

April 2025

Fixed Income Investing with J.P. Morgan Asset Management

Global Fixed Income, Currency & Commodities

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Head of International Investment Specialists, Global Fixed Income, Currencies & Commodities

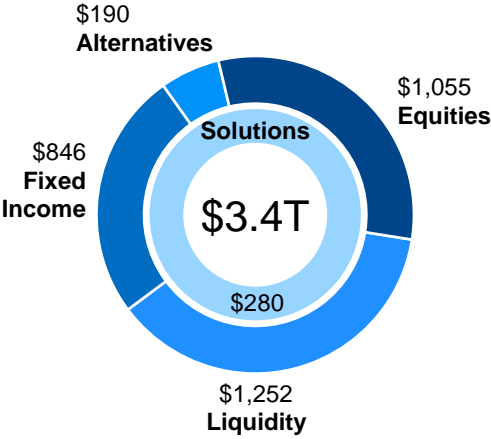
J.P.Morgan
ASSET MANAGEMENT

JPMAM: Broad, diversified \$3T AUM active manager

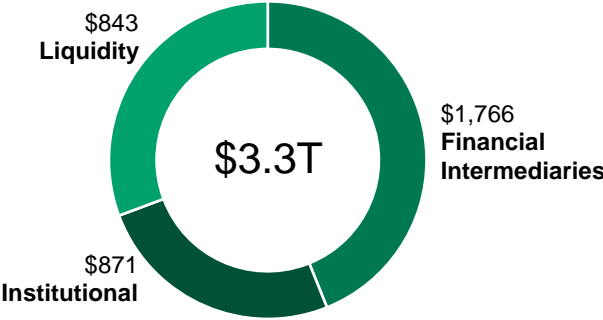
The power of perspective to build stronger portfolios

AUM (\$B)

By Asset Class



By Client Segment¹



57%

Largest Pensions / SWFs as clients

70%⁺

Coverage of Industry assets³

With revenue diversified across regions¹

68%
Americas

28%
EMEA

9%
APAC

Global 2024 rankings

- #1 Active Flows⁴
- #1 Active Equity Flows⁴
- #2 Active Fixed Income Flows⁴
- #1 Active ETF Flows⁵
- #2 Institutional Money Market Fund Flows⁶

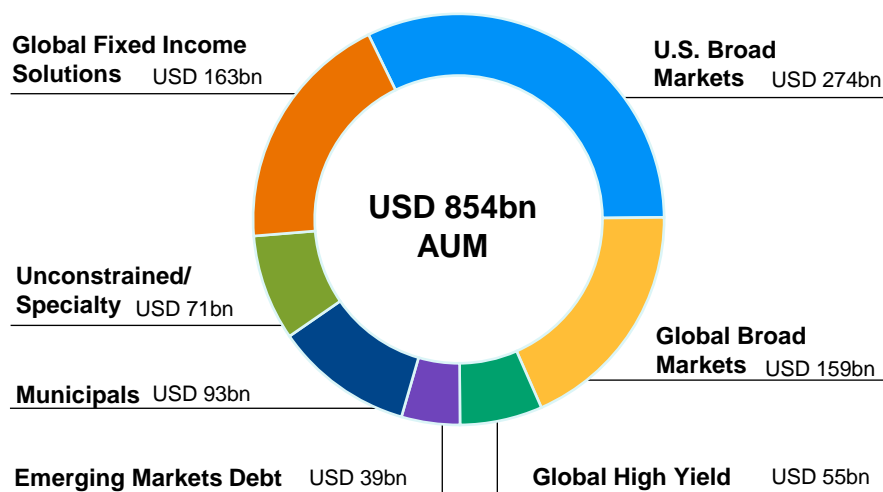
As of December 31, 2024, unless otherwise noted. Due to rounding, data may not always add up to the total AUM.

