JPM EUR Corporate Bond Research Enhanced Index (ESG) UCITS ETF*

Tickers: JEBU, JRBE, JREB

Topline

Monthly returns

Fund	Benchmark
▲ 0.27%	▲ 0.27%

Benchmark : Bloomberg Euro Corporate Index

Markets Euro investment grade corporate spreads tightened by 4 basis points (bps) to 108bps according to the Bloomberg Euro Aggregate Corporate Index. The asset class returned 0.27% on a total return basis.

Helped An overweight in real estate investment trusts.

Hurt An underweight in consumer non-cyclicals.

Outlook Volatility was suppressed and spread moves were muted through May, with a gradual tightening throughout the month. This follows the steady tightening trend that we have been observing year to date across the market, with the euro moves being the most pronounced – almost two times tighter year to date compared to the US. Global growth is defying the pressure of higher interest rates, proving stronger and more durable than most expected. The disinflation trend remains intact while consumer spending remains above trend, supporting a gradual cool-down.

Past performance is not a reliable indicator of current and future results.

Fund Overview

Investment objective

The Sub-Fund aims to achieve a long-term return in excess of Bloomberg Euro Corporate Index (the "Benchmark") by actively investing primarily in a portfolio of investment grade Euro denominated corporate debt securities.

Trading information

Stock exchange	Exchange ticker	Trading currency	Bloomberg ticker	Reuters RIC	Sedol
Deutsche Borse	JREB	EUR	JREB GY	JREB.DE	BGXQNL8
London Stock Exchange	JRBE	GBP	JRBE LN	JRBE.L	BGXQNR4
Borsa Italiana	JREB	EUR	JREB IM	JREB.MI	BGXQNM9
SIX SWISS	JREB	EUR	JREB SW	JREB.S	BGXQNN0
London Stock Exchange	JEBU	USD	JEBU LN	JEBU.L	BMFPMT6

Month in Review

- **The fund returned 0.27%** (gross of fees) over the month, outperforming the benchmark by 1bp.
- **In terms of sector allocation**, our largest overweights from a duration times spread perspective are in energy and real estate investment trusts, which contributed to performance relative to the benchmark over the month. Our largest underweights from a duration times spread perspective are in communications and consumer non-cyclical, which detracted from performance relative to the benchmark over the month.
- **At an issuer level**, our overweight to Assicurazioni Generali, Intesa Sanpaolo and AXA were the biggest contributors to performance. Our underweight to Aroundtown, Santander and Bayer were the biggest detractors.

Looking Ahead

- **First-quarter US corporate earnings reports** continued the positive momentum of recent quarters, with both revenues and EBITDA up. Therefore, the first quarter represented the fifteenth straight quarterly increase of EBITDA for US companies. Looking at earnings on a sector level, energy, consumer, retail and technology were the leading contributors to earnings growth. We expect revenues and EBITDA to increase by 3% to 6% for the rest of 2024 as strong US economic growth persists due to resilient industrial strength, particularly in capital goods and technology. However, we note tentative signs that some companies in discretionary consumer spending sectors are seeing sales fall due to changing consumer behaviour.
- **Technicals have presented a balanced picture** so far this year. US year-to-date supply has been around 30% higher than 2023, which we expect is due to a proportion of the annual supply being pulled forward. Looking forward to June, we are expecting USD 95 billion of supply for the month, with issuance historically coming from industrial issuers. We expect net supply and issuance to trend lower going into the second half of the year, which should provide a tailwind for the asset class. In the UK, there is some risk of a pull forward with the July election, so we expect to see GBP 3.5 billion to 4.5 billion in June.
- **Regarding valuations**, the US investment grade index continues to hover around historically tight levels at 86bps option-adjusted spread or only a 3bps movement tighter from the beginning of May. We expect index spreads to stay rangebound in the near term. In Europe, the yield on the index continued to hover around 3.8%, which is in the top decile of attractiveness, and helped keep demand and spreads anchored. The UK sterling investment grade index trades in the tightest decile on all lookbacks.

Performance and positioning

%	1M	3M	YTD	1Y	3Y	5Y	Since inception
Fund	0.27	0.57	-0.16	5.23	-2.38	-0.76	0.02
Benchmark	0.27	0.63	-0.12	5.28	-2.34	-0.56	0.20
Excess return (geometric)	0.00	-0.06	-0.04	-0.05	-0.04	-0.20	-0.19

%	2023	2022	2021	2020	2019
Fund	8.12	-13.63	-1.17	2.23	6.01
Benchmark	8.19	-13.65	-0.97	2.77	6.24
Excess return (geometric)	-0.06	0.02	-0.21	-0.53	-0.22

Past performance is not a reliable indicator of current and future results.
Source: J.P. Morgan Asset Management. Share class performance is shown based on the NAV (net asset value) of the share class with income (gross of shareholder tax) reinvested including actual ongoing charges excluding any entry and exit fees. Performance over one year is annualised. Performance is shown based on the NAV which may not be the same as the market price of the ETF. Individual shareholders may realize returns that are different to the NAV based returns. Share class inception date is 06.12.2018.

