

JPM Unconstrained Bond Fund

Class: JPM Unconstrained Bond Fund C - Gross Income

Synthetic risk and reward indicator

1	2	3	4	5	6	7
Lower risk/ potential reward Not risk-free			Higher risk/ potential reward			

Fund overview

ISIN **Sedol** **Bloomberg** **Reuters**
GB00B3RJBL80 **B3RJBL8** **JPMSBCI LN** **GB00B3RJBL80.LUF**

Investment objective: The Fund aims to provide a positive return, before fees, which is higher than that of the Fund's Benchmark (ICE BofA SONIA Overnight Rate Index) over a rolling 3 year period in all market conditions. A positive return is not guaranteed over this or any time period and capital loss may occur.

Investment approach

- Uses a globally integrated research driven investment process that focuses on analysing fundamental, quantitative and technical factors across countries, sectors and issuers.
- Uses an unconstrained approach to finding the best investment ideas across multiple fixed income sectors and countries, with a focus on mitigating downside risk.
- Dynamically shifts among sectors and countries and adjusts duration depending on market conditions.

BENCHMARK USES

The Fund is actively managed. The Benchmark is a Performance Target and the Fund seeks a return in excess of the Benchmark but its holdings in securities are not constrained by the Benchmark. The Benchmark has been chosen as it reflects the investment strategy for the Fund.

Portfolio manager(s)	Fund reference	Fund launch
Bob Michele	currency GBP	6 May 2009
Iain Stealey	Share class	Class launch
Lisa Coleman	currency GBP	16 Oct 2009
Andrew Headley	Fund assets	Domicile United Kingdom
Jeff Hutz	£431.0m	Entry/exit charges
Investment specialist(s)	NAV	Entry charge (max) 0.00%
Marika Dysenchuk	102.30p	Exit charge (max) 0.00%
		Ongoing charge 0.65%

ESG information

ESG approach - Integrated

This fund considers financially material Environmental, Social and Governance (ESG) factors in investment analysis and investment decisions, with the goal of enhancing long-term, risk-adjusted financial returns.

Fund ratings *As at 31 December 2021*

Morningstar Category™ Global Flexible Bond - GBP Hedged

FE Crown Fund 

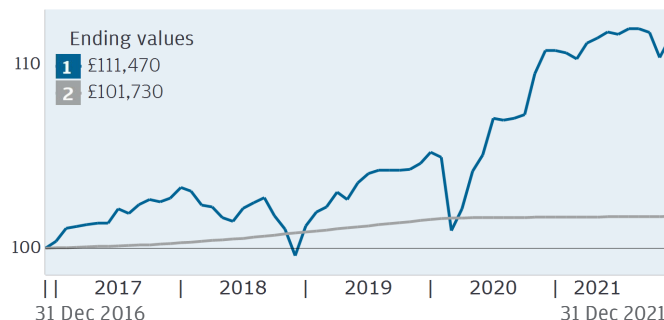
Square Mile Research rating A

DT risk profile 3 risk profile

Performance

- 1 Class:** JPM Unconstrained Bond Fund C - Gross Income
- 2 Benchmark:** ICE BofA SONIA Overnight Rate Index
- 3 Sector average:** Target Absolute Return

GROWTH OF £ 100,000 *Calendar years*



QUARTERLY ROLLING 12-MONTH PERFORMANCE (%)

As at end of December 2021

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
1	2.73	-3.06	5.05	5.89	0.63
2	0.26	0.57	0.67	0.18	0.05

YIELD AND CUMULATIVE PERFORMANCE (%)

Yield: **2.41%**

Latest dividend rate (may be estimated): **0.74p** Ex-dividend date: **1 Nov 2021**

	CUMULATIVE			ANNUALISED		
	1 month	3 months	1 year	3 years	5 years	10 years
1	0.99	-0.45	0.63	3.83	2.19	2.52
2	0.01	0.02	0.05	0.30	0.34	0.69

PERFORMANCE DISCLOSURES

Past performance is not a guide to current and future performance. The value of your investments and any income from them may fall as well as rise and you may not get back the full amount you invested.

