

Building stronger portfolios

J.P. Morgan Asset Management UCITS ETFs

Making prudent asset allocation decisions is crucial to helping clients achieve their long-term goals. Our model portfolios framework is designed to help you build better portfolios in any market environment.



Asset allocation views

These are the firm’s views on asset classes across various regions, which are revised regularly and are also the source of positioning within the J.P. Morgan Asset Management model portfolios.



Model portfolios

Asset allocation views are translated into a series of model portfolios to help investors make thoughtful, well-informed decisions in building and managing portfolios.



J.P. Morgan ETFs in practice

Explore an approach of how J.P. Morgan ETFs might be used in the model portfolios.

The experience and resources you need

J.P. Morgan’s award-winning¹ Multi-Asset Solutions team has the experience and track record to help clients achieve consistent results in all market environments.

\$242+bn

Global assets under management

50+yrs

Investment track record

105

Investment professionals

53

CFA charter holders

24

MBA's

8

PHDs

1

Objective: seeks to help clients meet their investment goals

Source: J.P. Morgan Asset Management; as of 30 September 2023.
¹ Asia Asset Management - Best Multi-Asset Manager 2023.

Asset allocation views

These asset allocation views are the result of a rigorous and disciplined process that integrates our qualitative insights and quantitative analysis. The research and investor teams examine, debate and challenge the views at the quarterly Strategy Summit, and meet regularly to ensure ongoing dialogue.

Global views

- Moderate growth, cooling inflation and less restrictive policy should be generally supportive to asset markets in 2024.
- The prospect of rate cuts in 2024 supports fixed income relative to cash. In credit, spreads are tight by historical standards, but carry is attractive and we see opportunities in securitized credit, as well as in shorter-dated crossover credits and high yield.
- We see positive U.S. stock performance broadening beyond tech as an improving U.S. inventory cycle boosts cyclical sectors. As growth cycles remain out of sync in 2024, there should be tradable differences among sectors and regions, as well as a good outlook for stock selection alpha.
- We upgrade equities to a modest overweight, maintain a constructive view on duration and continue to find pockets of opportunity across the credit complex.

U.S. equities: Rooting for the home team

- In the U.S., recent months have delivered substantial progress toward realizing a soft landing, in terms of both gradual economic deceleration and cooling inflation.
- We maintain our preference for U.S. large caps, which we expect will deliver better earnings growth than their non-U.S. peers.
- U.S. small caps have rallied by more than 20% since the end of October and while our expectations are tempered, we still see potential upside in some U.S. cyclicals, such as the Industrials sector, which could benefit from an improving U.S. inventory cycle.
- We maintain our modest overweight to U.S. equities. Our estimate of around 7% growth in earnings next year, with multiples supported by lower rates, likely sees the S&P 500 test the 5,000 level in 2024. We also expect that positive performance broadens beyond the tech sector.

Fixed income: Balance is key

- The prospect of a cutting cycle in 2024 supports duration. Following the Fed's dovish pivot, the trajectory of yields is clearly downward.
- Should our base case of moderating growth but no recession play out in 2024, all-in yields in credit could continue to offer attractive carry. We continue to see opportunities in securitized credit and high yield.

- While we prefer U.S. high yield and securitized credit given the strength of the U.S. economy and the health of corporate balance sheets, we acknowledge that emerging markets debt can perform well on prospects for a weaker USD.
- We maintain a positive duration stance, underpinned by two key pillars: slowing growth and a gradual downtrend in inflation back to 2%.

Developed international and emerging market equities: Less optimistic over the near term

- We expect global growth to be close to trend, a continuation of the asynchronous cycle and less restrictive financial conditions – an environment that we believe will be generally supportive of stocks and bonds.
- We maintain our underweight position to International Developed driven by our outlook on Europe. While macro data seem to be bottoming out, we see limited scope for a V-shaped recovery in the near term. European equity margins remain above the pre-pandemic trend levels, which keeps us cautious on prospects for earnings growth.
- We maintain our neutral exposure to Emerging Markets (EM) equity driven by China's underwhelming reopening story amid higher unemployment, weak consumer sentiment and continued softness in the property sector.