¹ As of December 31, 2024, and includes custom glide path and retail advisory assets; ² AUM by asset class includes AUM managed behalf of other investment teams; ³ Based on JPMAM Business Intelligence;

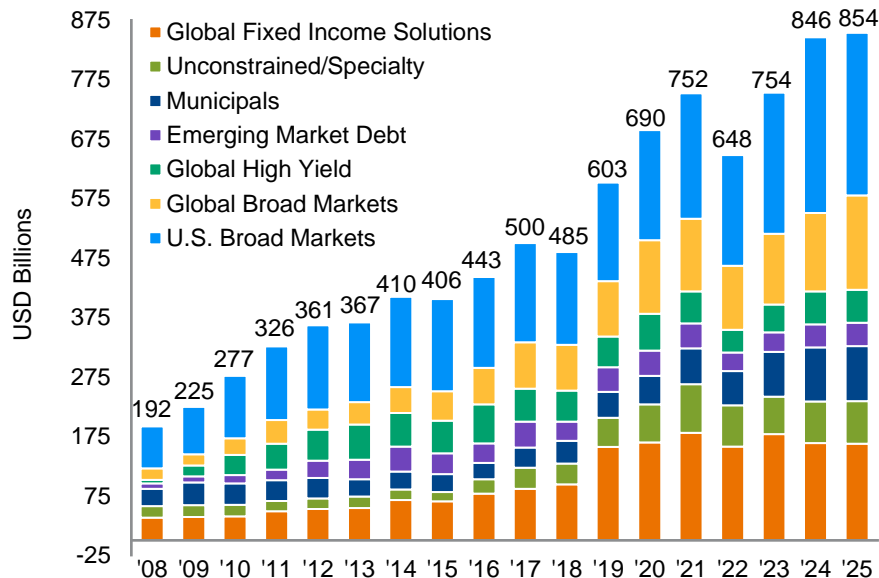
⁴ JPMAM, ISS Market Intelligence Simfund, public filings, and company websites; ⁵ Morningstar; ⁶ iMoneyNet.

