

JPM USD Emerging Markets Sovereign Bond UCITS ETF

Tickers: JPMB, JPBM

BUILDING STRONGER PORTFOLIOS



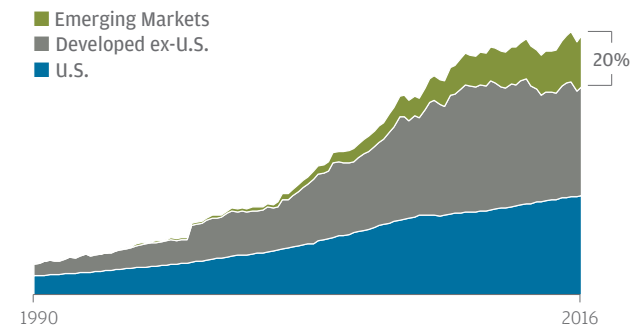
A smarter way to access emerging market debt

JPMB provides exposure to the return and yield potential of the rapidly expanding emerging market debt sector, while enhancing liquidity and improving country and credit risk allocations relative to traditional market cap-weighted benchmarks.

- EXPERTISE** • Leverages J.P. Morgan's experience in quantitative research and portfolio management, employing a team approach led by Dr Yazann Romahi, CIO of Quantitative Beta Strategies.
- PORTFOLIO** • Closely tracks the J.P. Morgan Emerging Market Risk-Aware Bond Index—a newly created benchmark that uses a rules-based methodology to enhance liquidity and improve country risk and credit rating distributions compared to traditional market cap-weighted indices.
- SUCCESS** • Offers low cost, liquid, risk-managed exposure to the enhanced return and yield potential of emerging market debt—to help boost income and total return or diversify a core bond portfolio.

EMERGING MARKETS DEBT: EMERGING EXPONENTIALLY

Global bond market: \$104 trillion



Source: J.P. Morgan Asset Management; Bank for International Settlements, *Guide to the Markets - U.S.* Data are as of 31.12.2016.

MANAGING THE CHALLENGES AND CAPTURING THE RETURNS

Investors are increasingly adding emerging market debt allocations to portfolios, attracted by the higher yields on offer compared to developed market sovereign bonds and the improving credit quality of many emerging market issuers.

However, investing in the asset class through a traditional index fund is challenging, as market-cap-weighted benchmarks suffer from unrewarded credit risk concentrations, poor liquidity and fluctuations in duration.

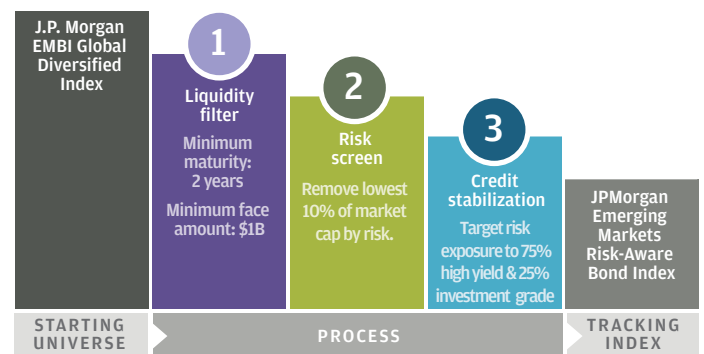
In contrast, JPMB uses a disciplined, optimisation-based investment approach to minimise tracking error vs. the JPM Emerging Market Risk-Aware Bond Index—an innovative benchmark that employs a powerful three-step screening process to provide risk-managed exposure to the yield and return potential of emerging market debt.

Step 1: Liquidity filter ensures the fund's starting universe is liquid and investable. Instruments are filtered based on face amount outstanding and maturity.

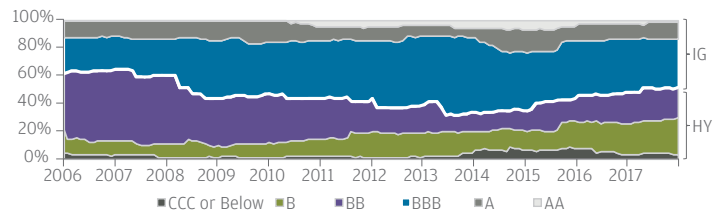
Step 2: Risk screen removes exposure to countries with the highest level of relative risk. Countries are ranked according to their relative risk level, with the lowest 10% of market cap by risk removed.

Step 3: Credit stabilisation provides more consistent access to emerging market credit risk. Index is reweighted to maintain a consistent risk contribution of 75% high yield/25% investment grade.

BUILDING A RISK-AWARE BOND INDEX¹



EMBIG DIVERSIFIED INDEX HISTORICAL CREDIT RATING BREAKDOWN²



¹ Source: J.P. Morgan Asset Management. For illustrative purposes only. ² Source: J.P. Morgan Asset Management, Morningstar as at 31 December 2017. All Rights Reserved.

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 • 17 years of industry experience, 2 at J.P. Morgan

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Portfolio manager
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Portfolio manager
 • 7 years of industry experience, all at J.P. Morgan

Albert Chuang

Portfolio manager
 • 7 years of industry experience, all at J.P. Morgan

As of 31.12.2017

- J.P. Morgan is the index provider of choice in the emerging markets debt space.
- Unique integrated approach combining J.P. Morgan's robust quantitative research capabilities with our fixed income investment expertise.
- 30+ investment and technology professionals.

JPM USD Emerging Markets Sovereign Bond UCITS ETF

Launch date	15-Feb-18
Domicile	Ireland
Replication method	Physical replication
Base currency	USD
Total Expense Ratio (TER)	0.39%
ISIN	IE00BDFC6G93
Bloomberg Ticker (LSE)	JPMB LN
Bloomberg Ticker (Borsa Italiana)	JPMB IM
Bloomberg Ticker (Xetra)	JPBM GY
Bloomberg iNAV Ticker*	JPMBUSIV
Reuters RIC (LSE)	JPMB.L
Reuters RIC (Borsa Italiana)	JPMB.MI
Reuters RIC (Xetra)	JPBM.DE

* This is for the base currency, other iNAV tickers are available upon request.

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.

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. 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. 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 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. Emerging markets may be subject to increased risks, including less developed custody and settlement practices, higher volatility and lower liquidity than non-emerging market securities.

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