



Audited Interim Report – 31 December 2022

# **JPMorgan Global Strategic Bond Fund**

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ARSN 166 529 791

**Interim report**

**for the half-year ended 31 December 2022**

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## Interim report for the half-year ended 31 December 2022

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This interim report does not include all the notes of the type normally included in an annual report. Accordingly, this interim report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made in respect of JPMorgan Global Strategic Bond Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim report covers JPMorgan Global Strategic Bond Fund as an individual entity.

The Responsible Entity of JPMorgan Global Strategic Bond Fund is Perpetual Trust Services Limited (ABN 48 000 142 049) (AFSL 236 648).

The Responsible Entity's registered office is Level 18 Angel Place, 123 Pitt Street, Sydney, NSW 2000.

## Directors' report

Perpetual Trust Services Limited (ABN 48 000 142 049) (AFSL 236 648) is the responsible entity (the "Responsible Entity") of JPMorgan Global Strategic Bond Fund (the "Fund"). The directors of the Responsible Entity ("the Directors") of the Fund, present their report together with the condensed financial statements, for the half-year ended 31 December 2022. These condensed financial statements have been prepared as it is a disclosing entity under the *Corporations Act 2001*.

### Principal activities

The Fund is a registered managed investment scheme domiciled in Australia.

The Fund was constituted on 29 October 2013 and commenced operations on 20 December 2013.

During the half-year, the Fund invested in accordance with the investment objective and guidelines as set out in the governing documents of the Fund and in accordance with the provision of the Fund's Constitution.

The Fund did not have any employees during the half-year.

There were no significant changes in the nature of the Fund's activities during the half-year.

### Directors

The Directors of Perpetual Trust Services Limited during the half-year and up to the date of this report are shown below. The Directors were in office for this entire period except where stated otherwise:

Glenn Foster

Phillip Blackmore

Richard McCarthy

Vicki Riggio

Alternate Director for Phillip Blackmore

### Review of operations

During the half-year, the Fund invested in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

### Results

The performance of the Fund, as represented by the results of its operations, was as follows;

	<b>Half-year ended</b>	
	<b>31 December 2022</b>	31 December 2021
Operating profit/(loss) for the period (\$'000)	<b>8,714</b>	(1,590)
<i>Distributions</i>		
Distributions paid and payable (\$'000)	<b>4,185</b>	4,931
Distributions (cents per unit)	<b>1.10</b>	1.35

### Significant changes in state of affairs

The current geopolitical events have had a global market impact and uncertainty exists as to their implications. Such disruptions can adversely affect the assets, performance and liquidity of investment funds.

Recognising the Russia/Ukraine conflict as well as Australia's broadening of its existing autonomous sanctions, the Directors and management continue to remain abreast of developments in this area and monitor the potential impacts across the Fund.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Fund that occurred during the half-year ended 31 December 2022.

## **Directors' report (continued)**

### **Matters subsequent to the end of the financial period**

Market disruptions associated with current geopolitical events have had a global impact, and uncertainty exists as to their implications. Such disruptions can adversely affect assets of the Fund and thus performance of the Fund. Management is continuing to monitor this development and evaluate its impact on the Fund.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Fund in future financial years.

### **Rounding of amounts to the nearest thousand dollars**

Amounts in the Directors' report and condensed financial statements have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 3.

This report is made in accordance with a resolution of the directors.

Director



Perpetual Trust Services Limited

Sydney

6 March 2023



## Auditor's Independence Declaration

As lead auditor for the review of JPMorgan Global Strategic Bond Fund for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'Paul Collins', is written over a light blue horizontal line.

Paul Collins  
Partner  
PricewaterhouseCoopers

Sydney  
6 March 2023

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Liability limited by a scheme approved under Professional Standards Legislation.

**JPMorgan Global Strategic Bond Fund**  
**Condensed statement of comprehensive income**  
**For the half-year ended 31 December 2022**

**Condensed statement of comprehensive income**

	Half-year ended	
	31 December 2022	31 December 2021
Notes	\$'000	\$'000
<b><i>Investment and other income</i></b>		
Interest income from financial assets at fair value through profit or loss	5,895	7,168
Net gains/(losses) on financial instruments at fair value through profit or loss	3,837	(7,783)
Management costs reimbursement	<u>44</u>	<u>44</u>
<b><i>Total investment and other income</i></b>	<b><u>9,776</u></b>	<b><u>(571)</u></b>
<b><i>Expenses</i></b>		
Management fees	956	990
Transaction costs	106	9
Other expenses	<u>-</u>	<u>20</u>
<b><i>Total operating expenses</i></b>	<b><u>1,062</u></b>	<b><u>1,019</u></b>
<b><i>Operating profit/(loss)</i></b>	<b><u>8,714</u></b>	<b><u>(1,590)</u></b>
<b><i>Profit/(loss) for the half-year</i></b>	<b>8,714</b>	<b>(1,590)</b>
Other comprehensive income	<u>-</u>	<u>-</u>
<b><i>Total comprehensive income for the half-year</i></b>	<b><u><u>8,714</u></u></b>	<b><u><u>(1,590)</u></u></b>

