

Introducing the J.P. Morgan ESG Global Corporate Index

The JESG GCI is a comprehensive ESG benchmark encompassing global investment grade and high yield corporate debt.

What is the JESG GCI?

We introduce the J.P. Morgan ESG Global Corporate Index (JESG GCI), an integrated environmental, social, and governance corporate benchmark covering Investment Grade and High Yield markets across USD, EUR, and GBP currencies. The newly launched aggregate index and the investment grade variant are the latest expansions to the established J.P. Morgan ESG (JESG) global fixed income index family. The new additions complement the JESG GCI High Yield index launched in 2019 ([can be read here](#)), providing a complete ESG corporate benchmark.

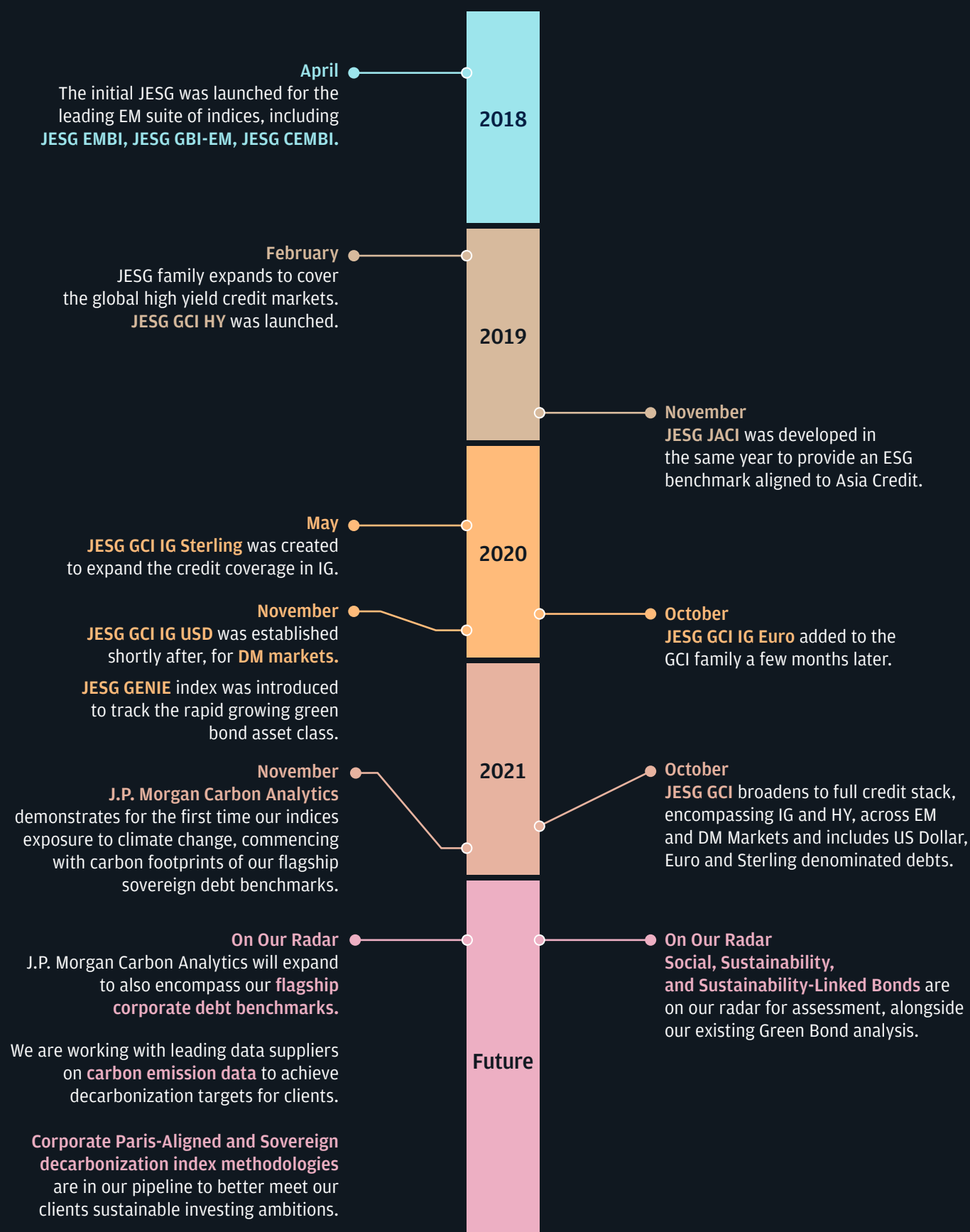
- **All-encompassing global corporate baseline index:** The JESG GCI is built atop a non-ESG baseline, an inclusive multi-currency benchmark that tracks global corporate issuances across developed and emerging markets. The baseline GCI includes 19,000+ securities from nearly 2,000 investment grade and 1,700 high yield issuers, with a total notional of US \$14.8 trillion, as of December 31st, 2021.
- **Broad ranging coverage due to expansive inclusion criteria:** The index uniquely features the inclusion of floating rate notes, perpetual notes, Tier 2, non-contingent convertible Tier 1 capital, and non-registered securities. The baseline GCI includes corporate debt denominated in USD, EUR, and GBP currencies, which make up 70%, 26%, and 4% of the index, respectively.