Liquid alternatives: Flexible portfolio tools offer increased diversification

- With heightened volatility, equity alternatives can provide some upside participation while reducing downside
- risk although many long/short strategies have faced headwinds due to crowded positioning in mega cap tech names.
- Fixed income alternatives can help investors diversify credit and interest rate risk in a more challenging market environment and given the continued interest rate volatility we have shifted exposure from equity alternatives to fixed income alternatives.
- We maintain our allocation to core diversifiers, which can serve to dampen volatility.

Active allocation views

These asset class views apply to a 12- to 18-month horizon. Up/down arrows indicate a positive (▲) or negative (▼) change in view since the prior quarterly Strategy Summit. These views should not be construed as a recommended portfolio. This summary of our individual asset class views indicates strength of conviction and relative preferences across a broad-based range of assets but is independent of portfolio construction considerations.

Asset class	Opportunity set	UW	N	OW	Change	Conviction		
		● Underweight (UW)	● Neutral (N)	● Overweight (OW)				
Main asset classes	Equities	○	○	●	▲	Moderate	Earnings downgrade cycle has turned, and multiples supported by easier monetary conditions	
	Duration	○	○	●		Moderate	Peak in yields behind us as we move to cutting cycle; yields may decline slowly, but >4% coupon is attractive	
	Credit	○	○	●		Moderate	Carry attractive in base case of no recession; some spread tightening potential in high yield	
	Cash	●	○	○	▼	High	Cash returns set to fall as cutting cycle begins; long-term USD rates likely nearer 2.5% than 5.5%	
Preference by asset class	Equities	U.S. large cap	○	○	●		Moderate	7% EPS growth and valuations supported by falling rates; can see S&P test 5,000 by year-end 2024
		U.S. small cap	○	●	○			Outlook improving as recession risk fades, but favor profitable firms with low leverage, given elevated financing rates
		Europe	●	○	○		Low	Macro data stabilizing in Europe, but sector-neutral P/E (14x) at long-term average and margins above pre-COVID levels
		UK	○	○	●		Low	Cheap, defensive market; supported by valuations and flows in quantitative model and positive gearing to commodities
		Japan	○	○	●		Moderate	Room to run further, given solid domestic growth, corporate governance reform driving up ROE and light positioning
		China	○	●	○			Domestic growth and property sector remain weak, with limited signs of policy support or a convincing turn in earnings
		EM ex-China	●	○	○		Moderate	Improving at the margin, with earnings outlook showing signs of bottoming, but flows remain a headwind
	Fixed Income	U.S. Treasuries	○	○	●		Moderate	Yields in the low 4s attractive ahead of Fed cuts; potential returns of 10%–20% should growth disappoint
		G4 ex-U.S. sovereigns	○	●	○	▼		Bunds <2.2% too rich if EU growth improves and ECB cuts more slowly; BoJ tightening may see JGB yields retest 100bps
		EMD hard currency	●	○	○		Low	Spreads of 400bps close to year lows; prefer carry in developed market IG, but EMD HY can tighten if growth improves
EMD local FX		○	●	○			Yields >6% are still elevated vs. 2021 lows; room for FX appreciation based on narrowing rate and growth differentials	
Currency	Corporate investment grade	○	●	○	▼		Spreads are tight and show limited room for further decline; marginal benefit relative to all-in sovereign yields	
	Corporate high yield	○	○	●	▲	Low	Modest scope for spread tightening and fundamentals supportive; limited rise in defaults means carry looks attractive	
	USD	●	○	○	▼	Moderate	Soft landing and growth recovery in regions outside U.S. would imply a softer USD; Fed cuts further reduce support	
	EUR	○	○	●	▲	Low	ECB unlikely to cut as fast as priced; coupled with 2024 growth, recovery in the eurozone should lend support to EUR	
	JPY	○	○	●		Low	Modest strengthening of JPY plausible as macro improves and BoJ moves on from negative rates early in 2024	
	EM FX	○	●	○			Mixed picture: Better global growth a support, but easier Fed policy and better Chinese growth needed for appreciation	

