

JPM Global Macro Fund

JPM C - Net Acc - GBP: GB00B235HC61

For other available share classes, please check the prospectus.

Formerly JPM Global Macro Balanced Fund, the Fund name and investment objective changed on 31/10/18.

Topline

Monthly returns	Fund	Benchmark [^]
	▲ 0.70%	▲ 0.07%
Benchmark: ICE 1 month GBP LIBOR		
Markets Global equity and bond markets moved higher amid accommodative stances from major central banks, strong US growth although global data has been more mixed, and a positive start to the second-quarter earnings season.		
Helped Long equity strategies and our long US dollar exposure.		
Hurt Long US large cap put options held for protection from an adverse scenario.		
Outlook We continue to see dovish central bank policy and solid domestic growth data as supportive of risk assets; however, we are monitoring risks including a further escalation in trade tensions.		

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

[^]The Benchmark is a performance comparator however the Fund will be managed without reference to its Benchmark. The Benchmark has been chosen as it reflects the main investment universe for the Fund.

Ratings and awards

DT risk profile

Past performance and forecasts are not reliable indicators of current and future results. All ratings as at July 2019. The methodology and calculations used by companies that provide awards and ratings are not verified by J.P. Morgan Asset Management and therefore are not warranted to be accurate or complete.

3 risk profile

Fund overview

Investment objective

The Fund aims to provide positive investment returns over a rolling 3 year period in all market conditions by investing in securities globally, using Financial Derivative Instruments where appropriate, with a volatility level typically lower than two-thirds of the MSCI All Country World Index (Total Return Net). A positive return is not guaranteed over this or any time period and a capital loss may occur.

Month in review

- **Global equity and bond markets moved higher in July** amid accommodative stances from major central banks, stronger US growth although global data has been more mixed, and a positive start to the second-quarter earnings season. The MSCI World Index was up 1.2% and the JPMorgan Global GBI Index rose 0.6% (hedged to sterling). The fund delivered a positive return.
- **As anticipated, central bank action continued to dominate asset prices.** The US Federal Reserve met market expectations by delivering its first interest rate cut in over 10 years, although it signalled that future policy decisions will continue to be data-dependent rather than committing to further easing. Meanwhile, the European Central Bank kept interest rates on hold but suggested it will deliver more accommodative policy in September. Resultant moves higher in equity markets on this news saw our long equity strategies contribute positively to performance, particularly our secular growth names in healthcare and technology, which benefit from a 'lower for longer' environment where future growth prospects become discounted at lower rates.
- **Global data was mixed, with strength in the US,** stabilisation in China and deterioration in Europe. US strength was evident in labour market, domestic sales growth and consumer spending data, and our strategies with US growth exposure benefited, such as long US dollar and long US financials. To protect from an adverse scenario, given that central bank policy space is increasingly limited, we held long US large cap put options, which detracted from performance as equity markets moved higher.
- **The start of the second-quarter earnings season reflected the global growth dynamic,** with weakness in the industrial cycle causing earnings to be in line with modest expectations, while those companies exposed to secular trends, such as global internet and semiconductor names, particularly in the US, performed well.
- **We continue to see dovish central bank policy and solid domestic growth data as supportive of risk assets;** however, we are monitoring risks including a further escalation in trade tensions, which would likely signal a move into a weaker economic environment. We maintain a modest level of portfolio risk in line with our central scenario but will look to reduce risk if trade tensions escalate.

Looking ahead

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.

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

Performance and positioning

%	1M	3M	YTD	1Y	3Y	5Y	10Y
JPM Global Macro Fund C - Net Accumulation GBP	0.70	1.16	2.84	-1.73	-0.15	2.80	2.26
Benchmark	0.07	0.18	0.42	-1.52	1.30	3.30	2.67
Excess return (geometric)	0.63	0.98	2.41	-0.22	-1.44	-0.49	-0.40
Volatility	-	-	-	4.55	4.25	4.39	-

%	2018	2017	2016	2015	2014
JPM Global Macro Fund C - Net Accumulation GBP	-6.56	9.70	-0.64	3.92	8.22
Benchmark	-1.15	5.93	5.04	1.97	9.22
Excess return (geometric)	-5.47	3.56	-5.41	1.92	-0.92
Volatility	4.02	3.18	4.68	5.41	3.61

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

Source: J.P. Morgan Asset Management. Share class performance is shown based on the quoted price of the above share class, assumes any gross income was reinvested, and includes ongoing charges but not any entry or exit fees. Performance over one year is annualised. Share class inception date is 01.10.2012.

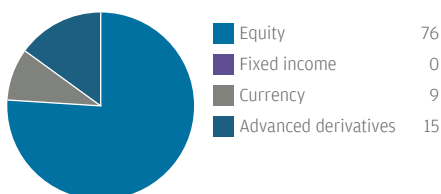
Prior to 29/07/13 the benchmark was BBA 1 Month GBP LIBOR. Prior to 31/10/18 the benchmark was 70% J.P. Morgan GBI Global Hedged to GBP, 30% MSCI World Index (Net Hedged to GBP).

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.

