

# JPM GBP Ultra-Short Income Active UCITS ETF

Tickers: JGST

## Topline

Monthly returns	
Fund	Benchmark
▼ -0.21%	▲ 0.24%
<b>Benchmark:</b> ICE BofA Sterling 3-Month Government Bill Index	
<p><b>Markets</b> The war between the US and Iran dominated the markets in March. Front-end sterling yields moved higher on the back of higher inflation expectations and credit spreads moved modestly wider. The Bank of England (BoE) met in March and kept rates on hold at 3.75%, as policymakers highlighted the risks of domestic inflation persistence via second-round effects if energy prices remain elevated, likely weighing on growth.</p>	
<p><b>Helped</b> The Fund's income was the main driver of returns over the month.</p>	
<p><b>Hurt</b> Front-end yields moved sharply higher over the month, which detracted from returns.</p>	
<p><b>Outlook</b> In the UK, the market repriced to a tighter monetary policy stance. Markets moved from pricing at least two cuts prior to the conflict, to pricing up to three hikes over the year. Ultimately, the duration and extent of the impact to energy markets will determine whether this repricing is warranted.</p>	

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 short-term sovereign yields moved sharply higher** in March, as the market priced in higher inflation expectations. The three-month yield increased by 31 basis points (bps) to 3.94%. The one-year yield increased to 4.38% and the two-year yield increased by 89bps to 4.40%. Further out on the curve, the three-year yield increased by 89bps to 4.41% and the five-year yield increased by 78bps to 4.46%.
- **Sterling investment grade credit spreads widened** over the month by 4bps, with the Bloomberg 1-5Y GBP Corporate Index OAS closing at 83bps.
- **The desk maintains a long sterling duration position** and favours duration risk over credit risk. Duration at the end of the month was 0.76 years. The desk is reducing spread duration on the view that spreads could move wider. Spread duration ended the month at 0.87 years.

## Looking Ahead

- **Prior to the conflict**, our base case was that the BoE could cut rates two to three times in 2026. Now our view is that the BoE could remain on hold or deliver up to one hike in 2026.
- **We maintain our long-duration position** on the view that the market pricing is overdone. A larger or more persistent energy shock that threatens greater wage and price persistence would argue for a more restrictive stance. Conversely, if the shock proves brief or if slack widens materially, a less restrictive policy may be appropriate.
- **Credit fundamentals remain robust**, but given geopolitical risk and the potential for spreads to move wider, we look to reduce spread duration, 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	-0.21	0.48	0.48	4.21	4.90	3.20	2.37
Benchmark	0.24	0.86	0.86	4.10	4.77	3.28	2.27
Excess return (geometric)	-0.44	-0.37	-0.37	0.11	0.12	-0.08	0.10

%	2025	2024	2023	2022	2021	2020	2019
Fund	4.94	5.11	5.08	0.48	-0.01	1.06	1.24
Benchmark	4.41	5.20	4.67	1.30	-0.01	0.30	0.76
Excess return (geometric)	0.50	-0.08	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.

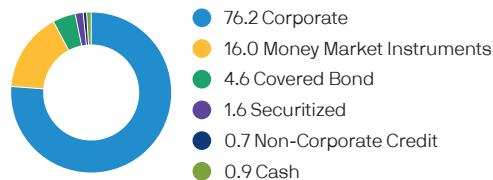
## Holdings

TOP 10	Sector	Maturity date	% of assets
DNB Bank (Norway)	Corporate	17/8/27	4.1
Morgan Stanley (United States)	Corporate	9/3/27	2.7
Op Cooperative (Finland)	Corporate	4/9/26	2.3
Danske Bank (Denmark)	Corporate	13/4/27	2.3
Credit Agricole (France)	Corporate	29/11/27	2.2
Nova Scotia Bank (Canada)	Corporate	3/5/27	2.2
Toronto - Dominion Bank (Canada)	Corporate	5/4/27	2.0
Natwest (United Kingdom)	Corporate	8/11/27	2.0
Groupe BPCE (France)	Corporate	23/12/26	2.0
Swedbank (Sweden)	Corporate	8/12/27	1.9

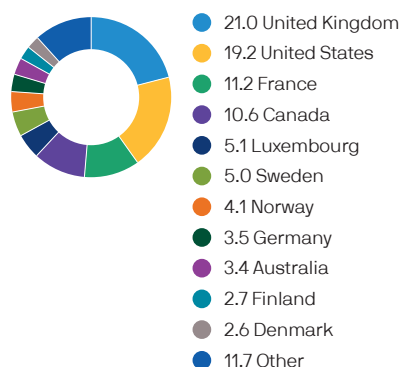
## Number of holdings

129

## 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.

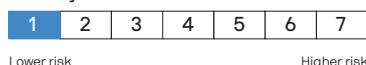
Asset-backed, collateralised loan obligations and mortgagebacked securities may be less liquid than other securities in which the Sub-Fund will invest, subject to adverse changes to interest rates and to the risk that the payment obligations relating to the underlying assets are not met.

The Sub-Fund may be concentrated in the banking industry and in the 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 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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