Global Fixed Income, Currency & Commodities Assets Under Management

AUM across our product offerings

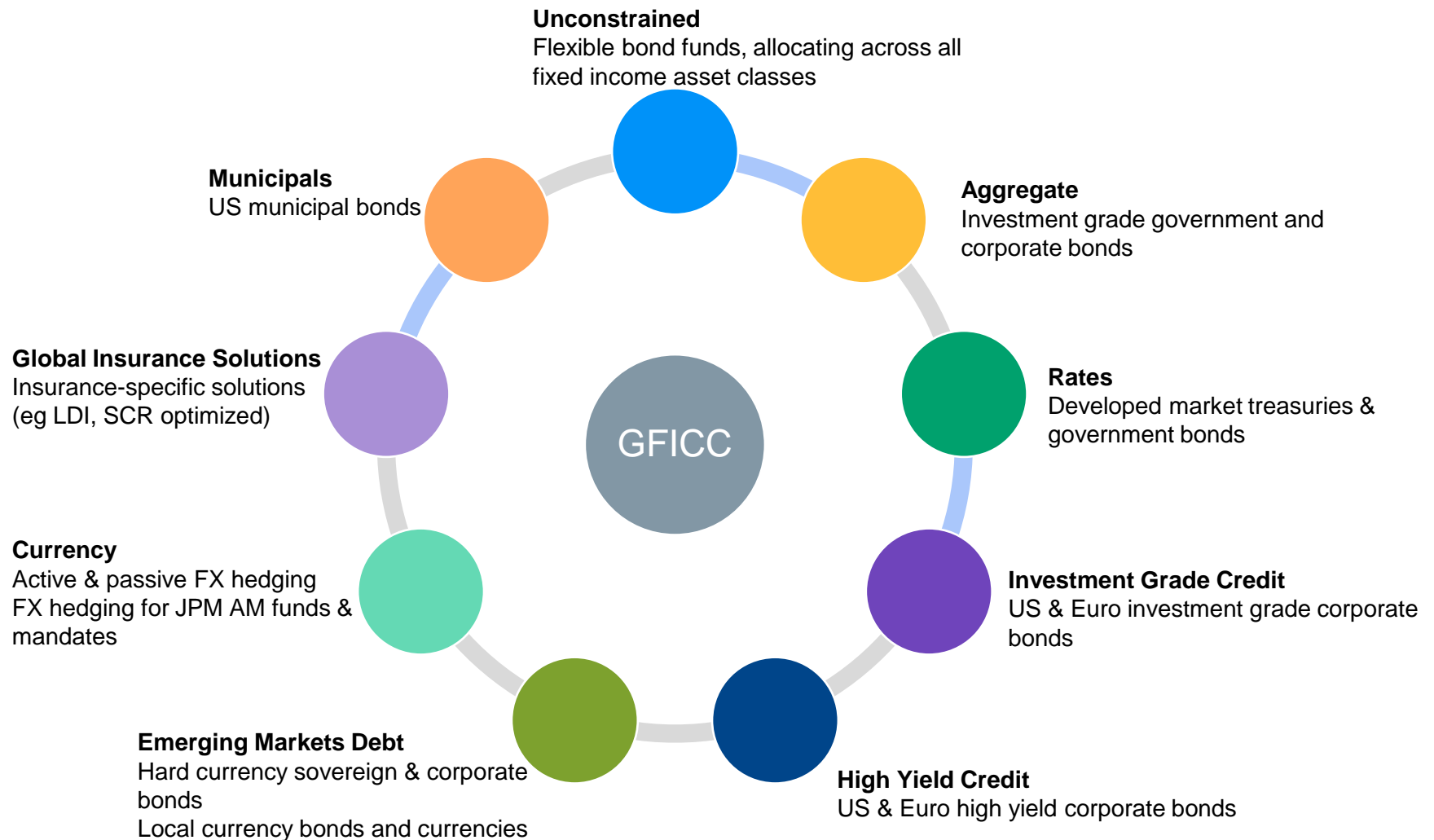


AUM growth since 2008



Source: J.P. Morgan Asset Management. Data as of January 31, 2025. Due to rounding, data may not always add up to the total AUM. AUM figures are representative of assets managed by the Global Fixed Income, Currency & Commodities group and include AUM managed on behalf of other J.P. Morgan Asset Management investment teams. The manager seeks to achieve the above stated objective. There can be no guarantee the objective will be met.

What Fixed Income strategies do we manage for our clients?



Source: J.P. Morgan Asset Management.

Why fixed income with J.P. Morgan Asset Management

A steward of capital



- Invest as lenders of our clients' money
- A fiduciary mindset for **150 years**
- A firm-wide culture of **risk management**, embedded on multiple levels
- A **proven track record** of navigating through financial crises and seeks to deliver **strong risk-adjusted returns**

Information advantage



- JPMC works with more than **90% of the Fortune 500 and 50% of American households**
- Proprietary banking data provides **real-time insights into the economy**
- JPMC operates in over 60 countries, providing **global perspective and local insights**
- Access to **key industry decision makers**, and strong relationships with financial institutions

Extensive resources



- **304 fixed income investment professionals** across 5 countries
- Global research team with **72 quantitative and fundamental research analysts**
- Common **trading platform** seeks to create scale in an effort to deliver **best execution**

Proven Process



- Globally integrated, research-driven
- **Fundamental, Quantitative, Technical (FQT)** inputs used to underwrite every investment
- Continuous collaboration including our weekly strategy meetings and our **Investment Quarterly (IQ)**

Source: J.P. Morgan Chase & Co., J.P. Morgan Asset Management, data as of December 31, 2023. The manager seeks to achieve the stated objectives. There can be no guarantees those objectives will be met. Past performance is not indicative of comparable future results.

