JPM Global Emerging Markets Research Enhanced Index Equity (ESG) UCITS ETF*

Tickers: JMRE, JREM

Topline

Monthly returns	
Fund	Benchmark
▲ 4.37%	▲ 4.76%

Benchmark : MSCI Emerging Market Index (Total Return Net)

Markets Emerging market equities marginally outperformed developed market equities after four consecutive months of underperformance. The outperformance leadership was concentrated in North Asian markets, particularly China and South Korea.

Helped Stock selection in Brazil and technology names across regions.

Hurt Stock selection in India and consumer discretionary.

Outlook China's economy is in a multi-year adjustment, with weakness in real estate and manufacturing weighing on aggregate activity. However, consumption looks to be stabilising, with signs of a tentative recovery, and overall valuations are supportive. While the US dollar fell in real terms from multi-decade highs even more rapidly than expected, its anticipated downward trajectory is likely to remain volatile. Elsewhere in emerging markets, there are clearer signs of economic resilience/recovery, of inflation having peaked and of a turn in the technology cycle after a prolonged period of weakness.

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

Fund Overview

Investment objective

The Sub-Fund aims to achieve a long-term return in excess of MSCI Emerging Market Index (Total Return Net) (the "Benchmark") by actively investing primarily in a portfolio of emerging market companies.

Trading information

Stock exchange	Exchange ticker	Trading currency	Bloomberg ticker	Reuters RIC	Sedol
London Stock Exchange	JREM	USD	JREM LN	JREM.L	BYXH6W9
London Stock Exchange	JMRE	GBX	JMRE LN	JMRE.L	BF2F621
Borsa Italiana	JREM	EUR	JREM IM	JREM.MI	BYXH782
Deutsche Borse	JREM	EUR	JREM GY	JREM.DE	BDR5M46
SIX SWISS	JREM	USD	JREM SW	JREM.S	BYXH7G0

Month in Review

- **In India**, being overweight premium private-sector banks such as Kotak Mahindra Bank was a leading detractor as the share price fell on deposit competition concerns. Elsewhere, an overweight to the consumer name Britannia Industries underperformed on weak results as the company is going through a transitional phase as it moves from an inflation to a deflation cycle.
- **A lack of exposure** to consumer discretionary names such as Li Auto and Kia weighed on relative returns. Li Auto rose after delivering better-than-expected earnings, while Kia contributed on expectations of potential improvements in corporate disclosure and ultimately shareholder returns following the announcement of the Korean government's "value-up" programme.
- **At the stock level**, our exposure to Samsung Electronics dragged on returns as the market deemed that it was behind SK Hynix on high bandwidth memory.
- **On the positive side**, an off-benchmark exposure to one of the fastest-growing digital banks in Brazil, Nu Holdings, was a key contributor. The company reported strong fourth-quarter 2023 results, with a +20% return on equity, stable asset quality and significant growth in its customer base.
- **Technology names** such as Zhongji Innolight (China), Realtek Semiconductor (Taiwan) and SK Hynix (Korea) all outperformed. Zhongji Innolight rose as onshore artificial intelligence (AI) supply-chain names made a strong comeback in February, buoyed by OpenAI's launch of video-generation tool Sora. The semiconductor names, on the other hand, continued to be strong as the prime beneficiaries of vast quantities of AI-related spending.
- **Other key contributors** included H World, which benefitted from strong travel demand during the Lunar New Year holidays, NetEase as it did well in anticipation of a stronger new games pipeline and Credicorp, which contributed on solid results and an improved outlook for 2024.

Looking Ahead

- **Many emerging market central banks have relatively high policy rates**, especially compared with domestic inflation. Consequently, emerging market central banks have ample capacity to cut rates, assuming inflation remains on its current downward trajectory: Brazil, the Czech Republic, Chile, Hungary and Poland have already started.
- **China's economic recovery looks to be two-speed**, with weakness in real estate and manufacturing weighing on growth, while consumption looks to be stabilising and valuations, at close to record-low levels, appear supportive.
- **After a year of weak earnings growth driven by falling margins**, higher rates and cyclical pressures, expectations are for double-digit growth in 2024-2025.

Performance and positioning

%	1M	3M	YTD	1Y	3Y	5Y	Since inception
Fund	4.37	3.31	-0.36	6.48	-7.35	1.92	3.33
Benchmark	4.76	3.80	-0.11	8.73	-6.29	1.89	3.28
Excess return (geometric)	-0.37	-0.47	-0.26	-2.07	-1.13	0.03	0.05

%	2023	2022	2021	2020	2019
Fund	8.78	-21.56	-2.63	19.84	21.11
Benchmark	9.83	-20.09	-2.54	18.31	18.42
Excess return (geometric)	-0.95	-1.84	-0.09	1.29	2.27

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 06.12.2018.

Holdings

TOP 10	Sector	% of assets
Taiwan Semiconductor Manufacturing	Information Technology	8.0
Samsung Electronics	Information Technology	4.6
Tencent Holdings	Communication Services	3.6
Alibaba Group Holding	Consumer Discretionary	2.4
Reliance Industries	Energy	1.8
SK Hynix	Information Technology	1.2
Infosys	Information Technology	1.2
Petroleo Brasileiro	Energy	1.2
ICICI Bank	Financials	1.2
China Construction Bank	Financials	1.1

The Fund is an actively managed portfolio; holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice.

