

# JPM EUR Ultra-Short Income UCITS ETF\*

Tickers: JEST, JSET

## Topline

### Monthly returns

Fund	Benchmark
▲ 0.26%	▲ 0.33%

**Benchmark:** ICE BofA 3-Month German Treasury Bill Index

**Markets** There was no European Central Bank (ECB) meeting in February, and the deposit rate remained at 4%. Eurozone headline inflation declined to 2.8% (year on year). Two-year German government bond yields rose significantly, and spreads tightened.

**Helped** The tightening in spreads helped performance over the month.

**Hurt** The sharp move higher in government bond yields dragged slightly on performance over the month.

**Outlook** Preliminary eurozone purchasing managers' index (PMI) business surveys for February continued to show signs of improvement, with the services PMI at a seven-month high and the composite survey also at an eight-month high despite slightly weaker manufacturing activity. Lower inflation makes us think we have seen the peak in interest rates. Still-low unemployment combined with strong wage growth suggests the ECB could remain on hold a while longer though. We expect rates to fall this year but not until the summer.

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

- **German front-end sovereign yields** increased in February 2024. The three-month yield increased 5.2 basis points (bps) to 3.74% and the six-month yield increased 7.4bps to 3.64%. Further out the curve, yields rose significantly, with one-year yields increasing 28.7bps to 3.41%, two-year yields increasing 48.3bps to 2.90%, three-year yields increasing 45.9bps to 2.61% and five-year yields increasing by 38.0bps to 2.43%. In the meantime, credit spreads tightened, with the Barclays 1-5Y EUR Corporate Index option-adjusted spread falling 12bps, closing at 109bps.
- **The strategy's duration increased** over February from 0.33 years to 0.41 years, and spread duration declined slightly from 0.70 to 0.63.

## Looking Ahead

- **Following the move higher in government bond yields** over February, we now believe that market pricing for the path of rates is more fairly priced. With that in mind, we are looking to increase duration closer to the middle of our potential range.
- **Front-end investment grade credit spreads** have continued to tighten. With spreads tight, we remain selective, with a bias towards higher-quality names.

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	0.26	1.04	0.57	3.55	1.03	0.57	0.46
Benchmark	0.33	0.90	0.59	3.30	0.85	0.27	0.14
Excess return (geometric)	-0.07	0.14	-0.02	0.24	0.17	0.30	0.31

%	2023	2022	2021	2020	2019
Fund	3.35	-0.48	-0.38	-0.19	0.23
Benchmark	2.88	-0.31	-0.71	-0.61	-0.56
Excess return (geometric)	0.45	-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.

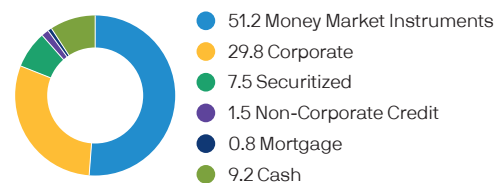
## Holdings

TOP 10	Sector	Maturity date	% of assets
Wells Fargo (Ireland)	Certificate of Deposit	30/8/24	1.7
Nova Scotia Bank (Canada)	Corporate	12/12/25	1.6
Mitsubishi UFJ Financial (United Kingdom)	Certificate of Deposit	2/4/24	1.5
Canadian Imperial Bank of Commerce (Canada)	Corporate	24/1/25	1.4
LOReal (France)	Corporate	23/1/27	1.4
Mizuho Financial (Japan)	Certificate of Deposit	3/6/24	1.3
HSBC (United Kingdom)	Corporate	8/3/25	1.3
Government of France (France)	Commercial Paper	4/6/24	1.2
La Poste (France)	Commercial Paper	23/7/24	1.1
Abu Dhabi Commercial Bank (United Arab Emirates)	Commercial Paper	6/3/24	1.1

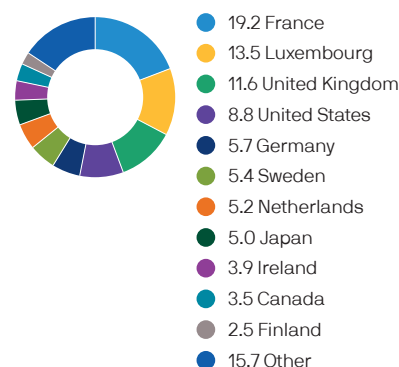
## Number of holdings

182

## Sector breakdown (%)



## Country breakdown (%)



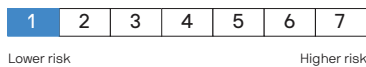
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**Summary Risk Indicator**



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.

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