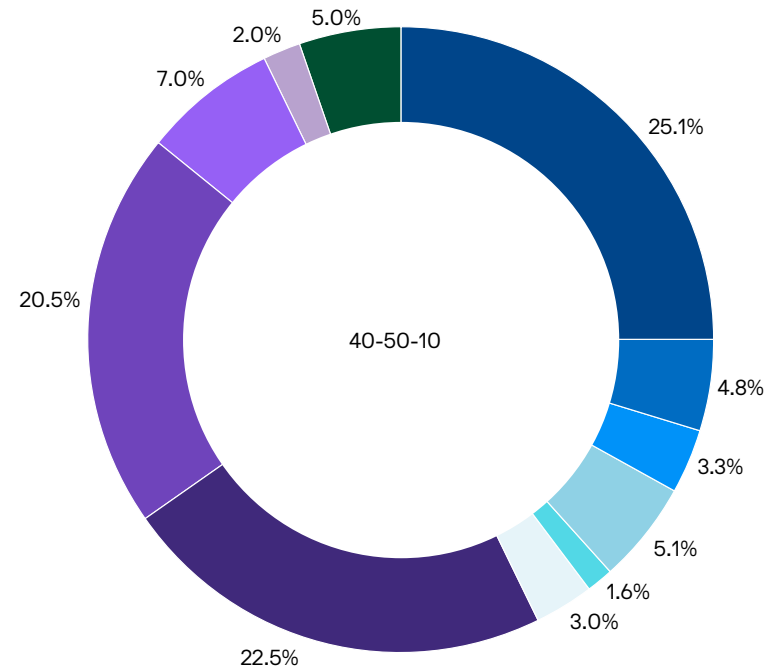
Source: J.P. Morgan Asset Management Multi-Asset Solutions; assessments are made using data and information up to December 2023. For illustrative purposes only.

Diversification does not guarantee investment returns and does not eliminate the risk of loss. Diversification among investment options and asset classes may help to reduce overall volatility.

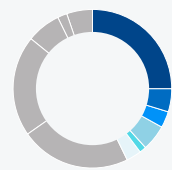
Model portfolios

J.P. Morgan's strategic portfolio is based on a 40-50-10 equity-fixed income-cash mix and is updated quarterly based on the output from our Strategy Summit.

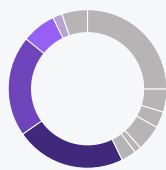
40-50-10 Model (as of September 2023)



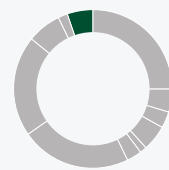
Tactical shifts



Equity	Shift	Percentage
North America Equity	▲	2.0%
Europe ex UK Equity	▼	-1.0%
UK Equity	▲	1.0%
Japan Equity	▲	2.0%
Asia Pacific ex Japan Equity		
Emerging Markets Equity	▼	-1.0%



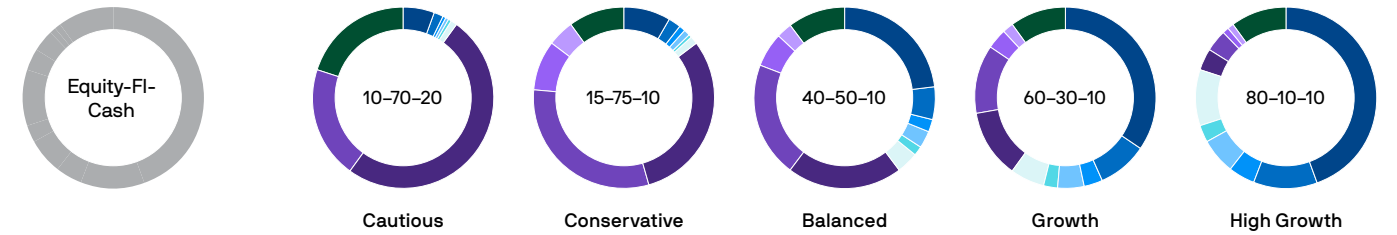
Fixed income	Shift	Percentage
Global Government Bonds	▲	2.0%
Global Corporate Bonds		
Global High Yield Bonds	▲	1.0%
Emerging Markets Debt	▼	-1.0%



Cash	Shift	Percentage
Cash	▼	-5.0%

Regarding the tables above, up/down arrows indicate an overweight (▲) or underweight (▼) from our strategic model, which is updated annually.