ESG

For more information on environmental, social and governance (ESG) integration and our approach to sustainable investing at J.P. Morgan Asset Management please visit <https://am.jpmorgan.com/uk/esg>

PORTFOLIO ANALYSIS

Measurement	3 years	5 years
Correlation	-0.08	-0.16
Alpha (%)	3.52	1.84
Annualised volatility (%)	3.55	2.96
Sharpe ratio	0.76	0.60
Information ratio	0.76	0.61

Holdings

TOP 10	Coupon rate	Maturity date	% of assets
GNMA (United States)	3.000	20/09/51	1.5
Capital One (United States)	0.690	15/07/27	0.9
Government of Australia (Australia)	5.500	21/04/23	0.8
Government of Canada (Canada)	0.250	01/08/23	0.7
Government of Canada (Canada)	1.500	01/06/23	0.7
A10 Securitization (United States)	8.303	31/12/23	0.6
FNMA (United States)	3.552	25/09/28	0.6
American Credit Acceptance Receivables Trust (United States)	5.160	10/09/24	0.6
GNMA (United States)	3.000	20/10/51	0.5
Government of China (China)	3.020	27/05/31	0.5

CURRENCY BREAKDOWN (%)

GBP	99.8
IDR	0.8
CZK	0.6
INR	0.5
KRW	0.5
CNY	0.5
PLN	0.3
THB	0.3
MYR	0.1
HUF	0.1
Others	-3.5

VALUE AT RISK (VAR)

VAR	Fund
	1.65%

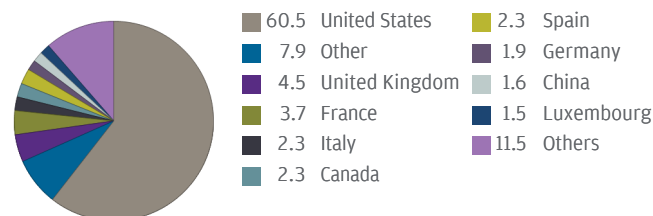
BOND QUALITY BREAKDOWN (%)

AAA: 23.0%	Corporate Bonds: 59.1%
AA: 2.2%	Average duration: 1.2 yrs
A: 10.4%	Yield to maturity: 3.0%
BBB: 26.8%	Average maturity: 2.2 yrs
< BBB: 28.0%	
Non Rated: 6.2%	
Cash: 3.4%	

SECTORS (%)

IG Corp.	26.4
US HY Corp.	17.9
CMBS	10.8
Agency MBS	8.3
Non-US HY Corp.	8.0
ABS	7.3
EMD Sovereign	5.9
Convertible Bonds	4.3
Government	2.9
EMD Local	2.6
Others	6.1
Cash	3.4

REGIONS (%)



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 Shareholder** that could affect an investment in the Fund.

Investors should also read [Risk Descriptions](#) in the Prospectus for a full description of each risk.

Investment risks Risks from the Fund’s techniques and securities.

Techniques

Concentration
Derivatives
Hedging
Short positions

Securities

China
Contingent convertible bonds
Convertible securities
Credit Linked Notes
Debt securities
- Government debt
- Investment grade debt

- Below investment grade debt
- Unrated debt
Emerging markets
Equities
MBS/ABS
Structured products

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

Credit Liquidity Currency Market Interest rate

Outcomes to the Shareholder Potential impact of the risks above

Loss Shareholders could lose some or all of their money.	Volatility Shares of the Fund will fluctuate in value.	Failure to meet the Fund’s objective.
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GENERAL DISCLOSURES

Before investing, obtain and review the current Prospectus, Key Investor Information Document (KIID) and the Key Features Document/Terms & Conditions for this fund which are available in English from JPMorgan Asset Management (UK) Limited or at <https://am.ipmorgan.com>.

This material should not be considered as advice or an investment recommendation. Fund holdings and performance are likely to have changed since the report date. No provider of information presented here, including index and ratings information, is liable for damages or losses of any type arising from use of their information. No warranty of accuracy is given and no liability in respect of any error or omission is accepted.

To the extent permitted by applicable law, we may record telephone calls and monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our EMEA Privacy Policy www.ipmorgan.com/emea-privacy-policy. For additional information on the fund's target market please refer to the Prospectus.

Synthetic risk and reward indicator Based on share class volatility for the past 5 years. See Key Investor Information Document (KIID) for details. As at 01/12/21 the investment objective of the Sub-Fund was changed.

Performance information

Source: J.P.Morgan Asset Management. As at 02/07/17 share class performance shown is based on the quoted price of the share class, assumes any gross income was reinvested, and includes ongoing charges but not any entry or exit fees. Prior to this date the quoted price of the share class, assumed any net income was reinvested.

