

JREM: The Macro Case

JP Morgan ETFs (Ireland) ICAV
 Global Emerging Markets Research Enhanced Index Equity
 (ESG) UCITS ETF*

EM country fundamentals appear resilient

With developed market (DM) hiking cycles now maturing, a significant tightening of financial conditions has already been priced in for emerging markets. As DM central banks eventually pause, this could allow some EM countries – whose hiking cycles are, on average, well advanced – to begin cutting rates later in 2023. A softening US dollar is another potential support for EM, as are resilient growth projections – the IMF forecasts emerging economies to grow at triple the rate of developed markets in both 2023 and 2024. This is partly due to robust EM fundamentals. Improved current account surpluses and stronger reserve positions in EM Asia and other exporters should mean these economies prove more resilient this time around. China’s countercyclical recovery is an additional help.

Source: Bank for International Settlements, Refinitiv Datastream, J.P. Morgan Asset Management. Real effective exchange rate is a geometric average of bilateral exchange rates, adjusted by relative consumer prices. Past performance is not a reliable indicator of current and future results. Data as of 31 March 2023.

Exhibit 1: USD real effective exchange rate Index level

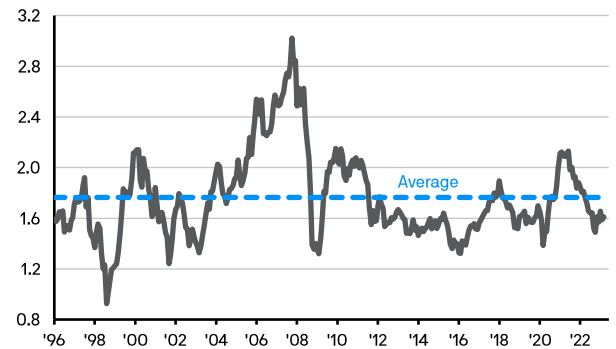


Valuations are reasonable

Emerging market equities were hit hard in 2022, dragged down by a substantial sell-off in China, geopolitical risks, recession fears, and developed market central bank tightening. However, tightening cycles are nearing their close and the all-important Chinese economy is now in full recovery mode, with a large cushion of surplus savings ready to be spent. EM valuations remain broadly below long-run averages, as well as sitting at a relatively large discount to developed markets versus history. While political risks have not disappeared, profits are also outperforming those in the developed world. Earnings downgrades are more advanced in emerging economies than elsewhere, and EM corporate balance sheets and cash buffers remain in a position of relative strength.

Source: IBES, MSCI, Refinitiv Datastream, J.P. Morgan Asset Management. Past performance is not a reliable indicator of current and future results. Data as of 31 March 2023.

Exhibit 2: MSCI EM price-to-book ratio x, multiple

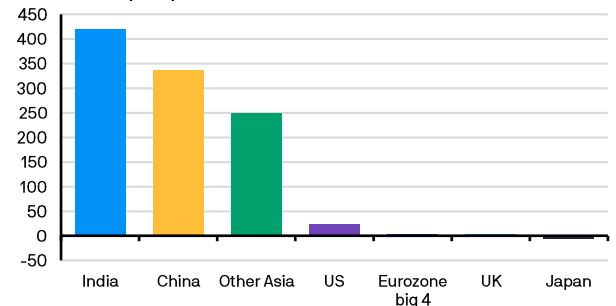


The long-term opportunity is compelling

Looking further out, long-term growth in the emerging consumer should provide a structural boost for EM equities. This is particularly the case in Asia, where over one billion people could be added to middle- and upper-income groups by 2030. Favourable demographics, urbanisation and the growth of this ‘consumer class’ will likely see consumption grow and domestic markets expand. Spending patterns are already shifting as emerging economies continue to move away from low cost, labour intensive industries and toward service-oriented sectors. This growth in domestic demand via an expanding middle class should provide a strong tailwind for EM corporate profits.

Source: Brookings Institute, J.P. Morgan Asset Management. Change in ‘consumer class’ is the change in the number of people from 2020 to 2030 living in a household and spending at least USD11 per day per person. Data as of 31 March 2023.

Exhibit 3: Estimated change in the ‘consumer class’ by 2030 Millions of people



*For France only: Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, JREM presents disproportionate communication on the consideration of non-financial criteria in its investment policy.

This is a marketing communication. Please refer to the prospectus of the UCITS and to the KIID before making any final investment decisions.

For Professional Clients / Qualified Investors only – not for Retail use or distribution.

***For Belgium only:** Please note this ETF(*) is not registered in Belgium and can only be accessible for professional clients. Please contact your J.P. Morgan Asset Management representative for further information. The offering of Shares has not been and will not be notified to the Belgian Financial Services and Markets Authority (Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers) nor has this document been, nor will it be, approved by the Financial Services and Markets Authority. The Shares may be offered in Belgium only to a maximum of 149 investors or to investors investing a minimum of EUR 250,000 or to professional or institutional investors, in reliance on Article 5 of the Law of August 3, 2012. This document may be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of Shares. Accordingly, this document may not be used for any other purpose nor passed on to any other investor in Belgium.

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 are considered to be reliable at the time of writing, 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. It should be noted that 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, whilst it is the intention to achieve the investment objective of the investment products, there can be no assurance that those objectives 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 Investor Information Document (KIID) 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 free of charge 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, Dreikönigstrasse 37, 8002 Zurich, acts as Swiss representative of the funds and J.P. Morgan (Suisse) SA, 8 Rue de la Confédération, 1204 Geneva, as paying agent of the funds. JPMorgan Asset Management (Switzerland) LLC herewith informs investors that with respect to its distribution activities in and from Switzerland it receives commissions pursuant to Art. 34 para. 2bis of the Swiss Collective Investment Schemes Ordinance dated 22 November 2006. These commissions are paid out of the management fee as defined in the fund documentation. Further information regarding these commissions, including their calculation method, may be obtained upon written request from JPMorgan Asset Management (Switzerland) LLC. 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.

09ux210812094711