

JPMorgan Global Bond Opportunities Fund

APIR: PER0716AU ARSN: 166890517 ISIN: AU60PER07162

Topline

Monthly returns *Fund	Benchmark
▲ 0.74%	▲ 0.30%
<p>Benchmark: Bloomberg Barclays Multiverse Index (Total Return Gross) Hedged to AUD</p> <p>Markets Core rate markets stabilised following a sharp sell-off in the first quarter; corporate fundamentals looked robust as shown by strong earnings reports.</p> <p>Helped Emerging market debt, which found favour again with investors after a challenging first quarter.</p> <p>Hurt Government rates, which fell, impacting our short positions.</p> <p>Outlook We still expect above-trend growth, with a bias for higher yields and steeper curves.</p>	

*Net of fees performance is calculated on Bid - Bid with gross income reinvested, e.g. net of ongoing fees and expenses.

Past performance is not a reliable indicator of current and future results.

Fund overview

Investment objective

To achieve a return in excess of the Bloomberg Barclays Multiverse Index (Total Return Gross) Hedged to AUD ("Benchmark") by investing opportunistically in an unconstrained portfolio of debt securities and currencies, using derivatives where appropriate.

Month in review

- **Emerging market debt** was a key contributor, led by hard currency sovereigns as flows returned to the market and spreads compressed by 15 basis points (bps). Despite several idiosyncratic risks playing out across emerging markets, demand has remained healthy overall, with the China growth story underpinning the wider recovery. Local currency bond positions in Indonesia and South Africa added to performance.
- **Corporate investment grade** also contributed, as the sector stabilised following a challenging first quarter. Earnings season has proven a positive tailwind, beating expectations as the reopening gathers pace.
- **Fundamentals also look strong in high yield**, which contributed to performance as spreads tightened by 7 bps in the US and 10 bps in Europe.
- **The only detractor from performance** was government rates, where our short positioning in US Treasuries hurt given the drop in yields over the month.
- **Over the month**, we reduced overall fund duration from 3.6 years to 3.1 years, trimmed our emerging market debt exposure and increased net exposure to European high yield.

Looking ahead

- **Over the long term**, given fiscal policy and the reopening narrative, our bias is for higher core yields and steeper curves. In the near term, however, with expected strong data already priced in, any downside surprises could make the US Treasury market more sensitive to weak data than it is to strong data.
- **On the flip side**, Europe is catching up in terms of vaccine distribution, which could lead to a move higher in European core duration.
- **We remain constructive on spread sectors** such as high yield and emerging market debt, which stand to benefit from the global growth environment - although selectivity, relative value and sector rotation remain key given outright valuations in certain markets.

Opinions, estimates, forecasts, projections and statements of financial market trends are based on market conditions at the date of the publication, constitute our judgment and are subject to change without notice. There can be no guarantee they will be met. Provided for information only, not to be construed as investment recommendation or advice.

All data is sourced by J.P. Morgan Asset Management and is correct as at the date of this commentary.

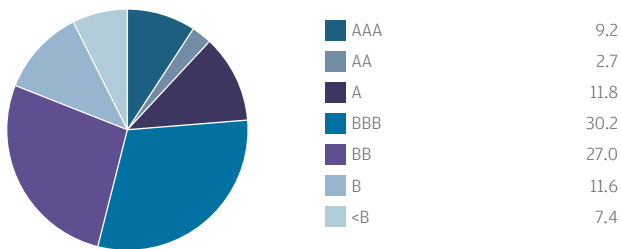
Performance and positioning

%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
JPMorgan Global Bond Opportunities Fund (Net of Fees)	0.74	0.37	4.45	10.93	5.24	4.55	4.90	5.09
Benchmark	0.30	-1.61	-1.14	0.65	3.56	4.02	3.43	4.66
Outperformance (Net of fees)	0.44	1.98	5.59	10.29	1.68	0.53	1.47	0.43

Past performance is not a reliable indicator of current and future results.