Indices do not include fees or operating expenses and you cannot invest in them.

The Yield reflects the gross amount that may be distributed over the next 12 months as a percentage of the quoted price at the date shown. It is calculated from current market information and is provided to shareholders as an estimate but should not be taken as a guaranteed yield. The Yield calculation does not include the impact of any Entry charge that may be paid or that investors may be subject to tax on income distributions. Where a portion of the fund's expenses are charged to capital this has the effect of increasing the distribution for the year and constraining the fund's capital performance to an equivalent extent.

The performance shown prior the launch date of this share class relates to the A share class. The A share class performance has not been amended or simulated to adjust for the lower ongoing fees of the C share class.

Prior to 01/12/21 the benchmark was ICE Overnight GBP LIBOR.

Prior to 11/06/12 the benchmark was BofA Merrill Lynch GBP Broad Market Index.

Holdings information

Maturity Date refers to the maturity/reset date of the security. For those securities whose reference coupon rate is adjusted at least every 397 days, the date of the next coupon rate adjustment is shown.

Unrated onshore Chinese bond issues may be deemed investment grade to the extent that their issuers hold an international investment grade rating by at least one independent international rating agency.

VaR is a means of measuring the potential loss to a Sub-Fund due to market risk and is expressed as the maximum potential loss at a 99% confidence level over a one month time horizon. The holding period for the purpose of calculating global exposure is one month.

INFORMATION SOURCES

Fund information, including performance calculations and other data, is provided by J.P. Morgan Asset Management (the marketing name for the asset management businesses of JPMorgan Chase & Co and its affiliates worldwide).

All data is as at the document date unless indicated otherwise.

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ISSUER

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DEFINITIONS

NAV Net Asset Value of a fund's assets less its liabilities per Share.

Quoted Price The single price at which all client orders are executed.

FE Crown rating are quantitative ratings ranging from one to five designed to help investors identify funds which have displayed superior performance in terms of stockpicking, consistency and risk control.

FE Crown Fund Ratings are however purely quantitative and backward looking, and, as such, cannot offer any certainty about the future.

FE Trustnet crown rating as at 31 December 2021.

Square Mile Research rating as at 31 December 2021.

A Square Mile Fund Rating denotes a fund that is truly "best in class". Put simply, a Square Mile Fund Rating is only given to a fund that we are prepared to recommend to our clients. Fund managers do not pay for our ratings; they cannot be purchased and are only achieved by the "best-in-class" funds.

The funds we recommend are each assigned a rating - A, AA, AAA or R - reflecting Square Mile's conviction in each fund's ability to deliver on expectations. These simple ratings are the result of exhaustive and detailed qualitative research, backed up by quantitative analysis. "AAA" represents the very highest level of conviction in a fund and its manager, and is a practical demonstration of our belief in the long-term consistent delivery of the fund's objectives.

Our team of investment research analysts also works to identify newer or untested funds or managers that have real potential to deliver their stated objectives. In these circumstances, we are not in a position to award a full fund rating, and therefore these funds are assigned a "Positive Prospects" rating. Over time, if these managers deliver to our expectations and achieve their expected outcome, we would expect them to progress to A, AA, AAA or R ratings. Not widely used.

DT risk profile as at 31 December 2021.

DT risk-profile ratings range from 1 to 10, with 1 being the least volatile fund and 10 the most.

Correlation measures the relationship between the movement of the fund and its benchmark. A correlation of 1.00 indicates that the fund perfectly matched its benchmark.

Alpha (%) a measure of excess return generated by a manager compared to the benchmark. An alpha of 1.00 indicates that a fund has outperformed its benchmark by 1%.

Annualised volatility (%) an absolute measure of volatility and measures the extent to which returns vary up and down over a given period. High volatility means that the returns have been more variable over time. The measure is expressed as an annualised value.

Sharpe ratio measures the performance of an investment adjusting for the amount of risk taken (compared a risk-free investment). The higher the Sharpe ratio the better the returns compared to the risk taken.

Information ratio (IR) measures if a manager is outperforming or underperforming the benchmark and accounts for the risk taken to achieve the returns. A manager who outperforms a benchmark by 2% p.a. will have a higher IR than a manager with the same outperformance but who takes more risk.