Common research language is the foundation of our consistent and repeatable investment process

Fundamentals

- Macroeconomic Data: Growth, inflation, etc.
- Corporate Health: Defaults, earnings, etc.
- ESG Profile: Greenhouse gas emissions, labor practices, etc.¹

Quantitative (valuations)

- Proprietary Quantitative Research (QRG) models inform rich/cheapness of sector or security
- Absolute, relative, historical basis

Technicals

- Supply / demand (issuance and flows)
- Investor positioning and momentum

Investment Quarterly (IQ) Meeting

- Global sector heads and investment officers discuss and debate macro environment and sector signals
- Participants establish three-six month forward investment themes and identify best ideas across different scenarios

Weekly Global Strategy Meeting

- Sector heads and portfolio managers evaluate evolving market factors
- Global sector specialists provide input and updates on each sector

Weekly Sector Team Meetings

- Teams focus on the economy, markets and relative value
- Teams adjust their strategies and tactical positioning accordingly

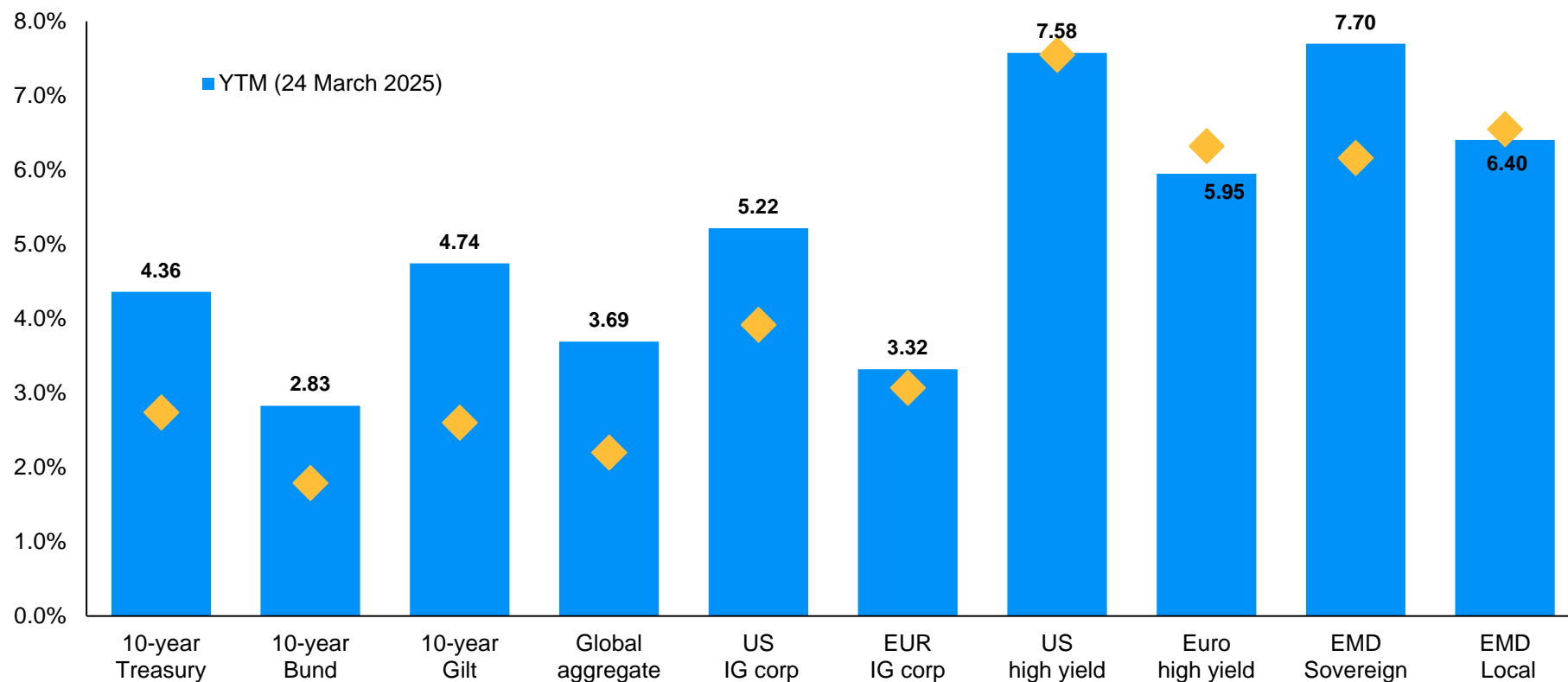
Continuous Dialogue

- Teams leverage the expertise of locally based specialists
- Analysts and traders closely integrated with portfolio managers