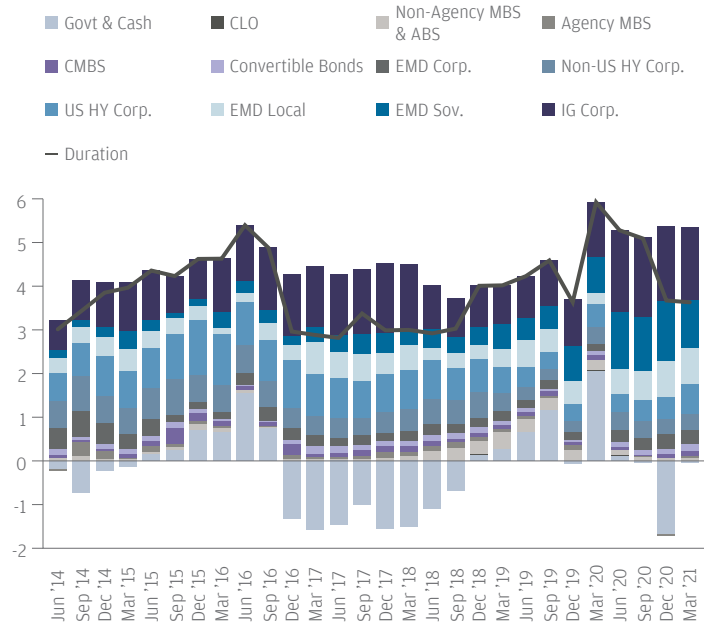
Source: J.P. Morgan Asset Management. Bloomberg. Inception date: 20 December 2013. Net of fees performance is calculated on Bid - Bid with gross income reinvested, i.e. net of ongoing fees and expenses. Returns for periods greater than one year are annualised.

PORTFOLIO RATING DISTRIBUTION (% MARKET VALUE) * (LUX SICAV)



Source: J.P. Morgan Asset Management, as at 30.04.2021.
Cash is included in AAA.

PORTFOLIO WEIGHTED SECTOR ALLOCATION (DURATION, YEARS) * (LUX SICAV)



Source: J.P. Morgan Asset Management, as at 31.03.2021. Empirical duration calculated on daily rolling 3 month data. The fund is an actively managed portfolio; holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the portfolio manager without notice. EMD: Emerging Market Debt, MBS: Mortgage Backed Security, CMBS: Commercial Mortgage-Backed Securities.

*For illustrative purposes only. The JPMorgan Funds - Global Bond Opportunities Fund is a specific portfolio within the JPMorgan Funds, an open-ended investment company organized under Luxembourg law as a societe anonyme qualifying as a SICAV and authorised under Part 1 of the Luxembourg law of 17 December 2010. The Australian registered JPMorgan Global Bond Opportunities Fund is a locally managed fund and the performance of the two funds will differ due to the impact of fees, taxes, currency fluctuations and other factors applicable to the Australian fund which are set out in its Product Disclosure Statement. Past performance is not indicative of future results and performance.

KEY RISKS

The Fund is subject to **Investment risks** and **Other associated risks** from the techniques and securities it uses to seek to achieve its objective. The table on the right explains how these risks relate to each other and the **Outcomes to the Unitholder** that could affect an investment in the Fund. **Please refer to the Product Disclosure Statement and Reference Guide for more information.**

Investment risks *Risks from the Fund's techniques and securities*

Techniques	Securities	
Concentration	China	- Investment grade debt
Derivatives	Contingent convertible bonds	- Unrated debt
Hedging	Convertible securities	Emerging markets
Short position	Debt securities	Equities
	- Below investment grade debt	MBS/ABS
	- Government debt	

Other associated risks *Further risks the Fund is exposed to from its use of the techniques and securities above*

Credit	Interest rate	Market
Currency	Liquidity	

Outcomes to the Unitholder *Potential impact of the risks above*

Loss	Volatility	Failure to meet the Fund's objective.
Unitholder could lose some or all of their money.	Units of the Fund will fluctuate in value.	

NOTES

JPMorgan Global Bond Opportunities Fund ("Fund") will be substantially invested in shares that correspond to the JPMorgan Funds - Global Bond Opportunities Fund ("Underlying Sub-Fund"), a specific portfolio within the JPMorgan Funds, which is an open-ended investment company organised under Luxembourg law as a société anonyme qualifying as a SICAV and authorised under Part I of the Luxembourg law of 17 December 2010. References in this document to the fund managers, and underlying assets or investments of the Fund generally related to the Underlying Sub-Fund's managers and assets.

Net of fees performance is calculated on Bid - Bid with gross income reinvested, e.g. net of ongoing fees and expenses. Adjusted returns have been calculated by JPMAM.

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