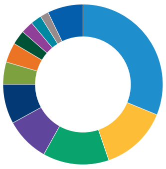
Holdings

TOP 10	Coupon rate	Maturity date	% of assets
AT&T (United States)	1.80	5/9/26	1.0
Global Payments (United States)	4.88	17/3/31	0.9
Abbvie (United States)	0.75	18/11/27	0.9
Motability Operations (United Kingdom)	0.38	3/1/26	0.9
Haleon (United States)	1.25	29/3/26	0.9
Banco Sabadell (Spain)	4.25	13/9/30	0.8
Danske Bank (Denmark)	3.88	9/1/32	0.8
UBS (Switzerland)	1.00	24/6/27	0.8
Thermo Fisher Scientific (United States)	0.00	18/11/25	0.8
Ferrovial (Spain)	1.38	14/5/26	0.7

Number of holdings

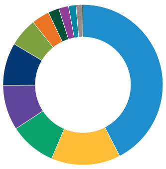
462

Country breakdown (%)



- 31.2 United States
- 13.6 United Kingdom
- 13.4 France
- 8.9 Italy
- 8.0 Germany
- 4.5 Spain
- 4.0 Switzerland
- 2.9 Netherlands
- 2.5 Japan
- 2.2 Australia
- 1.7 Luxembourg
- 7.2 Other

Sector breakdown (%)



- 42.4 Financial Institutions
- 14.0 Consumer Noncyclical
- 9.4 Consumer Cyclical
- 9.1 Communications
- 8.6 Utility
- 5.8 Capital Goods
- 3.6 Energy
- 2.2 Basic Industry
- 2.0 Transportation
- 1.5 Technology
- 1.2 Other Industrial
- 0.2 Cash

The Fund is an actively managed portfolio; holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice.

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RISK PROFILE

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. These risks are typically increased for below investment grade debt securities which may also be subject to higher volatility and lower liquidity than investment grade debt securities. The credit worthiness of unrated debt securities is not measured by reference to an independent credit rating agency.

Summary Risk Indicator

1	**2**	3	4	5	6	7

Lower risk Higher risk

The risk indicator assumes you keep the product for 5 years. The risk of the product may be significantly higher if held for less than the recommended holding period. In the UK, please refer to the synthetic risk and reward indicator in the latest available key investor information document.

Exclusion of issuers that do not meet certain ESG criteria from the Sub-Fund's investment universe may cause the Sub-Fund to perform differently compared to similar funds that do not have such a policy.

The Sub-Fund seeks to provide a return above the Benchmark; however the Sub-Fund may underperform its Benchmark.

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For Uruguay: This fund is not an investment fund governed by local law 16,774, is being marketed on the basis of a private placement exemption and is not registered. For further information about the fund, the investors shall contact JPMorgan directly.

For Chile: ESTA OFERTA PRIVADA SE INICIA EL DÍA DE RIGISTRO EN CCR (WWW.CCR.CL) Y SE ACOGE A LAS DISPOSICIONES DE LA NORMA DE CARÁCTER GENERAL N° 336 DE LA SUPERINTENDENCIA DE VALORES Y SEGUROS, HOY COMISIÓN PARA EL MERCADO FINANCIERO. ESTA OFERTA VERSA SOBRE VALORES NO INSCRITOS EN EL REGISTRO DE VALORES O EN EL REGISTRO DE VALORES EXTRANJEROS QUE LLEVA LA COMISIÓN PARA EL MERCADO FINANCIERO, POR LO QUE TALES VALORES NO ESTÁN SUJETOS A LA FISCALIZACIÓN DE ÉSTA. POR TRATAR DE VALORES NO INSCRITOS NO EXISTE LA OBLIGACIÓN POR PARTE DEL EMISOR DE ENTREGAR EN CHILE INFORMACIÓN PÚBLICA RESPECTO DE LOS VALORES SOBRE LOS QUE VERSA ESTA OFERTA. ESTOS VALORES NO PODRÁN SER OBJETO DE OFERTA PÚBLICA MIENTRAS NO SEAN INSCRITOS EN EL REGISTRO DE VALORES CORRESPONDIENTE.

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For Mexico (funds that are listed on the Mexican Stock Exchange): the ETF presented 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.