

JPM USD Emerging Markets Sovereign Bond UCITS ETF

Tickers: JPBM, JPMB

Topline

Monthly returns	
Fund	Benchmark
▼ -0.05%	▼ -0.01%
Benchmark : J.P. Morgan Emerging Markets Risk-Aware Bond Index	
<p>Markets January inflation numbers were stronger than anticipated in the US, with headline inflation at 3.1% year on year. This further reduced investors' expectations for US Federal Reserve (Fed) interest rate cuts over 2024. Fixed income markets came under pressure with US Treasuries down 1.3% in February. Against this backdrop, emerging market debt held up better than perhaps expected. Emerging market sovereign and corporate high yield bonds rallied and developed markets, and emerging market local rates posted gains too.</p>	
<p>Helped Risk filter in Ghana, and credit stabilisation in Turkey and Romania.</p>	
<p>Hurt Risk filter in Egypt, Ecuador and Argentina.</p>	
<p>Outlook We expect more upgrades than downgrades of sovereign credit ratings for the first time in five years. Technicals will likely be an important part of driving 2024 returns, with net supply expected to be slightly negative. Market issuance is expected to increase in investment grade and decrease in high yield.</p>	

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

Fund Overview

Investment objective

The Sub-Fund aims to provide an exposure to the performance of bonds issued by the governments or quasi-government entities of emerging markets countries globally which are denominated in US Dollars.

Fund launch date 15 February 2018

Currency USD

Trading information

Stock exchange	Exchange ticker	Trading currency	Bloomberg ticker	Reuters RIC	Sedol
London Stock Exchange	JPMB	USD	JPMB LN	JPMB.L	BF8Q770
London Stock Exchange	JPBM	GBP	JPBM LN	JPBM.L	BF8Q394
Borsa Italiana	JPMB	EUR	JPMB IM	JPMB.MI	BF8Q7B4
Deutsche Borse	JPBM	EUR	JPBM GY	JPBM.DE	BF8Q781
SIX SWISS	JPMB	USD	JPMB SW	JPMB.S	BF8Q792

Month in Review

- **The fund generated a negative absolute return in February.** The Emerging Market Risk Aware Index underperformed the traditional emerging market debt index over the month.
- **Our overall contribution from risk filters was negative in February.** The primary drivers of the negative contribution were the risk filters of Egypt, Ecuador and Argentina.
- **The liquidity filter step also made a negative contribution.** Our underweight in Mexico, and overweights in Oman and South Africa were the key detractors. In contrast, our overweight in the Turkey, Romania and Malaysia were the key contributors.

Looking Ahead

- **Our base case remains sub-trend economic growth,** with emerging market debt supported by improving emerging market growth alpha and strong fundamentals. The disinflation environment provides emerging market central banks with room to cut interest rates. The supportive fundamental backdrop and the continued downward trend of inflation in the US should also be positive for emerging market debt assets.
- **Our central scenario for 2024 is for solid returns** across emerging market debt sectors. Investors should, however, be vigilant and mind the tail risks in the US. The "Fed is done" narrative has been supportive of emerging market debt assets, and market participants may get overexcited about rate cuts in 2024. However, the risk is that if economic activity and inflation prove more resilient and inflation persists more than expected, rate-cut expectations will have to be reassessed.

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	-0.05	3.20	-1.60	7.34	-2.69	0.86	1.22
Benchmark	-0.01	3.33	-1.57	7.59	-2.26	1.34	1.69
Excess return (geometric)	-0.04	-0.13	-0.03	-0.23	-0.45	-0.48	-0.47

%	2023	2022	2021	2020	2019
Fund	9.63	-15.66	-2.70	5.42	18.03
Benchmark	10.00	-15.19	-2.17	6.02	18.58
Excess return (geometric)	-0.34	-0.55	-0.54	-0.57	-0.46

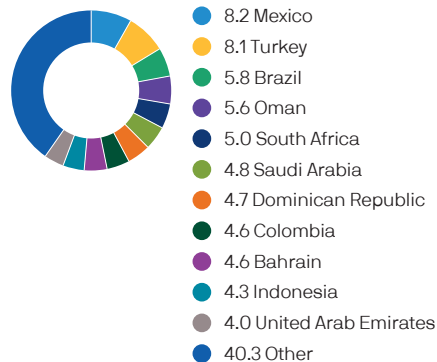
Past performance is not a reliable indicator of current and future results.

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 15.02.2018.

