

JPMorgan Global Strategic Bond Fund

APIR: PER0727AU ARSN: 166529791 ISIN: AU60PER07279

Topline

Monthly Total Return Fund	Benchmark
▲ 0.31%	▲ 0.00%
<p>Benchmark : Bloomberg AusBond Bank Bill Index</p> <p>Markets Markets continued to reprice central bank tightening and grappled with the implications of the Ukraine war. As such, it was another challenging month for fixed income.</p> <p>Helped Government rates, as our short exposure helped given continued interest rate rises.</p> <p>Hurt Securitised products, and investment grade and high yield credit, which were impacted by higher core rates.</p> <p>Outlook Above-trend growth is expected to continue in the coming months, along with strong corporate fundamentals and consumer balance sheets. Inflation is likely to remain high, and central banks will probably continue to tighten policy.</p>	

*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

- **The fund's return was positive in March** despite most fixed income markets posting negative returns. The key contributor was our government rates position, which provided an effective hedge against higher rates, as we remained short US Treasuries.
- **The fund also enjoyed a positive contribution** from hard-currency emerging market debt, where spreads (excluding Russia) tightened.
- **Currencies - particularly the Mexican peso** and South African rand - were also marginally additive.
- **Detracting from returns were securitised products**, which have been impacted by higher rates, as well as investment grade credit, given its longer duration component. High yield also detracted.
- **Over the month, we reduced duration** from 0.5 years to 0.3 years and removed our European investment grade credit default swap protection, increasing investment grade exposure from 20% to 26%.

Looking ahead

- **We expect above-trend global growth to continue** in the coming months, with the US economy showing strength across consumer and corporate balance sheets.
- **Inflation is likely to remain high.** Central banks should continue to significantly tighten policy until inflation falls, growth is impacted or financial conditions tighten. We think there is upside risk in the path of core interest rates, despite the repricing we have already seen.
- **We are selectively constructive on certain spread sectors:** in developed markets, corporate fundamentals are strong, with low leverage and low default risk. We acknowledge that valuations are no longer low, but spreads are not at historic tights and should remain stable.
- **We are also looking carefully at select emerging market debt:** despite geopolitical risks and the prospect of slower growth in China, there could be opportunities in certain markets, particularly those where central banks are coming to the end of their hiking cycles.

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.

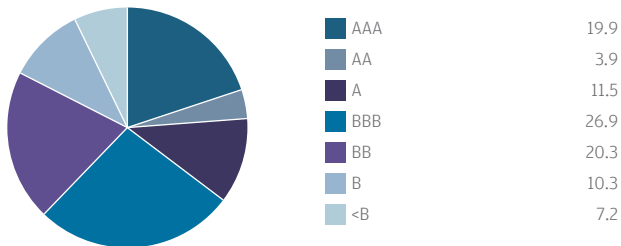
Performance and positioning

%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
Fund	0.31	-1.78	-2.30	-1.11	3.80	2.13	2.09	2.95
Benchmark	0.00	0.01	0.02	0.04	0.07	0.46	1.02	1.54
Outperformance (Total Return)	0.31	-1.80	-2.32	-1.15	3.72	1.67	1.06	1.42

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

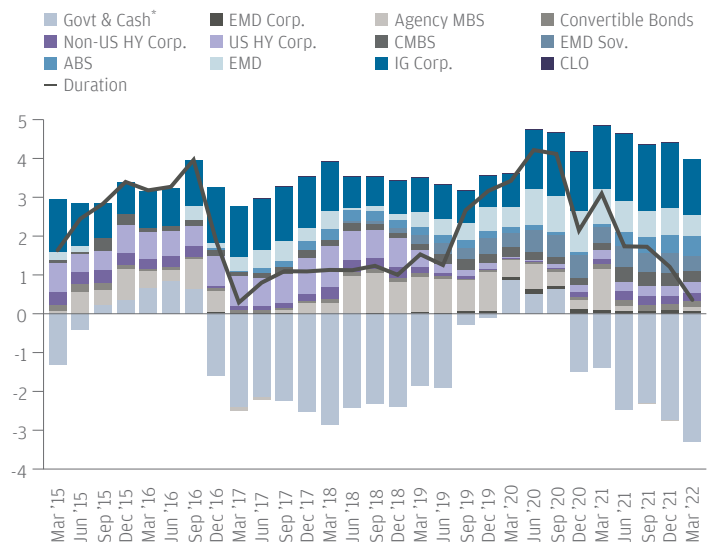
Source: J.P. Morgan Asset Management, Bloomberg. Inception date: 20 December 2013. Total Returns are net of ongoing fees and expenses and are calculated on Bid - Bid with gross income reinvested. Returns for periods greater than one year are annualized.

RATING BREAKDOWN (%)



Source: J.P. Morgan Asset Management, as at 31.03.2022.

PORTFOLIO WEIGHTED SECTOR ALLOCATION (DURATION, YEARS)



Source: J.P. Morgan Asset Management, as at 31.03.2022 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 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
------------------	----------------------	----------

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.
--	---	--

NOTES

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

This information has been provided by JPMorgan Asset Management (Australia) Limited (ABN 55143832080) (AFSL 376919), the manager of the fund featured in this document. Perpetual Trust Services Limited (ABN 48 000 142 049) (AFSL 236648) is the fund's Responsible Entity. This document is for information purposes only and should not be taken as containing any financial product advice or recommendation. It does not take into account an individual's financial circumstances. Investors should consider the Product Disclosure Statement and Target Market Determination of the fund (available from www.jpmorganam.com.au) to understand the various risks associated with investing in the fund and in making any investment decision. Past performance is not a reliable indicator of future performance and investors may not get back the full amount invested. Future performance and return of capital is not guaranteed. Information is considered correct at the time of issue but no liability for errors or omissions will be accepted by JPMorgan Asset Management (Australia) Limited or its affiliates. This document is confidential and intended solely for the person to whom it is provided by the issuer. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our privacy policies at <https://am.jpmorgan.com/global/privacy>.

All rights reserved.

Bloomberg Finance L.P. and its affiliates (collectively, "Bloomberg") are not affiliated with the Manager and do not approve, endorse, review, or recommend the Fund. Bloomberg and the Benchmark are trademarks or service marks of Bloomberg and have been licensed to the Manager. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Benchmark.