The manager seeks to achieve the stated objective. There can be no guarantee the objective will be met. As of December 31, 2023. ¹ In the research process described above, we systematically assess financially material ESG factors amongst other factors in our investment decisions with the goals of managing risk and improving long-term returns. ESG integration does not change a strategy's investment objective, exclude specific types of companies or constrain a strategy's investable universe. ESG factors will not be considered for each and every security.

Bonds are attractive right now...the window for fixed income remains open

Yields are still attractive across fixed income sectors

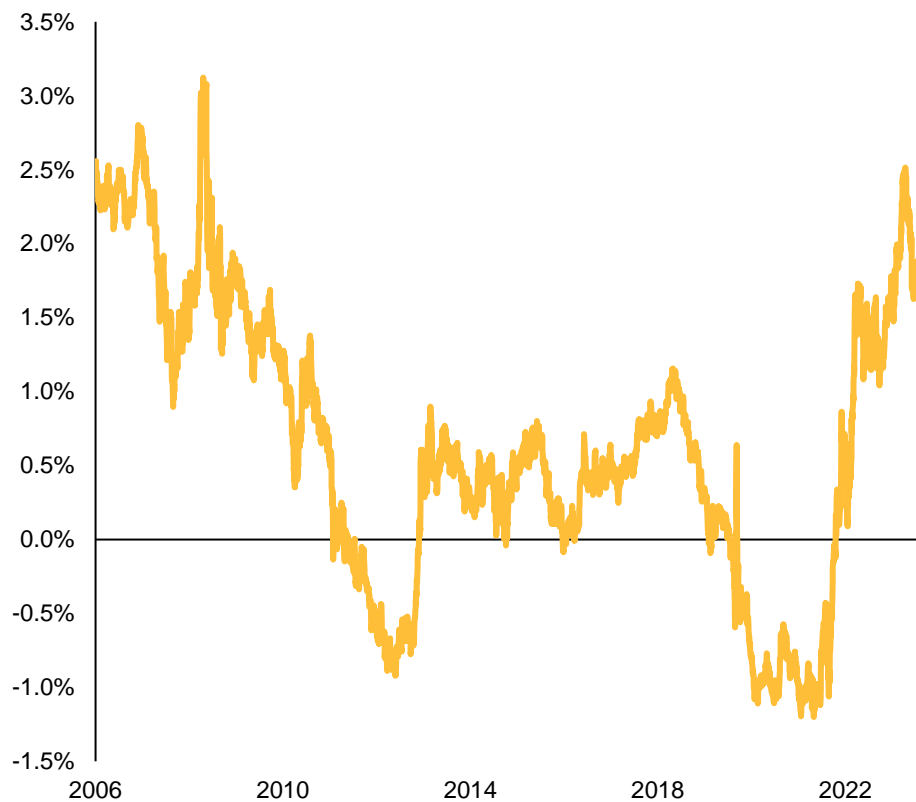


Source: Bloomberg, ICE indices. IG: Investment Grade. EMD: Emerging Market Debt. Data as of 24 March 2025. Past performance is not a reliable indicator of current and future results.

