JPMorgan Global Bond Opportunities Fund

APIR: PER0716AU ARSN: 166890517 ISIN: AU60PER07162

Topline

Monthly Total Return	
Fund	Benchmark
▼ -0.85%	▲ 0.64%

Benchmark : Bloomberg Multiverse Index (Total Return Gross) Hedged to AUD

Markets Covid-19 began to dominate the market discourse again, with curves flattening amid fears of slower growth and high inflation.

Helped EM currencies, funded by selling euro.

Hurt Short government rates, which provided negative returns as rates fell.

Outlook We still expect above-trend growth, with inflation pushing central banks toward higher rates.

*Total Returns are net of ongoing fees and expenses and are calculated on Bid - Bid with gross income reinvested.

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

- **Government rates** was the biggest detractor, led by our short US Treasury positioning, which was impacted as rates rallied in response to fears around the Omicron variant. Exposure to European rates was also a small detractor, while a tactical Australia trade added to performance.
- **Corporate high yield,** including convertible bonds, was another key detractor, impacted by worsening risk sentiment given the spread of the new variant. Spreads widened by around 50 basis points in both the US and Europe.
- **Investment grade credit** was another detractor, with spreads widening, although the longer duration component helped to limit the negative total return.
- **Finally, while we also saw spread widening inemerging market debt** sovereign bonds, which detracted from the fund, our EM currency positions (funded out of EUR) were marginally additive to performance.
- **Over the month, we tactically traded Australia rates**, temporarily added some bunds exposure, and went short Italy rates. Duration fell from 2.5 to 2.3 years.

Looking ahead

- **We are waiting to see the path of the Omicron variant**, and in particular the impact on growth that might arise from potential increased restrictions.
- **However, the reaction from governments so far has been muted and proportionate**, and there are no signs yet that the variant poses a significant threat to growth or corporate earnings.
- **As such, despite ongoing uncertainty**, we think some value has been created, particularly in high yield.
- **We also think, given the prevailing hawkish rhetoric** from central bankers, that US yields have room to rise from current levels and as such we remain positioned short US Treasuries.

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.

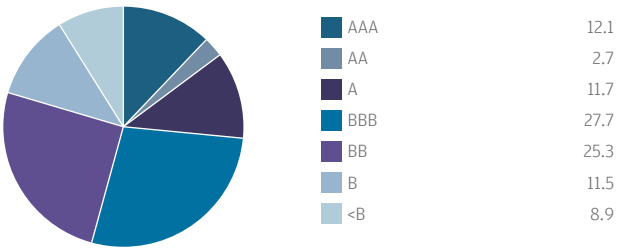
Performance and positioning

%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
JPMorgan Global Bond Opportunities Fund (Total Return)	-0.85	-1.46	-0.86	1.30	3.33	4.94	4.15	4.65
Benchmark	0.64	-0.62	0.89	-0.72	1.87	4.21	3.44	4.46
Outperformance (Total Return)	-1.49	-0.84	-1.75	2.02	1.46	0.73	0.71	0.19

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

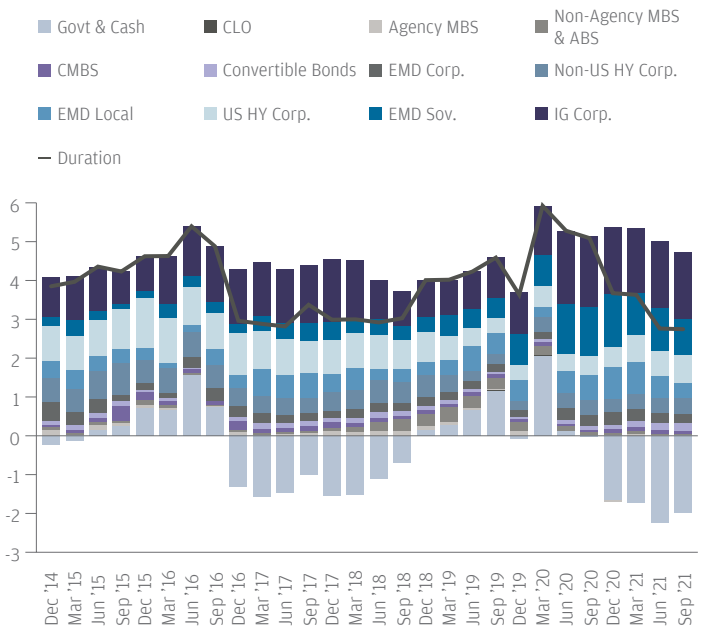
Source: J.P. Morgan Asset Management. Bloomberg. Inception date: 20 December 2013. Total Returns are net of ongoing fees and expenses and are calculated on Bid – Bid with gross income reinvested. Returns for periods greater than one year are annualised.

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



Source: J.P. Morgan Asset Management, as at 30.11.2021.
Cash is included in AAA.

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



Source: J.P. Morgan Asset Management, as at 30.09.2021. 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, Target Market Determination 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.

Total Returns are net of ongoing fees and expenses and are calculated on Bid – Bid with gross income reinvested. Adjusted returns have been calculated by JPMAM.

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