Examples by risk profile



Allocations and shifts	Strategic [†]	Tactical shift	Strategic [†]	Tactical shift	Strategic [†]	Tactical shift	Strategic [†]	Tactical shift	Strategic [†]	Tactical shift
Equity	10.0%		15.0%		40.0%		60.0%		80.0%	
North America Equity	5.8%	2.0%	8.5%	2.0%	23.1%	2.0%	34.6%	2.0%	44.6%	2.0%
Europe ex UK Equity	1.5%	-1.0%	2.2%	-1.0%	5.8%	-1.0%	8.8%	-1.0%	11.5%	-1.0%
UK Equity	0.5%	1.0%	1.0%	1.0%	2.3%	1.0%	3.5%	1.0%	4.6%	1.0%
Japan Equity	0.8%	2.0%	1.2%	2.0%	3.1%	2.0%	4.7%	2.0%	6.3%	2.0%
Asia Pacific ex Japan Equity	0.4%	0.0%	0.6%	0.0%	1.6%	0.0%	2.4%	0.0%	3.0%	0.0%
Emerging Markets Equity	1.0%	-1.0%	1.5%	-1.0%	4.0%	-1.0%	6.0%	-1.0%	10.0%	-1.0%
Fixed income	70.0%		75.0%		50.0%		30.0%		10.0%	
Global Government Bonds	50.0%	2.0%	30.8%	2.0%	20.5%	2.0%	12.3%	2.0%	4.0%	2.0%
Global Corporate Bonds	20.0%	0.0%	30.8%	0.0%	20.5%	0.0%	12.3%	0.0%	4.0%	0.0%
Global High Yield Bonds	0.0%	1.0%	9.0%	1.0%	6.0%	1.0%	3.6%	1.0%	1.0%	1.0%
Emerging Markets Debt	0.0%	0.0%	4.5%	-1.0%	3.0%	-1.0%	1.8%	-1.0%	1.0%	-1.0%
Cash	20.0%		10.0%		10.0%		10.0%		10.0%	
Cash	20.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: J.P. Morgan Asset Management Multi-Asset Solutions; assessments are made using data and information up to December 2023.

For illustrative purposes only.

[†]Strategic allocations shown in the left column for each model portfolio do not include this quarter's tactical shifts. The current allocation for a given model would equal the sum of the strategic allocation plus the tactical shift.

Equity-FI-Cash Allocations	10-70-20	15-75-10	40-50-10	60-30-10	80-10-10
Historical results/portfolio statistics (as of 31 December 2023)**					
Historical results					
3-year returns (annualised)	-1.3%	-0.5%	2.0%	3.9%	5.5%
5-year returns (annualised)	2.3%	3.5%	6.0%	8.0%	9.8%
10-year returns (annualised)	2.8%	3.7%	5.3%	6.6%	7.8%
Portfolio statistics					
10-year volatility (annualised) ¹	4.0%	5.1%	7.2%	9.2%	11.3%
10-year historical drawdown ²	-12.3%	-14.5%	-9.8%	-18.1%	-19.6%
10-year Sharpe ratio ³	0.3	0.7	0.7	0.7	0.7

¹ Volatility is measured in standard deviation. Standard deviation for the model portfolio is a statistical estimate measuring how dispersed returns are around an average. Standard deviation is not meant to be a prediction of fund or model volatility, and actual volatility of any portfolio based in whole or in part on the models shown will vary and may be higher.

² A drawdown is the percentage change between a portfolio's peak and low prices in a given time period. The max historical drawdown is the largest drawdown since the inception of the portfolio.

