

# JPM MANAGED FUTURES UCITS ETF

Tickers: JPMF, JPGM, JPFM

BUILDING STRONGER PORTFOLIOS



## Providing long/short exposure to carry and momentum factors across asset classes

By systematically isolating the beta component of the managed futures hedge fund style, this alternative beta ETF seeks to generate returns in a variety of market environments and bring enhanced diversification benefits to existing portfolios.

### 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.

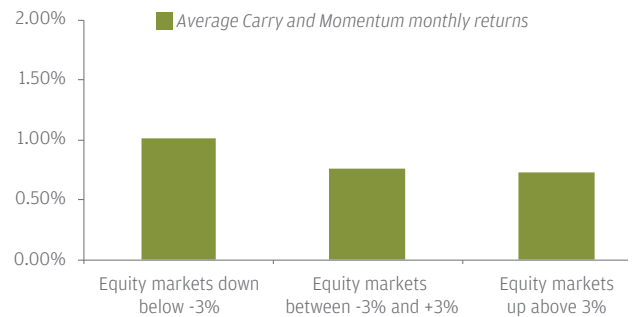
### PORTFOLIO

- Maintains long/short exposure to carry and momentum factors across four core asset classes: equities, fixed income, currency and commodities.
- Bottom-up portfolio construction takes long and short positions in futures markets backed by a systematic, rules-based approach

### RESULTS

- A portfolio diversifier with the potential to limit drawdowns and reduce overall volatility by providing returns that are uncorrelated to traditional asset classes.

### MOMENTUM AND CARRY FACTORS HAVE GENERATED POSITIVE RETURNS IN A VARIETY OF MARKETS



Source: J.P. Morgan Asset Management. Equity Markets represented by monthly returns of the MSCI World Index from 1971-2016; Average Carry and Momentum monthly returns represented by an aggregate carry and momentum return across equities, fixed income, currency, and commodities. Past performance is not a reliable indicator of current and future results.

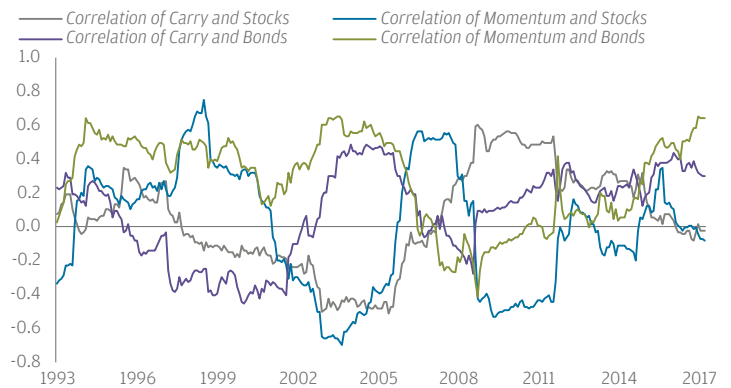
## DIVERSIFICATION ACROSS FACTORS AND VS. TRADITIONAL MARKETS

JPMF is a core portfolio diversifier that aims to deliver returns that are uncorrelated to traditional markets by providing long/short exposure to carry and momentum factors across asset classes. Exposure to these factors is achieved by taking long and short positions in futures markets, backed by a systematic, rules-based approach.

Momentum is the tendency of securities whose prices have gone up (or down) to continue to go up (or down). JPMF implements momentum trades by taking long positions in markets with positive momentum and short positions in markets with negative momentum across six developed bond markets (fixed income time series momentum), diversified commodity indices (commodity time series momentum), 10 developed market equity indices (equity time series momentum) and 10 developed market currencies (FX relative value momentum).

Carry is the tendency of higher yielding securities to outperform lower yielding securities over time. JPMF implements carry trades by taking long positions in higher yielding assets and short positions in lower yielding assets across six developed bond markets (fixed income term premium and fixed income real yield), diversified commodity indices (commodity roll yield), and 10 developed market currencies and 20 emerging market currencies (FX carry).

## MOMENTUM AND CARRY FACTORS SHOW NO CONSISTENT CORRELATION TO TRADITIONAL MARKETS



Source: Bloomberg, J.P. Morgan Asset Management. Rolling three-year correlation. Stocks are represented by the MSCI World Index. Bonds are represented by the Barclays Aggregate Index. Carry and Momentum are represented by aggregated strategies across equities, fixed income, currencies, and commodities over 1990-2017.