- **Ethical screening and green bonds used to tilt index weights:** Corporate issuers with higher ESG scores are over-weighted compared with the baseline index. Green bonds, as designated by the Climate Bonds Initiative (CBI), will receive a one-notch upgrade. While, on the exclusionary side, issuers with any revenue from production of tobacco, thermal coal, oil sands, or military/controversial weapons and lack of adherence to United Nations Global Compact (UNGC) principles are excluded. As of December 31st, 2021, 14% of the baseline GCI is excluded from JESG GCI due to negative screening or low ESG scores.
- **Enhanced bespoke index capability:** JESG GCI offers depth and transparency with over 7,000 sub-indices available, across JESG band, currency, industry, region, credit rating, and maturity. Hedged index levels are calculated in 8 key currencies. In order to facilitate evolving ESG investment mandates, JESG GCI also offers expansive tailored solutions, including fine tuning of discretionary ESG criteria, controversial issuer exclusion, green bond weight adjustment, selective JESG bands inclusion or incorporating other labelled bonds weighting methodology.
- **Fallen angels and rising stars:** To bring a holistic view into ESG corporate investing, the index adopts a unified index criteria and a harmonized industry classification across IG and HY. Bespoke indexation for fallen angels and rising stars are available for mandates seeking custom holding periods during credit transitions.
- Pricing and FX rates for the JESG Global Corporate Index are provided by thirdparty vendors, Pricing Direct and WM/Refinitiv, respectively.
- JESG GCI family of indices offer daily returns and statistics since December 31st, 2012. Index data is accessible on J.P. Morgan Markets ([can be read here](#)) and Bloomberg via **JGCIAGIN Index <GO>** and **JIGEAGIN Index <GO>**.

