

# JPMorgan Global Strategic Bond Fund

APIR: PER0727AU ARSN: 166529791 ISIN: AU60PER07279

## Topline

Monthly returns *Fund	Benchmark
▼ -0.01%	▲ 0.00%
<p><b>Benchmark:</b> Bloomberg AusBond Bank Bill Index</p> <p><b>Markets</b> Growth data remained robust, although sentiment was dented by fears around the Delta variant.</p> <p><b>Helped</b> Corporate investment grade credit, helped by the rally in duration.</p> <p><b>Hurt</b> Government rates, where our short Treasury positioning detracted.</p> <p><b>Outlook</b> Still positioned for above-trend growth, although growth data has likely peaked and the Delta variant presents a risk.</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 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

- **The best-performing sector for the fund was corporate investment grade**, which benefitted primarily from the continued rally in rates as corporate fundamentals remained supportive. Another key contributor was securitised products, led by commercial mortgage-backed securities.
- **Emerging market debt and corporate high yield** also added marginally, as the sectors posted positive total returns despite spread widening, although convertible bonds offset some of the positive performance as the sector sold off in sympathy with equities.
- **Government rates were a significant detractor** from performance, primarily due to our short US rates positioning as yields fell further. Short positioning in Germany also dragged on returns. Long exposure to Italy slightly offset the negative overall rates contribution.
- **Over the month, duration was flat** at 1.6 years as we remained short US Treasuries.
- **We continued to add to high yield** and short duration securitised credit, having rotated out of agency mortgage-backed securities.
- **We marginally reduced our emerging market currency exposure**, rotating the funding basket, adding a short AUD position.

## Looking ahead

- **The post-peak growth environment still looks robust** by any measure.
- **Although the Delta variant presents a key risk** to economies with less effective vaccines, the move lower in rates, on balance, still appears to be technically driven.
- **The typical summer slowdown is likely to delay any significant catalysts** for a reversal, but as the fourth quarter draws closer, supply picks up in September and the Fed inches closer to announcing some kind of tapering, some of these technical tailwinds to government bonds could start to subside.
- **We remain positioned for a rise in core yields**, and we continue to favour risk assets such as high yield, as corporates stand to benefit from the ongoing economic recovery.

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

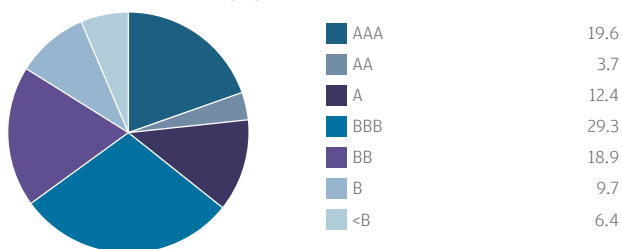
## Performance and positioning

%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
<b>JPMorgan Global Strategic Bond Fund (Net of Fees)</b>	-0.01	0.50	0.73	4.19	3.23	3.34	3.03	3.50
<b>Benchmark</b>	0.00	0.01	0.01	0.05	0.39	0.89	1.26	1.67
<b>Outperformance (Net of fees)</b>	-0.01	0.49	0.72	4.14	2.84	2.44	1.77	1.84

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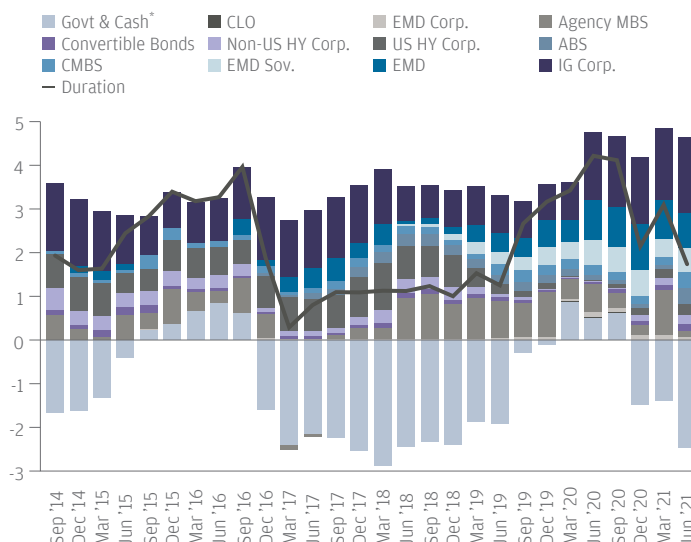
Source: J.P. Morgan Asset Management. Bloomberg. Inception date: 20 December 2013. Net of fees performance is calculated on Bid - Bid with gross income reinvested, i.e. net of ongoing fees and expenses. Returns for periods greater than one year are annualized.

### RATING BREAKDOWN (%)



Source: J.P. Morgan Asset Management, as at 31.07.2021.

### PORTFOLIO WEIGHTED SECTOR ALLOCATION (DURATION, YEARS)



Source: J.P. Morgan Asset Management, as at 30.06.2021. 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 and Reference Guide for more information.**

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

Techniques	Securities
Concentration	China
Derivatives	Contingent convertible bonds
Hedging	Convertible securities
Short position	Debt securities
	- Below investment grade debt
	- Government debt

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

Credit	Market	Currency
Liquidity	Interest rate	

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

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

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