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Investment Management
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Why Emerging Markets Debt Now?

Emerging markets (EM) debt has underperformed as interest rates have increased, but the tide could be changing.

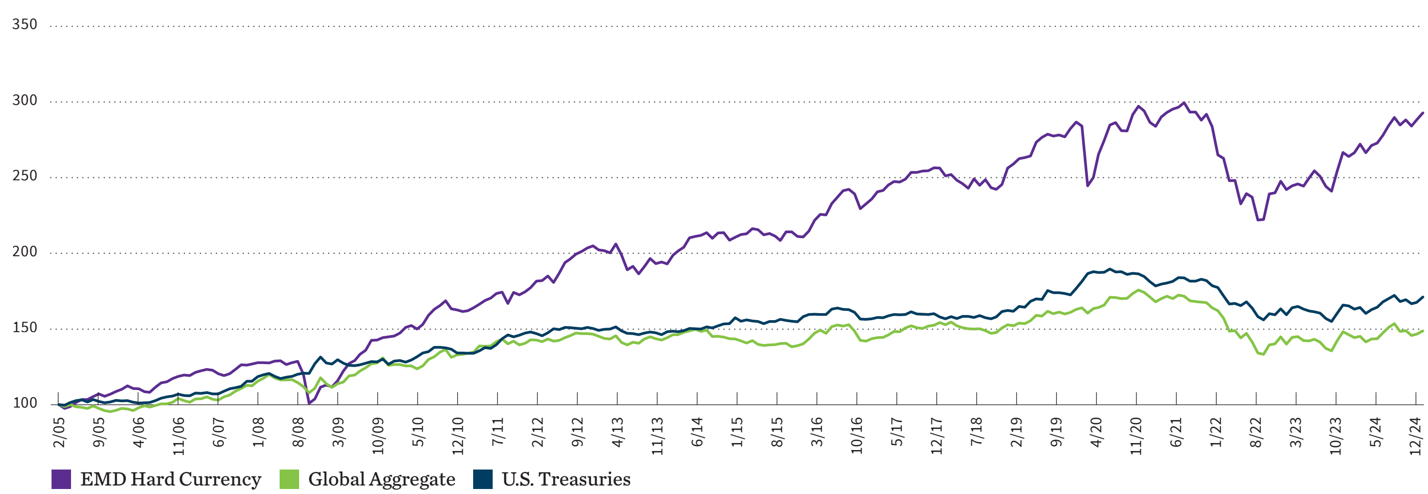
1 **The End of Central-Bank Tightening Could Generate Demand**
With disinflation trending globally, central banks may be at the end of their tightening cycles—and this could generate stronger demand for fixed income, driving EM debt inflows.

2 **Declining Rates Could Drive Growth in EMs**
Inflation in EMs has decelerated, allowing central banks to start reducing interest rates—and that could support economic growth in these countries.

3 **High Yields Could Lead to Strong Returns**
The yield offered by EM debt is relatively high compared to other types of debt (such as U.S. or European credit)—and because investors can potentially earn more income from these bonds, they could see stronger overall returns.

4 **Alpha-Generation Opportunities Abound**
EM debt is an extremely diversified asset class with ample scope for fundamental differentiation—and we see particular value in higher-yielding frontier markets debt, where we believe investors are mispricing risk premiums.

Historical Market Performance: Cumulative Returns



Sources: Bloomberg and J.P. Morgan, as of February 28, 2025. **Past performance is not indicative of future returns.**
A direct investment in an unmanaged index is not possible. See next page for index representation.

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Index representation for the chart on page 1 is as follows: EMD hard currency, J.P. Morgan EMBI Global Diversified Index; U.S. Treasuries, Bloomberg U.S. Treasury Bills Index; global aggregate, Bloomberg Barclays Global Aggregate Index. The **J.P. Morgan EMBI Global Diversified** tracks the total return of U.S.-dollar-denominated debt instruments issued by sovereign and quasi-sovereign entities. (Index information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The indices are used with permission. The indices may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2022, JPMorgan Chase & Co. All rights reserved.) . The **Bloomberg US Treasury Bill Index** tracks the market for Treasury bills issued by the U.S. government. The **Bloomberg Barclays Global Aggregate Index** is a flagship measure of global investment-grade debt from 24 markets. Indices are unmanaged and do not incur fees or expenses. A direct investment in an unmanaged index is not possible.

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