The GCI Index Profile

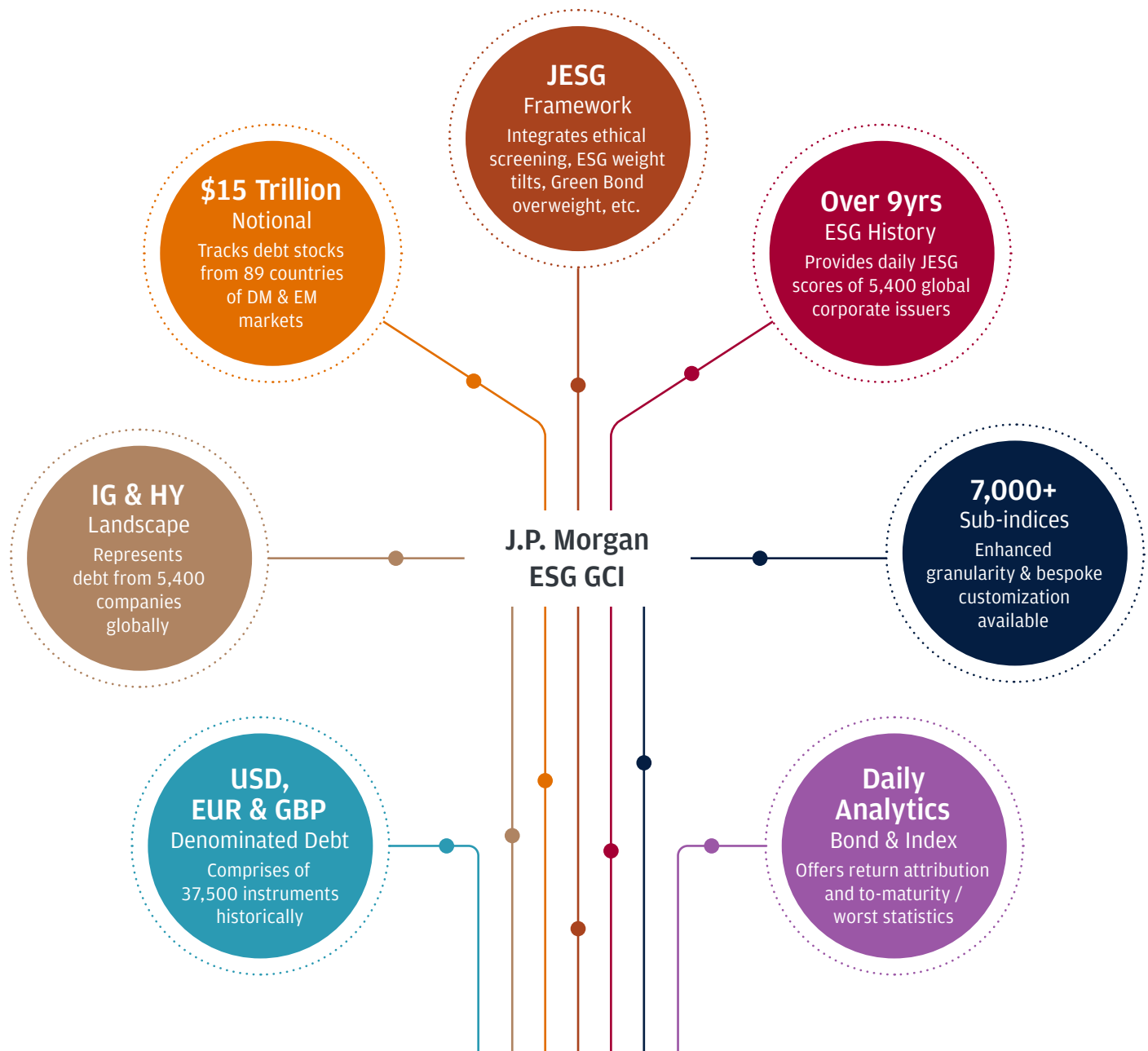
	GCI Index	GCI IG Index	GCI HY Index	GCI USD Index	GCI EUR Index	GCI GBP Index
No. of Securities (baseline)	19,028	15,113	3,915	13,294	4,706	1,029
No. of Issuers (baseline)	3,579	1,995	1,694	2,756	1,069	395
No. of Countries (baseline)	89	60	79	83	44	27
Notional Amount (baseline)	US\$14.83 trillion	US\$12.20 trillion	US\$2.63 trillion	US\$10.47 trillion	US\$3.76 trillion	US\$0.60 trillion
Avg. Credit Rating (JESG index)	BBB+/Baa1/BBB+	A-/A3/A-	BB-/B1/BB	BBB+/Baa1/BBB+	BBB+/Baa1/BBB+	BBB+/Baa1/BBB+

Source: J.P. Morgan, as of December 31st, 2021

J.P. Morgan ESG Index Suite (JESG)



