

# JPM GBP Ultra-Short Income UCITS ETF

Tickers: JGST

## Topline

| Monthly returns   |           |
|---|-----------|
| Fund  | Benchmark |
| ▲ 0.33%   | ▲ 0.41%   |
| <b>Benchmark :</b> ICE BofA Sterling 3-Month Government Bill Index  |           |
| <b>Markets</b> The Bank of England (BoE) maintained rates at 5.25%. The UK headline consumer price index figure remained steady at 4% (year on year). Government bond yields rose in February, while spreads tightened.   |           |
| <b>Helped</b> The tightening in credit spreads helped performance.  |           |
| <b>Hurt</b> The move higher in government bond yields was a drag on performance.  |           |
| <b>Outlook</b> The preliminary UK purchasing managers' index business survey for February rose to a nine-month high. The economy is proving surprisingly resilient in the face of higher interest rates. There are still risks given the delayed passthrough of tighter monetary policy as fixed-rate mortgages expire, but strong wage growth and lower inflation are helping support growth. We believe we are at the peak for UK rates. Lower inflation helps ease pressure on the BoE to raise rates. We expect the BoE to lower interest rates 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   |
|-----------------------|-----------------|------------------|------------------|-------------|---------|
| London Stock Exchange | JGST            | GBP              | JGST LN          | JGST.L      | BFX1V90 |

## Month in Review

- **UK front-end sovereign yields** increased in February 2024. One-month yields increased 3.3 basis points (bps) to 5.23%, the three-month yield increased 2.1bps to 5.24% and six-month yields increased 6.1bps to 5.23%. Further out the curve, two-year yields increased 4.5bps to 4.28%, three-year yields increased 23.5bps to 4.11% and five-year yields increased 29.7bps to 4.04%. In the meantime, UK sterling investment grade credit spreads tightened, with the Barclays 1-5Y GBP Corporate Index option-adjusted spread closing at 124bps as at the end of February 2024, 10bps below the previous month's close.
- **The strategy's duration increased** over February from 0.56 years to 0.61 years, and spread duration remained steady at 0.71.

## Looking Ahead

- **We think market pricing for the path of rates** looks pretty fairly priced. With that in mind, we are comfortable maintaining a duration slightly above 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                      | 0.33  | 1.44 | 0.69  | 5.16 | 2.07  | 1.66 | 1.53            |
| Benchmark                 | 0.41  | 1.31 | 0.84  | 5.03 | 2.26  | 1.54 | 1.42            |
| Excess return (geometric) | -0.08 | 0.12 | -0.15 | 0.12 | -0.18 | 0.12 | 0.11            |

| %                         | 2023 | 2022  | 2021  | 2020 | 2019 |
|---------------------------|------|-------|-------|------|------|
| Fund                      | 5.08 | 0.48  | -0.01 | 1.06 | 1.24 |
| Benchmark                 | 4.67 | 1.30  | -0.01 | 0.30 | 0.76 |
| Excess return (geometric) | 0.39 | -0.81 | 0.00  | 0.76 | 0.47 |

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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.

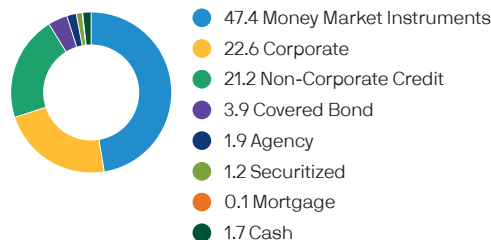
## Holdings

| TOP 10                                      | Sector                 | Maturity date | % of assets |
|---|------------------------|---------------|-------------|
| Caisse des Depots et Consignations (France) | Government             | 16/12/24      | 3.4         |
| CPPIB Capital (Canada)                      | Government             | 2/3/26        | 2.8         |
| DZ Bank (Germany)                           | Commercial Paper       | 17/5/24       | 2.5         |
| State Of Nordrhein-Westfalen (Germany)      | Corporate              | 16/12/24      | 2.4         |
| European Investment Bank (International)    | Corporate              | 12/4/28       | 2.3         |
| Royal Bank of Canada (Canada)               | Corporate              | 27/1/25       | 2.3         |
| UK Treasury (United Kingdom)                | Government             | 31/1/25       | 2.2         |
| Bank of America (United States)             | Certificate of Deposit | 20/5/24       | 2.0         |
| JPMorgan Chase (United States)              | Commercial Paper       | 5/7/24        | 2.0         |
| Sumitomo Mitsui Financial (United States)   | Commercial Paper       | 20/3/24       | 1.7         |

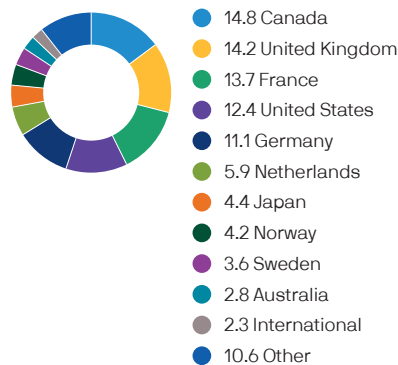
## Number of holdings

129

## Sector breakdown (%)



## Country breakdown (%)

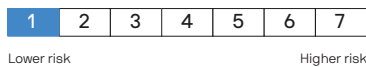


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The Sub-Fund may be concentrated in the banking industry and in the UK sectors, markets and/or currency. As a result, the Sub-Fund may be more volatile than more broadly diversified funds. Exclusion of issuers that do not meet certain ESG criteria 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 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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