³ Sharpe ratio is a measure for calculating risk-adjusted return. It is the average return earned in excess of the risk-free rate per unit of volatility.

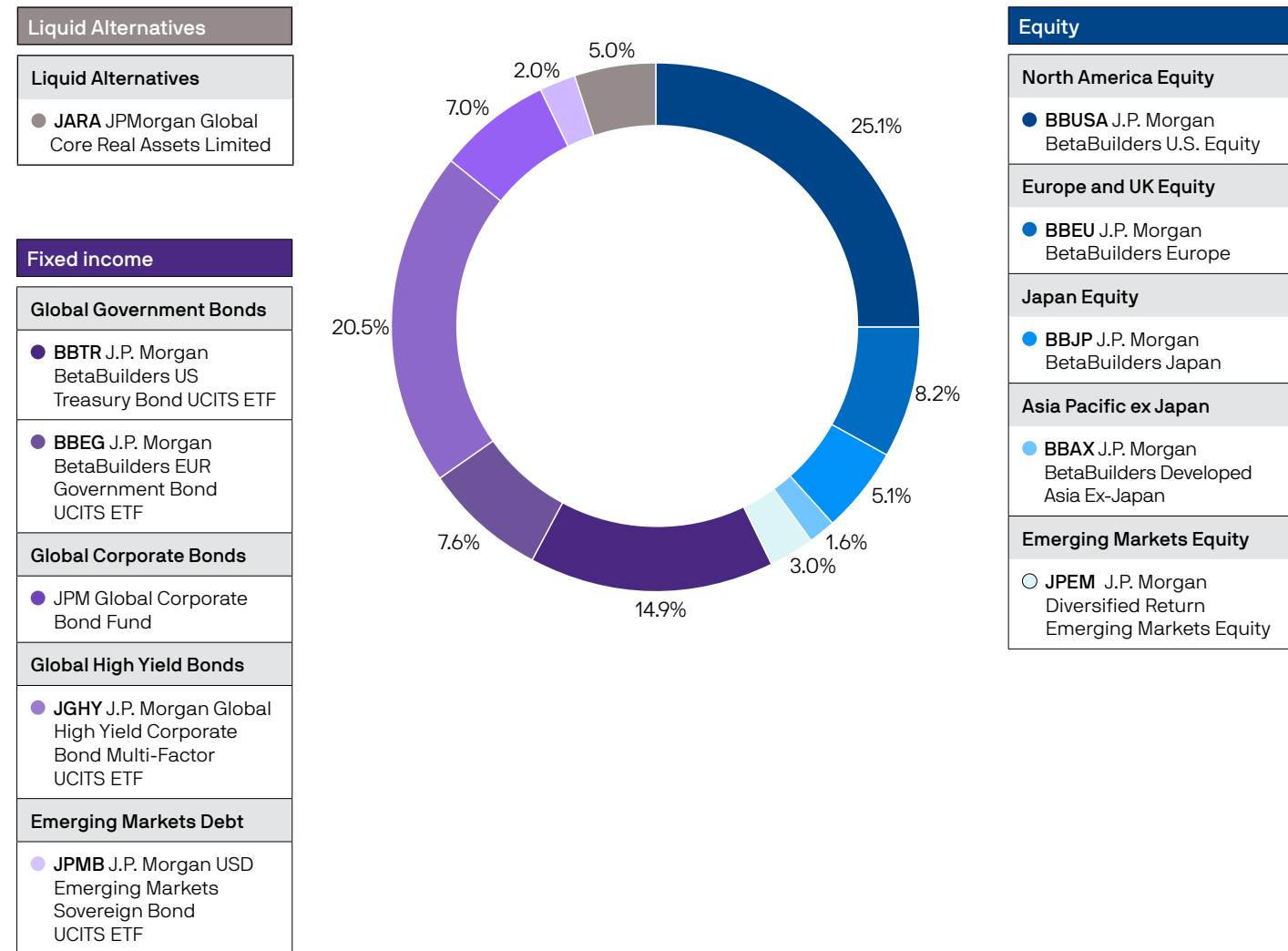
** Source: MSCI, Bloomberg, Barclays Capital, J.P. Morgan Asset Management Multi-Asset Solutions. North America Equity, Europe ex UK Equity, UK Equity, Japan Equity, Asia Pacific ex Japan Equity: MSCI World in USD Net Total Return Index. Emerging Markets Equity: MSCI Emerging Markets Net Total Return USD Index. US Government Bonds: Bloomberg US Treasury Total Return Unhedged USD Index. European Government Bonds: JPM EUR Government Bonds Index - USD hedged. US Corporate Bonds: Bloomberg Barclays US Corporate Bond Total Return Index in USD. European Corporate Bonds: Bloomberg Barclays EUR Corporate Bond Total Return Index USD hedged. Global High Yield Bonds: Bloomberg Barclays US High Yield 2% Issuer Cap Total Return Index Unhedged USD. Emerging Markets Debt: JPM Emerging Markets Bond Index USD-hedged. Cash: JP Morgan 3 Month Cash Index.

