolio statistics

	Ultra
Inception date	2/22/2005
Investment minimum	\$5M
Fund number	3944
CUSIP	4812C0167

Please refer to the back of the page for important disclosure information including risks associated with investing in the Fund.

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Asset Management

Insight + Process = Results™

# JPMorgan Short Duration Bond Fund

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**RISKS ASSOCIATED WITH INVESTING IN THE FUND:**

Because this Fund primarily invests in bonds, it is subject to interest rate risks. Bond prices generally fall when interest rates rise.

The Fund may invest in futures contracts and other derivatives. This may make the Fund more volatile. The portfolio characteristics (excluding sector and holdings) include derivative positions.

**RETURNS:**

<sup>1</sup>The quoted performance of the Fund includes performance of a predecessor fund/share class prior to the Fund's commencement of operations. Please refer to the current prospectus for further information.

**MORNINGSTAR DISCLOSURE:**

Morningstar calculates a Morningstar Rating metric each month by subtracting the return on a 90-day U.S. Treasury Bill from the fund's load-adjusted return for the same period, and then adjusting this excess return for risk. The top 10% of funds in each broad asset class receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Past performance is no guarantee of future results. Different share classes may have different ratings.

**INDEXES DEFINED:**

The Barclays Capital 1-3 Year U.S. Government/Credit Bond Index is an unmanaged index of investment grade government and corporate bonds with maturities of one to three years. The performance of the index does not reflect the deduction of expenses associated with a mutual fund, such as investment management fees. By contrast, the performance of the Fund reflects the deduction of the mutual fund expenses, including sales charges if applicable. An individual cannot invest directly in an index.

The Lipper Short U.S. Government Funds Index represents the total returns of the funds in the indicated category, as defined by Lipper, Inc. An individual cannot invest directly in an index.

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Total return assumes reinvestment of dividends and capital gains distributions and reflects the deduction of any sales charges, where applicable.

Performance may reflect the waiver of a portion of the Fund's advisory or administrative fees for certain periods since the inception date. If fees had not been waived, performance would have been less favorable.

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FS-SDB-U-0310

# Annual taxable fixed income management fee schedules for Separately Managed investment management accounts<sup>1</sup>

The following **Fixed Income Fee Schedule** is charged on the total market value of the account<sup>2</sup>:

## ACTIVE MANAGEMENT

### **Short Term Cash Management > \$20mm**

0.25% on the first \$20 million  
0.20% on the next \$80 million  
0.15% on amount over \$100 million

\$25,000 minimum fee

1. Brokerage fees and costs for executing securities transactions, legal fees and other out-of-pocket expenses incurred on behalf of the account will also be passed through to the account at cost. There are no charges for trades in J.P. Morgan Funds. As described in the J.P. Morgan Funds Disclosure statement and the fund prospectuses, J.P. Morgan affiliates are paid fees by the J.P. Morgan Funds for providing investment advisory, distribution, administrative, shareholder servicing and other services to the J.P. Morgan Funds. As disclosed in the prospectuses, J.P. Morgan affiliates, at their own expense and out of their profits, may provide additional cash payments to financial intermediaries. Your advisor can provide copies of mutual fund prospectuses describing such fees, as well as further information about the fees earned by or additional cash payments received by J.P. Morgan affiliates. Prospectuses also are available by calling J.P. Morgan Distribution Services, Inc., at 800-480-4111, option 3 or [www.jpmorganfunds.com](http://www.jpmorganfunds.com). Investments in J.P. Morgan Funds generally are made in Select or Institutional shares classes which have no sales load or 12b-1 fees. Please contact your advisor for additional information.
2. The Fixed Income Fee Schedule is charged on the total market value of the account excluding JPMorgan Mutual Funds accrued income, sweeps, uninvested cash, and JPM corporate bonds.
3. Please contact your JPM representative for specific fees related to the asset allocation outlined in your Discretionary Portfolio Mandate. Term sheets for individual investments are available upon request.

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