Bonds offer value and diversification

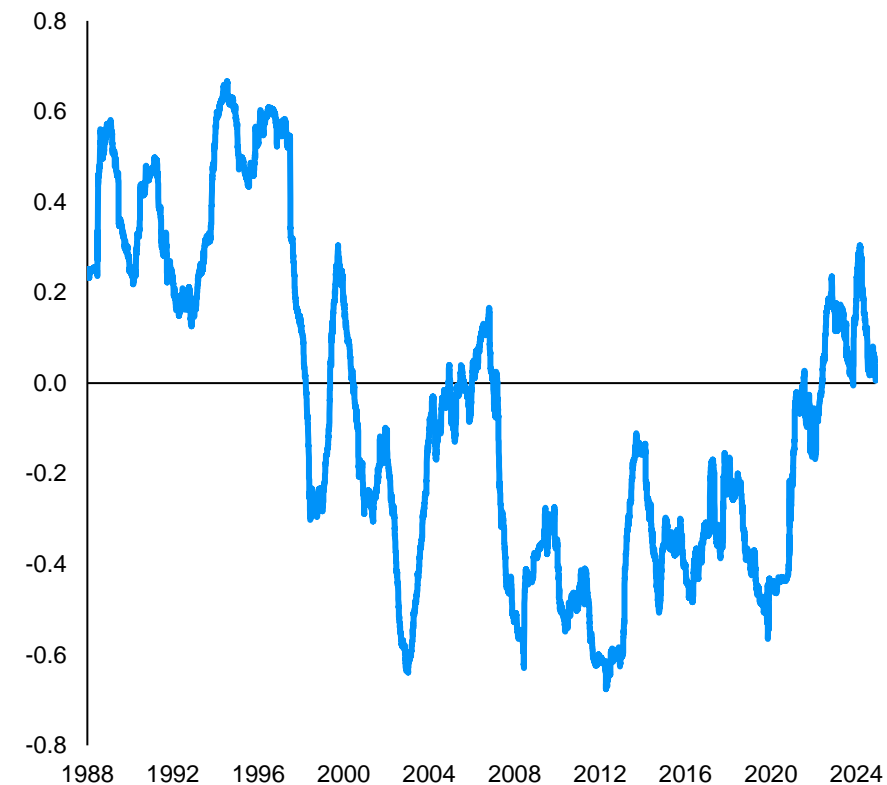
Real yields are attractive

10-year real yields



Bonds becoming a better hedge for risk

1-year Bond/equity rolling correlations

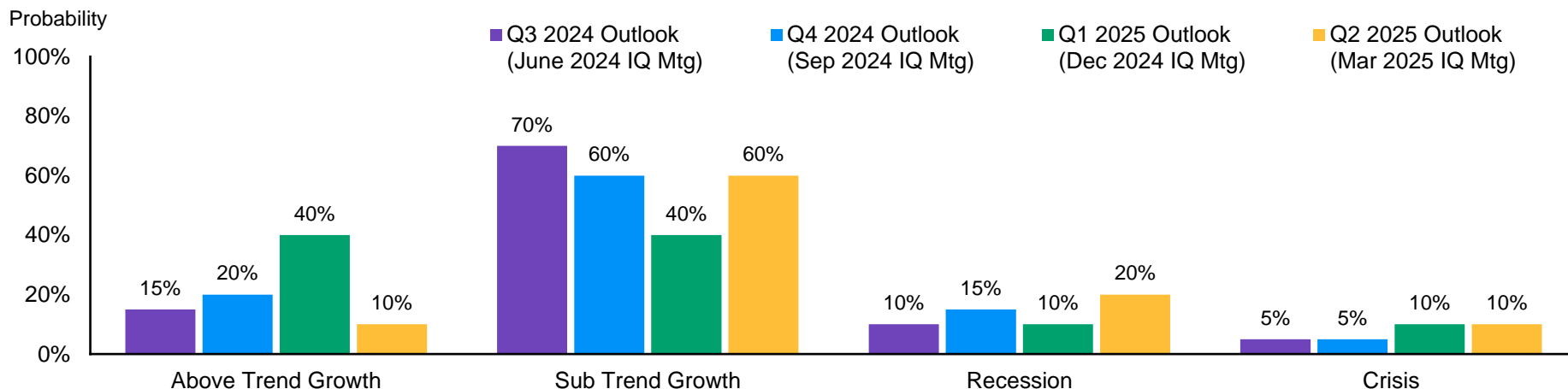


Source: Bloomberg. Left-hand side data as of March 21, 2025. Right-hand side data as of March 25, 2025. Past performance is not a reliable indicator of current and future results.