The model performance shown is hypothetical and for illustrative purposes only and does not represent the performance of a specific investment product. The performance presented does not reflect the deduction of expenses associated with a fund, such as investment management fees and fund expenses, including sales charges if applicable. Portfolio results and statistics are calculated based on the strategic asset allocation shown on this page and do not reflect the tactical asset allocation. Performance for periods longer than a year has been annualized using a geometric mean. Due to rounding, values may not total 100%. This information should not be relied upon as investment advice, research or a recommendation by J.P. Morgan Asset Management regarding the funds or the use of the model portfolios.

Example incorporating J.P. Morgan ETFs into the 40-50-10 model portfolio

In this section, the illustration shows how an investor might put the 40-50-10 model portfolio allocations into practice using J.P. Morgan ETFs. The allocations to J.P. Morgan ETFs listed below are not determined by the Multi-Asset Solutions team.

Traditional approach using building block funds, %



This is a marketing communication and as such the views contained herein do not form part of an offer, nor are they to be taken as advice or a recommendation, to buy or sell any investment or interest thereto. Reliance upon information in this material is at the sole discretion of the reader. Any research in this document has been obtained and may have been acted upon by J.P. Morgan Asset Management for its own purpose. The results of such research are being made available as additional information and do not necessarily reflect the views of J.P. Morgan Asset Management. Any forecasts, figures, opinions, statements of financial market trends or investment techniques and strategies expressed are, unless otherwise stated, J.P. Morgan Asset Management's own at the date of this document. They may not necessarily be all-inclusive and are not guaranteed as to accuracy. They may be subject to change without reference or notification to you. The value of investments and the income from them may fluctuate in accordance with market conditions and taxation agreements and investors may not get back the full amount invested. Changes in exchange rates may have an adverse effect on the value, price or income of the products or underlying overseas investments. Past performance and yield are not a reliable indicator of current and future results. There is no guarantee that any forecast made will come to pass. Furthermore, there can be no assurance that the investment objectives of the investment products will be met. J.P. Morgan Asset Management is the brand name for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide. To the extent permitted by applicable law, we may record telephone calls and monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our EMEA Privacy Policy www.jpmorgan.com/emea-privacy-policy. As the product may not be authorised or its offering may be restricted in your jurisdiction, it is the responsibility of every reader to satisfy himself as to the full observance of the laws and regulations of the relevant jurisdiction. Prior to any application investors are advised to take all necessary legal, regulatory and tax advice on the consequences of an investment in the products. Shares or other interests may not be offered to or purchased directly or indirectly by US persons. All transactions should be based on the latest available Prospectus, the Key Information Document (KID) and any applicable local offering document. These documents together with the annual report, semi-annual report, instrument of incorporation and sustainability-related disclosures, are available in English from JPMorgan Asset Management (Europe) S.à r.l., 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg, your financial adviser or your J.P. Morgan Asset Management regional contact or at www.jpmorganassetmanagement.ie. A summary of investor rights is available in English at <https://am.jpmorgan.com/lu/investor-rights>. J.P. Morgan Asset Management may decide to terminate the arrangements made for the marketing of its collective investment undertakings. Units in Undertakings for Collective Investment in Transferable Securities ("UCITS") Exchange Traded Funds ("ETF") purchased on the secondary market cannot usually be sold directly back to UCITS ETF. Investors must buy and sell units on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current net asset value when buying units and may receive less than the current net asset value when selling them. In Switzerland, JPMorgan Asset Management Switzerland LLC (JPMAMS), Dreikönigstrasse 37, 8002 Zurich, acts as Swiss representative of the funds and J.P. Morgan (Suisse) SA, Rue du Rhône 35, 1204 Geneva, as paying agent. With respect to its distribution activities in and from Switzerland, JPMAMS receives remuneration which is paid out of the management fee as defined in the respective fund documentation. Further information regarding this remuneration, including its calculation method, may be obtained upon written request from JPMAMS. This communication is issued in Europe (excluding UK) by JPMorgan Asset Management (Europe) S.à r.l., 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg, R.C.S. Luxembourg B27900, corporate capital EUR 10,000,000. This communication is issued in the UK by JPMorgan Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority. Registered in England No. 01161446. Registered address: 25 Bank Street, Canary Wharf, London E14 5JP.

