

JPM EUR Ultra-Short Income UCITS ETF*

Tickers: JEST, JSET

Topline

Monthly returns

Fund	Benchmark
▲ 0.30%	▲ 0.32%

Benchmark: ICE BofA 3-Month German Treasury Bill Index

Markets There was no European Central Bank (ECB) meeting in May. The deposit rate remained at 4%. Preliminary eurozone core inflation in May came in slightly hotter than expected at 2.9% year on year. Two-year German government bond yields rose slightly over the month. Credit spreads tightened.

Helped Our credit exposure helped, with spreads tightening.

Hurt The mild increase in government bond yields detracted slightly from relative performance.

Outlook Preliminary eurozone purchasing managers' index (PMI) business surveys for May continued to improve. The services PMI remained at a healthy level of 53.3. The composite survey rose to a 12-month high of 52.3, helped by an improvement in the manufacturing survey to 47.4, a 15-month high. Unemployment also declined to a new low of 6.4%. However, we still think that the progress on inflation will allow the ECB to cut rates in June.

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
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Month in Review

- **German sovereign short-term yields** decreased in May; the one-month yield decreased by -17.9bps to 3.61, the three-month yield decreased by -7.4bps to 3.55% and the six-month yield decreased by -3.7bps to 3.53%. Further out the curve, yields rose, with two-year yields increasing by 6.3bps to 3.09%, three-year yields increasing by 7.4bps to 2.86% and five-year yields increasing by 9.1bps to 2.71%. Credit spreads tightened in Europe, with the Barclays 1-5Y EUR Corporate Index option-adjusted spread falling 5bps, closing at 96bps.
- **The strategy's duration** ended May at 0.6 years compared with 0.55 years at the end of April, and spread duration increased to 0.83 compared with 0.77 at the end of April.

Looking Ahead

- **Following the move higher in government bond yields this year**, we believe that the ECB will probably cut rates more than is priced in 2024 and that the market could move to price in more cuts for this year over the coming months. We have therefore looked to extend duration further. However, we have some reservations over whether as many rate cuts will be delivered in 2025 as the market expects and so view our increase in duration as tactical.
- **While spreads have tightened further**, we believe corporate fundamentals remain well supported, particularly given signs that growth is improving and with rate cuts likely on the horizon. With that in mind, we are positive on the outlook for credit but will retain a bias towards higher-quality names given tight spreads between BBBs and single-A credits. We also continue to have a positive view on the outlook for bank credit.

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	0.30	0.89	1.47	3.92	1.32	0.74	0.59
Benchmark	0.32	0.92	1.52	3.55	1.21	0.48	0.29
Excess return (geometric)	-0.02	-0.03	-0.05	0.36	0.11	0.27	0.29

%	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.

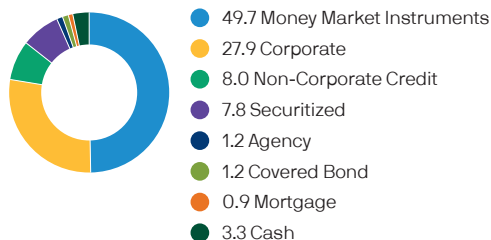
Holdings

TOP 10	Sector	Maturity date	% of assets
European Union (International)	Government	6/7/26	2.2
Wells Fargo (Ireland)	Certificate of Deposit	30/8/24	1.8
Nova Scotia Bank (Canada)	Corporate	12/12/25	1.7
LOReal (France)	Corporate	23/1/27	1.5
Industrial Bank Of Korea (United Kingdom)	Certificate of Deposit	18/11/24	1.4
Toronto - Dominion Bank (Canada)	Corporate	16/2/27	1.2
La Poste (France)	Commercial Paper	23/7/24	1.2
Exxon Mobil (United States)	Corporate	26/6/24	1.2
Industrial & Commercial Bank Of China (United Kingdom)	Certificate of Deposit	17/6/24	1.2
Skandinaviska Enskilda Banken (Sweden)	Commercial Paper	4/7/24	1.2

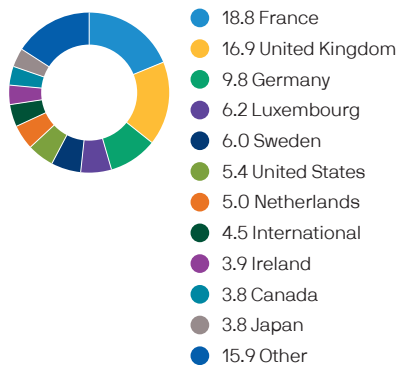
Number of holdings

175

Sector breakdown (%)



Country breakdown (%)



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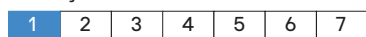
Asset-backed, collateralised loan obligations and mortgagebacked securities may be less liquid than other securities in which the Sub-Fund will invest, subject to adverse changes to interest rates and to the risk that the payment obligations relating to the underlying assets are not met.

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



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.

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