

JPM EUR Ultra-Short Income Active UCITS ETF

Tickers: JEST, JSET

Topline

Monthly returns

Fund	Benchmark
▼ -0.19%	▲ 0.15%

Benchmark: ICE BofA 3-Month German Treasury Bill Index

Markets The war in Iran dominated markets in March. Front-end EUR yields rose on the back of higher inflation expectations and credit spreads moved modestly wider. The market moved to pricing in three rate hikes from the European Central Bank (ECB). The ECB met in March but kept rates on hold at 2% as expected. The ECB changed its language around monetary policy from 'being in a good place' to being 'well-positioned.' New forecasts point to higher inflation and lower growth.

Helped The Fund's income was the main driver of returns over the month.

Hurt EUR front-end yields moved sharply higher over the month and credit spreads moved modestly wider, both detracting from returns.

Outlook In Europe, the market has shifted toward a tighter monetary policy stance. Ultimately, the duration and extent of the impact to energy markets will determine whether this repricing is warranted.

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

Fund Overview

Investment objective

The Sub-Fund aims to provide current income while seeking to maintain a low volatility of principal.

Trading information

Stock exchange	Exchange ticker	Trading currency	Bloomberg ticker	Reuters RIC	Sedol
Deutsche Borse	JEST	EUR	JEST GY	JEST.DE	BFX1Y13
London Stock Exchange	JSET	GBP	JSET LN	JSET.L	BFX1XX8
Borsa Italiana	JEST	EUR	JEST IM	JEST.MI	BFZPFBO
SIX SWISS	JEST	EUR	JEST SW	JEST.S	BFWDQ25
SIX SWISS	JEST	EUR	JEST SW	JEST.S	BFWDQ25

Month in Review

- **Yields moved higher in March.** The German three-month yield moved 23 basis points (bps) higher to 2.14%, the six-month yield increased by 30bps to 2.25% and the one-year yield increased by 53bps to 2.49%. Further out on the curve, the two-year yield increased by 60bps to 2.61%, the three-year yield increased by 56bps to 2.63%, and the five-year yield increased by 49bps to 2.73%.
- **Credit spreads widened** over the month, with the Bloomberg Euro 1-5Y Corporate Bonds index OAS widening by 15bps, closing the month at 85bps.
- **The desk looks to maintain their modestly long-duration position**, ending the month at 0.67 years. The view is that the market pricing is somewhat overdone and we could see fewer hikes than priced.
- **We are reducing spread duration** by reducing positions in two- to three-year floating-rate notes. We favour high-quality duration over credit risk on the view that credit spreads could move wider. The spread duration ended the month at 0.97 years.

Looking Ahead

- **Our base case is that the ECB could hike rates one to two times** this year. Persistent energy driven inflation pressures tilt ECB risks to a more hawkish direction and we think the ECB is more inclined to deliver an insurance hike.
- **Credit fundamentals remain robust** but given geopolitical risk and the potential for spreads to move wider, we maintain our up-in-quality bias and continue to build liquidity.

Opinions, estimates, forecasts, projections and statements of financial market trends are based on market conditions at the date of the publication, constitute our judgment and are subject to change without notice. There can be no guarantee they will be met.

All data is sourced by J.P. Morgan Asset Management and is correct as at the date of this commentary.

Performance and positioning

%	1M	3M	YTD	1Y	3Y	5Y	Since inception
Fund	-0.19	0.23	0.23	2.03	3.23	1.85	1.12
Benchmark	0.15	0.47	0.47	2.01	2.85	1.62	0.80
Excess return (geometric)	-0.34	-0.24	-0.24	0.02	0.37	0.23	0.31

%	2025	2024	2023	2022	2021	2020	2019
Fund	2.57	3.98	3.35	-0.48	-0.38	-0.19	0.23
Benchmark	2.14	3.50	2.87	-0.31	-0.71	-0.61	-0.56
Excess return (geometric)	0.42	0.46	0.46	-0.17	0.33	0.42	0.80

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 06.06.2018.

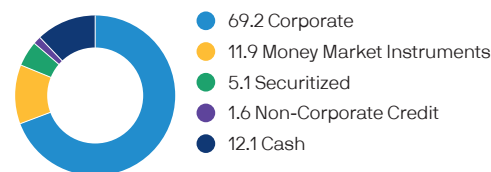
Holdings

TOP 10	Sector	Maturity date	% of assets
DNB Bank (Norway)	Corporate	21/9/27	1.9
Mizuho Financial (Japan)	Corporate	13/4/26	1.4
Amazon (United States)	Corporate	16/3/28	1.3
DNB Bank (Norway)	Corporate	18/1/28	1.3
Citigroup (United States)	Corporate	8/10/27	1.3
Government of Germany (Germany)	Government	12/4/29	1.1
ANZ Group Holdings (New Zealand)	Corporate	23/9/27	1.1
Sumitomo Mitsui Financial (Japan)	Corporate	15/6/26	1.1
HSBC (United Kingdom)	Corporate	15/6/27	1.1
UniCredit (Italy)	Corporate	15/7/30	1.1

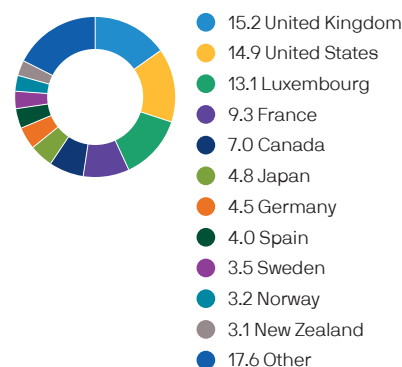
Number of holdings

262

Sector breakdown (%)



Country breakdown (%)



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.

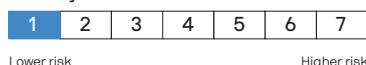
Asset-backed, collateralised loan obligations and mortgagebacked securities may be less liquid than other securities in which the Sub-Fund will invest, subject to adverse changes to interest rates and to the risk that the payment obligations relating to the underlying assets are not met.

The Sub-Fund may be concentrated in the banking industry and in the European sectors, markets and/or currency. As a result, the Sub-Fund may be more volatile than more broadly diversified funds.

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.

Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that will be used to minimise the effect of currency fluctuations may not always be successful.

Summary Risk Indicator



The risk indicator assumes you keep the product for 1 year. 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.

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