The ETFs presented on this presentation is listed in the international quotation system of the Mexican Stock Exchange (Sistema Internacional de Cotizaciones de la Bolsa Mexicana de Valores - SIC), which not imply a certification of the performance of the ETF. Investors should carefully consider the investment objectives and risks as well as charges and expenses of the ETF before investing. The summary and full prospectuses contain this and other information about the ETF. Read the prospectus carefully before investing - visit www.jpmorganETFs.com to obtain a prospectus. Any examples contained herein are generic, hypothetical and for illustrative purposes only. Prior to making any investment or financial decisions, an investor should seek individualized advice from a personal financial, legal, tax and other professional advisors that take into account all of the particular facts and circumstances of an investor's own situation. This material does not contain sufficient information to support an investment decision and should not be relied upon by you in evaluating the merits of investing in securities or products. In addition, users must perform an independent assessment of the legal, regulatory, tax, credit, financial and accounting implications and determine, in conjunction with their own professional advisors, whether any investment referenced in this document is considered appropriate for their personal objectives and profile of risk. Investors should ensure that they obtain all relevant information available before making any investments. All forecasts, figures, opinions or investment techniques and strategies established are for information only, based on certain assumptions and current market conditions and are subject to change without prior notice. All information presented in this document is considered accurate at the time of writing, but no assurance of accuracy is given and no liability is accepted with respect to any error or omission. It must be considered that the investments carry risks, the value of the investments and the income generated may fluctuate according to market conditions and tax provisions and that investors do not recover the principal invested in certain circumstances. Both performance and past performance are not reliable indicators of current and future results.

The listing of the ETFs in the Sistema Internacional de Cotizaciones de la Bolsa Mexicana de Valores does not imply any certification as to the goodness of the securities, the solvency of the issuers or the accuracy or veracity of the information contained in the placement prospectuses and supplements, information, nor validates the acts which, if applicable, have been carried out in contravention of the law.

J.P. Morgan Asset Management in México does not market or distribute the ETFs listed in this document. To purchase the product, investors should contact their broker / distributor directly, without the intermediation or involvement of J.P. Morgan Asset Management.

J.P. Morgan Asset Management is the brand name for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide.

LV-JPM54715 | 02/24 | LATAM | 09go23031175343

The allocations to J.P. Morgan ETFs listed are not determined by the Multi-Asset Solutions team. This information should not be relied upon as investment advice, research or a recommendation by J.P. Morgan Asset Management regarding (i) the Funds, (ii) the use or suitability of the J.P. Morgan Asset Management Model Portfolios or (iii) any security in particular. Only an investor and their financial advisor know enough about their circumstances to make an investment decision.