**Yazann Romahi, PhD, CFA**

Portfolio manager

- 19 years of industry experience, 15 at J.P. Morgan

**Wei Victor Li, PhD, CFA**

Portfolio manager

- 8 years of industry experience, all at J.P. Morgan

**Joe Staines, PhD, CFA**

Portfolio manager

- 4 years of industry experience, all at J.P. Morgan

**Albert Chuang, CFA**

Portfolio manager

- 7 years of industry experience, all at J.P. Morgan

**JPM MANAGED FUTURES UCITS ETF**

Launch date	08 November 2017
Domicile	Ireland
Base currency	USD
Total Expense Ratio (TER)	0.57%
ISIN	IE00BF4G7290
Bloomberg iNAV Ticker*	JPMFUSIV
Strategy	Long/short exposure to momentum and carry factors across asset classes
Portfolio exposures	Momentum and Carry
Implementation	Long/short (~50 positions)
Asset class exposures	Equities, Fixed income, Currencies, Commodities and Cash
Risk target p.a.	6%- 8%
Return target p.a.	Cash + 4% (gross of fees)
Expected beta to MSCI World	-0.8 to +0.8
Typical gross exposure	300% to 500%

**INVESTMENT OBJECTIVE**

The Sub-Fund aims to provide long-term total return through a portfolio of long and short exposures to multiple asset classes across global markets.

**TRADING INFORMATION**

Stock exchange	Exchange ticker	Trading currency	Bloomberg ticker	Reuters RIC	Sedol
Borsa Italiana	JPMF	EUR	JPMF IM	JPMF.MI	BYXH7C6
Deutsche Borse	JPGM	EUR	JPGM GY	JPGM.DE	BDR5M79
London Stock Exchange	JPMF	USD	JPMF LN	JPMF.L	BYXH6Z2
London Stock Exchange	JPFM	GBX	JPFM LN	JPFM.L	BF2F6P4
SIX SWISS	JPMF	USD	JPMF SW	JPMF.S	BYXH7K4

The stated target returns are the investment manager's objectives only. There is no guarantee that these objectives will be met.

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

**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.
- Emerging markets may be subject to increased risks, including, less developed custody and settlement practices, poor transparency, higher volatility and lower liquidity than non emerging market securities.
- There is no guarantee that the use of long and short positions will succeed in enhancing investment returns.
- The short selling of investments may be subject to changes in regulations and losses from short positions may be unlimited.
- The value of securities in which the Sub-Fund invests may be influenced by movements in commodity prices, which can be very volatile.
- Movements in currency exchange rates can adversely affect the return of your investment.

This is a marketing communication and as such the views contained herein are not 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 are considered to be reliable at the time of writing, 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. It should be noted that 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 product(s) 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, whilst it is the intention to achieve the investment objective of the investment products, there can be no assurance that those objectives 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 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/jpmpdf/1320694304816.pdf](http://www.jpmorgan.com/jpmpdf/1320694304816.pdf). 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 Investor Information Document (KIID) and any applicable local offering document. These documents together with the annual report, semi-annual report and the articles of incorporation, are available free of charge 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 "http://www.jpmorganassetmanagement.ie". In Switzerland, JPMorgan Asset Management (Switzerland) LLC, Dreikönigstrasse 21, 8002 Zurich, acts as Swiss representative of the funds and J.P. Morgan (Suisse) SA, 8 rue de la Confédération, 1204 Geneva, as paying agent of the funds. 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. In Switzerland, JPMorgan Asset Management (Switzerland) LLC, Dreikönigstrasse 21, 8002 Zurich, acts as Swiss representative of the funds and J.P. Morgan (Suisse) SA, 8 rue de la Confédération, 1204 Geneva, as paying agent of the funds. This is a Sub-Fund of JPMorgan ETFs (Ireland) ICAV.

**CONTACT DETAILS**

For further Information on JPM Morgan AM ETFs please contact us on +44 207 742 8361 or [jpmam\\_etf@jpmorgan.com](mailto:jpmam_etf@jpmorgan.com)

LV-JPM50533 | 03/18 | 0903c02a820e5bfb