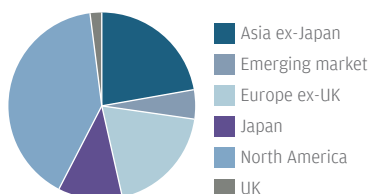
1 MONTH CONTRIBUTION ANALYSIS (%)



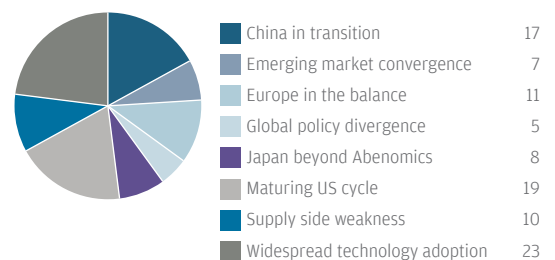
ASSET CLASS RISK (%)



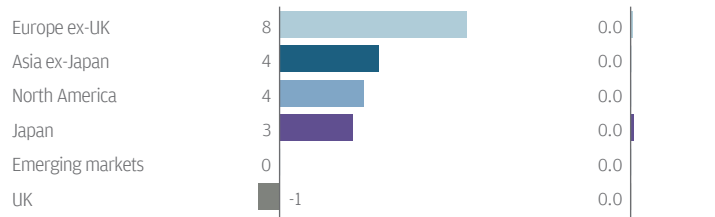
REGIONAL RISK (%)



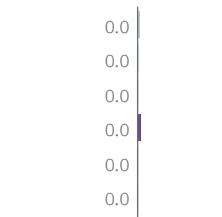
THEME RISK (%)



EQUITY DELTA (%)



DURATION (YEARS)



EQUITY DELTA REGION AND SECTOR POSITIONING (%)

	Asia ex-Japan	Emerging markets	Europe ex-UK	Japan	North America	UK	Sector total
Communication services			0	0	1	0	1
Consumer discretionary	1		0	1	0	0	1
Consumer staples			1	0	-2	0	0
Energy			0	0	0	0	0
Financials	2		0	0	2	0	4
Healthcare			2	0	3	0	5
Industrials			1	1	-1	0	1
Information technology	1		0	1	5	0	8
Materials			2	0	0	0	2
Real estate	0		0	0	0	0	0
Utilities			1	0	-3	0	-3
Region total	4	0	8	3	4	-1	19

ACTIVE CURRENCY POSITIONS (%)

	AUD	USD	ZAR	KRW	EUR
	8	5	-2	-3	-9

EX-ANTE VOLATILITY (%)



Source for all charts: J.P. Morgan Asset Management, as at 31.07.2019. Contribution data based on gross of fees returns. Positioning data rounded to the nearest whole number. Duration excludes inflation and credit default swaps. Values rounded to zero are not included in the equity delta region and sector positioning table. Ex-ante volatility shown reflects JPMorgan Investment Funds - Global Macro Fund data as a representative account. Ex-ante volatility is calculated with a 2-year look back and a 6-month half life (prior to 31 January 2018 a 3-month half life was used). The pie charts represent the standalone volatility of each category as a proportion of the sum of standalone volatilities using two years of 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 Investment Manager without notice.

Up to 100% of the value of the Scheme Property of the Fund may be invested in such securities issued or guaranteed by or on behalf of the Government of the United Kingdom (including the Scottish Executive, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales) Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Liechtenstein, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and United States or by one of the following international organisations: African Development Bank, Asian Development Bank (ADB), Council of Europe Development Bank, Deutsche Ausgleichsbank (DTA), Eurofima, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IADB), International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), Kreditanstalt für Wiederaufbau (KfW), LCR Finance plc, and Nordic Investment Bank (NIB). Please refer to the investment policy in the latest available prospectus.

RISK PROFILE

The Fund aims to provide a positive return in any market conditions over a rolling 3 year period, although this is not guaranteed.

The Fund can use sophisticated investment techniques that differ from those used in traditional Equity funds.

The Fund should not be used as a substitute for liquidity funds or cash accounts.

The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded. These risks are typically increased for Below Investment Grade and certain Unrated securities, which may also be subject to higher volatility and be more difficult to sell than Investment Grade securities.

The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.

The Fund may use Financial Derivative Instruments (derivatives) and/ or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment

in derivatives may result in losses in excess of the amount invested by the Fund.

Some Financial Derivative Instruments (derivatives) traded on an exchange may be illiquid, and as a result, may need to be held until the derivative contract position expires. This may have an adverse impact on the return of the Fund.

The Fund invests opportunistically and exposure to the markets may vary substantially over a short period of time depending on market conditions. Therefore the Fund may not be fully invested in rising markets; conversely the Fund could be more than fully invested in a falling market. In both circumstances the performance of the Fund would suffer.

The value of securities in which the Fund invests may be influenced by movements in commodity prices which can be very volatile.

The Fund invests in securities of smaller companies which may be more difficult to sell, more volatile and tend to carry greater financial risk than securities of larger companies.

The possible loss from taking a Short Position on a security (using Financial Derivative Instruments) may be unlimited as there is no restriction on the price to which a security may rise. The Short Selling of investments may be subject to changes in regulations, which could adversely impact returns to investors.

The Fund may be concentrated in a limited number of securities, industry sectors or countries and as a result, may be more volatile than more broadly diversified funds.

Under exceptional market conditions the Fund may be unable to meet the volatility level stated in the investment objective and the realised volatility may be greater than intended.

Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements.

Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.

To the extent that any underlying assets of the Fund are denominated in a currency other than Sterling and are not hedged back to Sterling, movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

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The term 'Fund' used throughout this document refers to the relevant 'Sub-Fund', which is a legal term used in the Prospectus.

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