The first ESG benchmark to cover the global credit markets



CONTACT INFORMATION

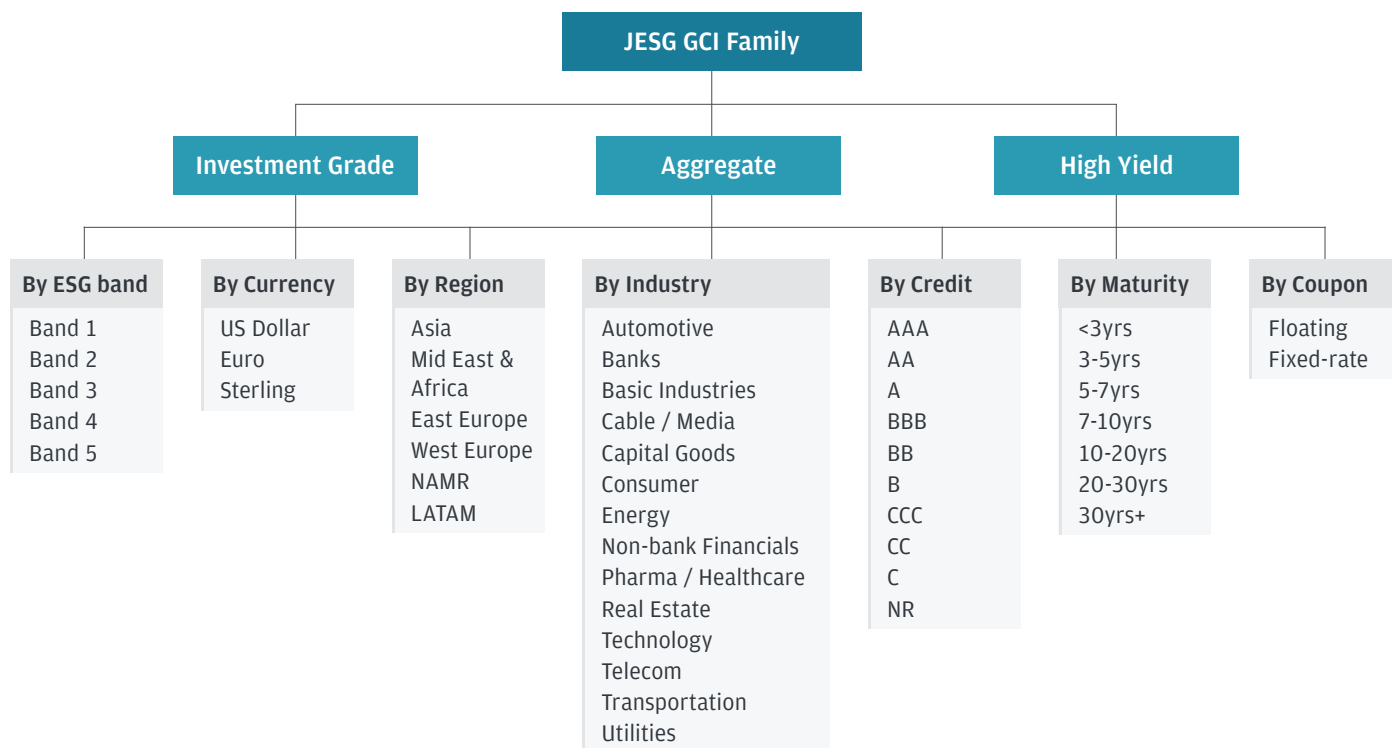
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The JESG GCI suite offers 7,000+ discrete sub-indices



JESG GCI Performance

Over time, the J.P. Morgan ESG Global Corporate Index (JESG GCI) delivers comparable absolute and risk-adjusted returns to its baseline index, while equally demonstrating stronger ESG characteristics across IG and HY asset classes.

Statistics	JESG GCI	Baseline GCI	Diff GCI	JESG GCI IG	Baseline GCI IG	Diff GCI IG	JESG GCI HY	Baseline GCI HY	Diff GCI HY
TR 2013	2.51%	2.20%	+0.31%	1.50%	1.24%	+0.26%	7.54%	7.18%	+0.35%
TR 2014	2.81%	3.18%	-0.37%	3.30%	3.70%	-0.40%	0.82%	0.80%	+0.02%
TR 2015	-3.40%	-3.44%	+0.04%	-3.27%	-3.23%	-0.04%	-4.03%	-4.49%	+0.46%
TR 2016	5.51%	5.70%	-0.19%	3.43%	3.74%	-0.32%	15.01%	15.26%	-0.25%
TR 2017	9.48%	9.34%	+0.14%	9.29%	9.14%	+0.15%	10.35%	10.32%	+0.02%
TR 2018	-3.37%	-3.34%	-0.04%	-3.34%	-3.32%	-0.02%	-3.71%	-3.44%	-0.27%
TR 2019	11.32%	11.52%	-0.21%	10.95%	11.13%	-0.17%	13.26%	13.59%	-0.33%
TR 2020	9.85%	9.91%	-0.06%	10.21%	10.28%	-0.07%	7.83%	7.65%	+0.18%
TR 2021	-2.41%	-2.27%	-0.14%	-3.18%	-2.97%	-0.21%	1.46%	1.25%	+0.21%
Cumulative Return	35.61%	36.27%	-0.66%	31.19%	32.23%	-1.04%	57.54%	56.85%	+0.69%
Annualized Return	3.44%	3.50%	-0.06%	3.06%	3.15%	-0.09%	5.18%	5.13%	+0.05%
Annualized Volatility	4.00%	3.99%	+0.01%	4.27%	4.25%	+0.02%	4.61%	4.61%	+0.00%
Sharpe Ratio	0.86	0.88	-0.02	0.72	0.74	-0.02	1.12	1.11	+0.01
YTW	2.50%	2.57%	-0.07%	2.29%	2.37%	-0.08%	4.41%	4.45%	-0.04%
STW	134	135	-1	110	112	-2	350	349	+1
Mod Dur. to Worst	6.24	6.43	-0.19	6.79	6.99	-0.2	3.58	3.64	-0.06
JESG Score	60	54	+6	60	55	+5	59	54	+5

Source: J.P. Morgan, as of December 31st, 2021

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