What are we thinking about markets?

Investment Quarterly output: upgraded probability of sub-trend growth

GFICC scenario probabilities and investment expectations



Market views:





- The probability of Sub Trend Growth was increased to 60% which is now our base case; measures coming from the Trump administration leave little room for fiscal expansion and any extension of tax cuts will be offset by less spending.
- Despite concern around an escalating trade war, businesses and households are in relatively good positions to absorb any associated shock.
- Belief the Fed is right to pause until they have greater clarity on the magnitude and duration of tariff policy, as well as, cuts to the federal workforce and any knock on effects at the state and local level. Nonetheless, the Fed is telling us they are looking for an opportunity to bring rates lower. We expect the Fed to cut rates twice more this year to 3.875%, with the 10-year U.S. Treasury settling into a range around 4%—broadly 3.75% to 4.50%.

Strategy implications:

- Increasing longer duration exposure via government debt in the US and UK notably five- and ten-year maturities, and emerging markets.
- Reduce credit sensitivity by either moving up in quality or trimming positions, although we remain constructive on investment grade financials in both the US and Europe
- Securitised credit remains attractive, but maintain an up-in-quality bias as credit metrics have continued to normalize for middle- and upper-income consumers while lower income struggles persist

Source: J.P. Morgan Asset Management as of 20 March 2025. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections and other forward statements, actual events, results or performance may differ materially from those reflected or contemplated.

Global Fixed Income Roadmap

	High conviction market opportunities	Fund AUM (USD)	5-year Morningstar rank	TER (%)
Core 	Aggregate Bond Core fixed income targeting diversified alpha sources	4.7 bn	26	0.50
	US Aggregate Bond Emphasis on USD IG long term relative value across all debt sectors	4.9 bn	48	0.60
	Global Aggregate Bond Active UCITS ETF (JAGG)* Core fixed income targeting diversified alpha sources	173 mn	-	0.30
	Global Government Bond Focus on global government and high-quality sovereign debt	2.3 bn	100*	0.40
	Global Corporate Bond Strong corporate fundamentals with attractive all in yields	6.1 bn	46	0.55
	USD Corporate Bond Research Enhanced Index ETF* Research-driven approach with enhanced index strategy	48 mn	63	0.19
Intermediate 	Flexible Credit Flexible investment across global credit markets without benchmark limitation	475 mn	11	0.55
	Emerging Markets Local Currency Debt High real yields supported by an overvalued dollar	1.1 bn	25	0.70
Extended 	Global High Yield Bond Preparing for spreads to widen in the recessionary environment	5.9 bn	26	0.60
	Emerging Markets Strategic Bond Exploring best ideas opportunities across emerging markets	455 mn	29	1.15
Best Ideas 	Global Bond Opportunities Best ideas with upside capture focus	4.2bn	36	0.65
	Global Strategic Bond Best ideas with downside protection focus	1.1 bn	24	0.65
	Income Maximum predictable possible income for prudent level of risk	10.8 bn	43	0.65

Source: J.P. Morgan Asset Management, Morningstar as of 31 October 2024 © 2023 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. *The JPM Global Government Bond fund follows a pure play approach, focusing primarily on interest rate decisions to meet investment objectives. The fund invests predominantly in government bonds and takes no corporate or active FX exposure. This makes the fund not directly comparable to the Morningstar peer group, since the group include funds that run credit exposures such as aggregate bond products. TER and MS rank based on C share class of the Luxembourg domiciled SICAV subfund in base currency. *JAGG inception October 2023. . *Corporate Bond Research Enhanced Index (CREI) ESG UCITS ETF

Past performance is no guarantee of future results.

