

JPMorgan Global Strategic Bond Fund

APIR: PER0727AU ARSN: 166529791 ISIN: AU60PER07279

Topline

Monthly Total Return	
Fund	Benchmark
▲ 1.47%	▲ 0.12%
Benchmark : Bloomberg AusBond Bank Bill Index	
Markets Fixed-income risk assets saw a very strong performance as markets increasingly priced in a dovish policy pivot in 2023.	
Helped High yield, as spreads in both the US and Europe tightened and risk sentiment was stronger throughout the month.	
Hurt Government rates, as our net short US Treasuries position was impacted by a drop in core yields.	
Outlook We are cautious on risk assets, conscious that while valuations may look attractive in certain sectors, spreads have the potential to widen further as recessionary risk picks up.	

*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 AusBond Bank Bill Index by exploiting investment opportunities in, amongst others, the debt and currency markets, using financial derivative instruments where appropriate.

Month in Review

- **For the first time in several months**, the strategy benefited from its exposure to risk assets, as markets rebounded following a protracted period of underperformance.
- **High yield and convertible bonds** were the largest contributors to returns, as spreads in both the US and Europe tightened and risk sentiment was stronger throughout the month.
- **Corporate investment grade credit** was also a major contributor, with lower core rates helping.
- **Securitized debt**, led by our commercial mortgage-backed securities positions, also provided a positive position, as did our emerging market debt exposure, though we remain selective in this market.
- **Detracting somewhat from returns was our government rates** positioning, as core yields fell (we remain net short US Treasuries). Our long Australia rates position helped to partially offset this.

Looking Ahead

- **The market is contending with high inflation and softer growth.** Stubbornly high inflation is likely to force central banks to persist with hawkish monetary policy moves in the coming months.
- **The US Federal Reserve (Fed), now resolutely focused on tackling inflation,** is only likely to change course if inflation falls or growth data significantly worsens.
- **Europe's growth outlook** is most challenging, given acute concerns around the supply of natural gas from Russia and the likely impact on key economies such as Germany. As such, while the ECB is likely to continue to hike rates in the near term, the window for doing so (before growth concerns force a dovish shift) is relatively short.
- **In this environment, we remain short duration**, though this is focused at the front end of the US curve given that the Fed continues to raise rates, despite the growth concerns that are keeping longer-end rates anchored.
- **We are cautious on risk assets**, conscious that while valuations may look attractive in certain sectors, spreads have the potential to widen further as recessionary risk picks up.
- **We prefer short-dated, high-quality investment grade and securitized credit.**

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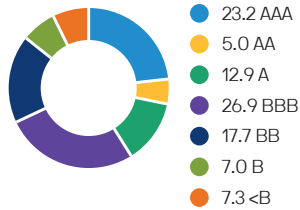
All data is sourced by J.P. Morgan Asset Management and is correct as at the date of this commentary.

Performance and positioning

%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
Fund	1.47	-1.80	-3.78	-4.98	-0.50	0.42	1.21	2.48
Benchmark	0.12	0.21	0.20	0.22	0.13	0.33	0.94	1.50
Outperformance (Total Return)	1.35	-2.01	-3.98	-5.20	-0.64	0.08	0.27	0.98

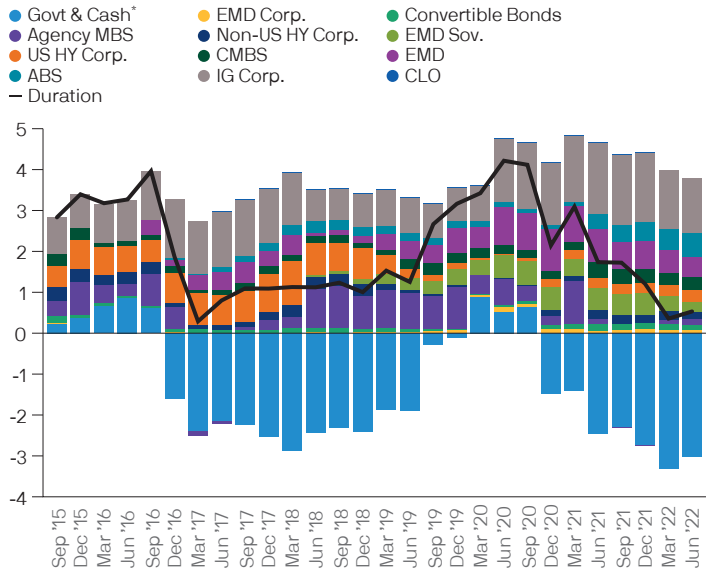
Past performance is not a reliable indicator of current and future results.
 Source: J.P. Morgan Asset Management, Bloomberg. Inception date: 12.20.2013.
 Total Returns are net of ongoing fees and expenses and are calculated on Bid - Bid with gross income reinvested. Returns for periods greater than one year are annualized.

Rating breakdown (%)



Cash is included in AAA.

Portfolio weighted sector allocation (duration, years)



Source: J.P. Morgan Asset Management, as at <<<VARIABLE NEEDED - Variable - EMEAC - Wtd Sector Alloc rule.dataDate>> Empirical duration calculated on daily rolling 1 year data.

*Includes Municipals. The fund is an actively managed portfolio, holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice. EMD: Emerging Market Debt, MBS: Mortgage Backed Security, CMBS: Commercial Mortgage Backed Securities, ABS: Asset Backed Securities, CLO: Collateralised Loan Obligation.

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 available on our website 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 Liquidity	Market Interest rate	Currency
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Outcomes to the Unitholder Potential impact of the risks above

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

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