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RISK PROFILE

The value of equity securities may go down as well as up in response to the performance of individual companies and general market conditions, sometimes rapidly or unpredictably. If a company goes through bankruptcy or a similar financial restructuring, its shares in issue typically lose most or all of their value.

Since the instruments held by the Sub-Fund may be denominated in currencies other than the Base Currency, the Sub-Fund may be affected unfavourably by exchange control regulations or fluctuations in currency rates. For this reason, changes in currency exchange rates can affect the value of the Sub-Fund's portfolio and may impact the value of the Shares.

Emerging markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging market currencies may be subject to volatile price movements. Emerging market securities may also be subject to higher volatility and lower liquidity than developed market securities respectively.

The Sub-Fund may invest in China A-Shares through the China-Hong Kong Stock Connect Programmes which are subject to regulatory change, quota limitations and also operational constraints which may result in increased counterparty risk.

The amount which foreign portfolio investor ("FPI") can invest in Indian companies is subject to quota limitations at the level of individual FPIs and of FPIs in aggregate, which may impact the ability of the Sub-Fund to invest directly in such companies. FPIs' Indian investments may also be subject to local capital gains tax, securities transaction tax and other forms of taxation, which may impact on the performance of the Sub-Fund.

The Sub-Fund may invest in securities of smaller companies which may be less liquid, more volatile and tend to carry greater financial risk than securities of larger companies.

Exclusion of companies 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.

The Sub-Fund seeks to provide a return above the Benchmark; however the Sub-Fund may underperform its Benchmark.

Summary Risk Indicator

1	2	3	4	5	6	7

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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For Panama: These securities have not been listed with the Superintendence of the Securities Market and neither has any offering, sale or transaction with them. The listing exemption has been made based on Article 83 (3) of Decree Law No. 1 of July 8, 1999 (Institutional Investors). Consequently the tax treatment established under Articles 269 to 271 of Law Decree 1, dated 8 July 1999, does not apply. These Securities do not fall under the supervision of the Superintendence of the Securities Market.

For Uruguay: This fund is not an investment fund governed by local law 16,774, is being marketed on the basis of a private placement exemption and is not registered. For further information about the fund, the investors shall contact JPMorgan directly.

For Chile: ESTA OFERTA PRIVADA SE INICIA EL DÍA DE RIGISTRO EN CCR (WWW.CCR.CL) Y SE ACOGE A LAS DISPOSICIONES DE LA NORMA DE CARÁCTER GENERAL N° 336 DE LA SUPERINTENDENCIA DE VALORES Y SEGUROS, HOY COMISIÓN PARA EL MERCADO FINANCIERO. ESTA OFERTA VERSA SOBRE VALORES NO INSCRITOS EN EL REGISTRO DE VALORES O EN EL REGISTRO DE VALORES EXTRANJEROS QUE LLEVA LA COMISIÓN PARA EL MERCADO FINANCIERO, POR LO QUE TALES VALORES NO ESTÁN SUJETOS A LA FISCALIZACIÓN DE ÉSTA. POR TRATAR DE VALORES NO INSCRITOS NO EXISTE LA OBLIGACIÓN POR PARTE DEL EMISOR DE ENTREGAR EN CHILE INFORMACIÓN PÚBLICA RESPECTO DE LOS VALORES SOBRE LOS QUE VERSA ESTA OFERTA. ESTOS VALORES NO PODRÁN SER OBJETO DE OFERTA PÚBLICA MIENTRAS NO SEAN INSCRITOS EN EL REGISTRO DE VALORES CORRESPONDIENTE.

For Chile (funds that are registered with CMF): The Fund is domiciled in Luxembourg, therefore, the investors' rights and obligations will be governed by the laws of Luxembourg, and the investors must inform themselves about the way and means to enforce their rights. The CMF supervision will be exclusively focused on the compliance with the information obligations contained in NCG 352. Therefore, the control and supervision of the Fund will correspond to their home state regulator. The public information about the Fund will be exclusively that which the Luxembourg regulator requires. The Fund observes the Accounting and Auditing rules enacted by Luxembourg regulators, which may be different than the ones enacted by Chilean regulators. Pursuant to article 196 of the Chilean Securities Market Law (the "Law"), in case of violation of any regulations issued by CMF, the Fund, intermediaries, foreign securities depositories and any other person involved in the registration, placement, custody, trading or otherwise of foreign securities will be subject to the sanctions contained both in DL N° 3538 and in the Law. Investors may obtain more information about the Fund in the CMF website (http://www.cmfchile.cl).

For Mexico (funds that are listed on the Mexican Stock Exchange): the ETF presented is listed in the international quotation system of the Mexican Stock Exchange (Sistema Internacional de Cotizaciones de la Bolsa Mexicana de Valores - SIC), which not imply a certification of the performance of the ETF.