Fixed Income Investment Specialists to look out for this week....

Kay Herr, CFA U.S. Fixed Income CIO		Iain Stealey, CFA International Fixed Income CIO		Deb Fierro Custom Bond Portfolios CIO	Pierre-Yves Bureau Emerging Markets Debt CIO
Shayan Hussain, MD		Jemma Clee, MD		Sanaa Khan, MD	Zsolt Papp, MD
CORE PLUS AND INCOME Ben Christensen, MD <i>Income</i> Ian Fenwick, ED		INVESTMENT GRADE Sabriyah Denham, ED Annabel Gray, VP Tom Fraser, Associate William Klein, Program Analyst Siddharth Jani, Assoc Aaron Cherian, Analyst		CUSTOMIZED BOND PORTFOLIOS Margaret Byrne, MD William Teets, ED Caroline Hampton, VP Caitlin Swift, VP Marisol Israel, VP Leila Mahoney, VP Thomas Plate, VP Tali Weg, Program Analyst Anuradha Venkatachalam, Assoc Shantanu Thaker, Assoc (50%)	
CORE PLUS AND US INVESTMENT GRADE CREDIT Marika Dysenchuk, MD Umang Kedia, Sr. Assoc		JAPAN John Tierney, MD Kenya Nakao, ED Shiki Cho, ED Kentaro Yamauchi, VP Takuya Korehiro, Assoc Taiki Higuchi, Analyst Saki Omote, Analyst		EMERGING MARKET DEBT Howard Sheers, VP Ruchit Shah, VP Kartik Bansal, Assoc	
U.S. Investment Grade Credit Karim Fayyad, VP Dan Minicucci, VP Siddharth Jani, Assoc Aaron Cherian, Analyst		HIGH YIELD Rohan Duggal, MD Lisa Tomasi, VP Sheldon Lewis, VP		ASIA EX-JAPAN Jonathan Liang, MD Jennifer Kwan, ED Yue Wang, VP Kartik Rajpara, Sr. Assoc Kritika Garg, Analyst	
UNCONSTRAINED Meghana Chugani, MD Hanah Coulter, Sr. Associate Shagun Aggarwal, Sr. Assoc (50%) Siddharth Mehta, Assoc (25%)		UNCONSTRAINED Liam Moore, ED Jonny Oakley, VP Eniola Adeyemi, Program Analyst Shagun Aggarwal, Sr. Assoc (50%) Siddharth Mehta, Assoc (25%)		AMERICAS INSURANCE SOLUTIONS Matt Kelbick, ED Chase Uhlein, ED John Mangas, ED Nick Ziner, VP Resala Samadi, Assoc	
U.S. FUNDS GENERALIST AND US MUNICIPALS John Ecklund, MD Robert Fields, MD Thomas Alexander, ED Kaitlyn Fromelt, Analyst Siddharth Mehta, Assoc (50%)		AGGREGATE/RATES/FX Jacob Hegge, ED Cameron McCrimmon, VP Anurag Kotikalpudi, VP Aniket Mishra, Assoc Rishika Todi, Assoc Shantanu Thaker, Assoc (50%)		EMEA INSURANCE SOLUTIONS Giles Bedford, ED Freya Lobedank, Assoc Aliasger Challawala, Sr. Assoc Animesh Shambhav, Sr. Assoc	
US Municipals <i>Open role, TBD</i> Bo Fick, Analyst Ashwin Kini, Assoc		SHORT DURATION, STABLE VALUE AND RATES Jason Bove, ED Alexis Mance, Associate Kruti Vyas, Assoc			
		Stable Value Justin Goldstein, ED Joe Dionne, VP Urvashi Agarwal, Analyst		Gregory Tell Insurance	

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Enjoy your week of
Fixed Income training
ahead!

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