Holdings

TOP 10	Coupon rate	Maturity date	% of assets
Government of South Africa (South Africa)	5.88	16/9/25	1.1
Ministry of Finance Oman (Oman)	5.63	17/1/28	1.0
Government of Brazil (Brazil)	4.75	14/1/50	0.8
Ministry Of Finance Oman (Oman)	4.75	15/6/26	0.8
Government of Dominican Republic (Dominican Republic)	5.88	30/1/60	0.8
Government of Republica (Colombia)	5.00	15/6/45	0.8
Government of Brazil (Brazil)	6.00	20/10/33	0.7
Ministry of Finance Oman (Oman)	6.75	17/1/48	0.7
Government of Dominican Republic (Dominican Republic)	4.88	23/9/32	0.7
Petroleos Mexicanos (Mexico)	7.69	23/1/50	0.7

Country breakdown (%)



Bond quality breakdown (%)

AA	7.1
A	13.6
BBB	24.5
<BBB	54.6
NR	0.4
Cash	-0.2

Average duration: 7.1 yrs
 Yield to maturity: 6.4%
 Average maturity: 12.4 yrs
 Average coupon : 5.1%
 Average quality: BB+

Number of holdings

424

RISK PROFILE

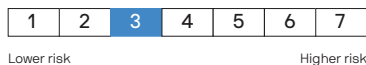
To the extent that the Sub-Fund uses financial derivative instruments, the risk profile and the volatility of the Sub-Fund may increase. That notwithstanding, the risk profile of the Sub-Fund is not expected to significantly deviate from that of the Index as a result of its use of financial derivative instruments.

The value of debt securities may change significantly depending on economic and interest rate conditions as well as the credit worthiness of the issuer. 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.

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 and below investment grade debt securities may also be subject to higher volatility and lower liquidity than non-emerging market and investment grade debt securities respectively.

The Sub-Fund is not expected to track the performance of the Index at all times with perfect accuracy. The Sub-Fund is, however, expected to provide investment results that, before expenses, generally correspond to the price and yield performance of the Index.

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.

FOR PROFESSIONAL CLIENTS/QUALIFIED INVESTORS ONLY - NOT FOR RETAIL USE OR DISTRIBUTION

The term 'Fund' used throughout this document refers to the relevant 'Sub-Fund', which is a legal term used in the Prospectus. This is a marketing communication and as such the views contained herein do not form part of an offer, nor are they to be taken as advice or a recommendation, to buy or sell any investment or interest thereto. Reliance upon information in this material is at the sole discretion of the reader. Any research in this document has been obtained and may have been acted upon by J.P. Morgan Asset Management for its own purpose. The results of such research are being made available as additional information and do not necessarily reflect the views of J.P. Morgan Asset Management. Any forecasts, figures, opinions, statements of financial market trends or investment techniques and strategies expressed are, unless otherwise stated, J.P. Morgan Asset Management's own at the date of this document. They may not necessarily be all-inclusive and are not guaranteed as to accuracy. They may be subject to change without reference or notification to you. The value of investments and the income from them may fluctuate in accordance with market conditions and taxation agreements and investors may not get back the full amount invested. Changes in exchange rates may have an adverse effect on the value, price or income of the products or underlying overseas investments. Past performance and yield are not a reliable indicator of current and future results. There is no guarantee that any forecast made will come to pass. Furthermore, there can be no assurance that the investment objectives of the investment products will be met. J.P. Morgan Asset Management is the brand name for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide. To the extent permitted by applicable law, we may record telephone calls and monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our EMEA Privacy Policy www.jpmorgan.com/emea-privacy-policy. As the product may not be authorised or its offering may be restricted in your jurisdiction, it is the responsibility of every reader to satisfy himself as to the full observance of the laws and regulations of the relevant jurisdiction. Prior to any application investors are advised to take all necessary legal, regulatory and tax advice on the consequences of an investment in the products. Shares or other interests may not be offered to or purchased directly or indirectly by US

persons. All transactions should be based on the latest available Prospectus, the Key Information Document (KID) and any applicable local offering document. These documents together with the annual report, semi-annual report, instrument of incorporation and sustainability-related disclosures, are available in English from JPMorgan Asset Management (Europe) S.à r.l., 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg, your financial adviser or your J.P. Morgan Asset Management regional contact or at www.jpmorganassetmanagement.ie. A summary of investor rights is available in English at <https://am.jpmorgan.com/lu/investor-rights>. J.P. Morgan Asset Management may decide to terminate the arrangements made for the marketing of its collective investment undertakings. Units in Undertakings for Collective Investment in Transferable Securities ("UCITS") Exchange Traded Funds ("ETF") purchased on the secondary market cannot usually be sold directly back to UCITS ETF. Investors must buy and sell units on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current net asset value when buying units and may receive less than the current net asset value when selling them. In Switzerland, JPMorgan Asset Management Switzerland LLC (JPMAMS), Dreikönigstrasse 37, 8002 Zurich, acts as Swiss representative of the funds and J.P. Morgan (Suisse) SA, Rue du Rhône 35, 1204 Geneva, as paying agent. With respect to its distribution activities in and from Switzerland, JPMAMS receives remuneration which is paid out of the management fee as defined in the respective fund documentation. Further information regarding this remuneration, including its calculation method, may be obtained upon written request from JPMAMS. This communication is issued in Europe (excluding UK) by JPMorgan Asset Management (Europe) S.à r.l., 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg, R.C.S. Luxembourg B27900, corporate capital EUR 10.000.000. This communication is issued in the UK by JPMorgan Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority. Registered in England No. 01161446. Registered address: 25 Bank Street, Canary Wharf, London E14 5JP.

This material is confidential and intended for the addressee only and do not constitute a public offering. The investment funds and their shares as mentioned in this material are not registered with LatAm authorities for local public offering.

For Panama: These securities have not been listed with the Superintendencia 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 Superintendencia 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 REGISTRO 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 ESTA. 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.