*The above Condensed statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Condensed statement of financial position**

		<b>As at</b>	
		<b>31 December 2022</b>	30 June 2022
	Notes	\$'000	\$'000
<b>Assets</b>			
Cash and cash equivalents		12,633	18,416
Margin accounts		6,925	1,131
Receivables		196	507
Due from brokers - receivable for securities sold		255	8,121
Financial assets at fair value through profit or loss	4	333,073	356,484
<b>Total assets</b>		<b>353,082</b>	<b>384,659</b>
 <b>Liabilities</b>			
Distribution payable	7	1,994	3,297
Payables		488	1,154
Due to brokers - payable for securities purchased		1,350	6,032
Financial liabilities at fair value through profit or loss	5	3,282	15,740
<b>Total liabilities</b>		<b>7,114</b>	<b>26,223</b>
<b>Net assets attributable to unitholders - equity</b>	6	<b>345,968</b>	<b>358,436</b>

*The above Condensed statement of financial position should be read in conjunction with the accompanying notes.*



**JPMorgan Global Strategic Bond Fund**  
**Condensed statement of changes in equity**  
**For the half-year ended 31 December 2022**

**Condensed statement of changes in equity**

	<b>Half-year ended</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
Notes	<b>\$'000</b>	<b>\$'000</b>
<b><i>Total equity at the beginning of the half-year</i></b>	<b>358,436</b>	308,790
<b><i>Comprehensive income/(loss) for the half-year</i></b>		
Profit/(loss) for the half-year	8,714	(1,590)
Other comprehensive income/(loss)	<u>-</u>	<u>-</u>
<b><i>Total comprehensive income/(loss) for the half-year</i></b>	<b><u>8,714</u></b>	<b><u>(1,590)</u></b>
<b><i>Transactions with unitholders</i></b>		
Applications	40,910	107,094
Redemptions	(58,205)	(34,514)
Units issued upon reinvestment of distributions	298	576
Distributions paid and payable	7 <u>(4,185)</u>	<u>(4,931)</u>
<b><i>Total transactions with unitholders</i></b>	<b><u>(21,182)</u></b>	<b><u>68,225</u></b>
<b><i>Total equity at the end of the half-year</i></b>	<b><u><u>345,968</u></u></b>	<b><u><u>375,425</u></u></b>

*The above Condensed statement of changes in equity should be read in conjunction with the accompanying notes.*

**JPMorgan Global Strategic Bond Fund**  
**Condensed statement of cash flows**  
**For the half-year ended 31 December 2022**

**Condensed statement of cash flows**

	Half-year ended	
	31 December 2022	31 December 2021
Note	\$'000	\$'000
<b><i>Cash flows from operating activities</i></b>		
Proceeds from sale of financial instruments at fair value through profit or loss	204,184	189,782
Payments for purchase of financial instruments at fair value through profit or loss	(192,069)	(253,608)
Transaction costs	(106)	(9)
Interest received from financial assets at fair value through profit or loss	5,789	7,280
Management costs reimbursement received	180	129
Management costs paid	(1,043)	(1,051)
Payment of other expenses	<u>(1)</u>	<u>(21)</u>
<b><i>Net cash inflow/(outflow) from operating activities</i></b>	<b><u>16,934</u></b>	<b><u>(57,498)</u></b>
<b><i>Cash flows from financing activities</i></b>		
Proceeds from applications by unitholders	41,086	106,646
Payments for redemptions by unitholders	(58,783)	(34,205)
Distributions paid	<u>(5,190)</u>	<u>(10,473)</u>
<b><i>Net cash inflow/(outflow) from financing activities</i></b>	<b><u>(22,887)</u></b>	<b><u>61,968</u></b>
<b><i>Net increase in cash and cash equivalents</i></b>		
	(5,953)	4,470
Cash and cash equivalents at the beginning of the half-year	18,416	7,825
Effects of foreign currency exchange rate changes on cash and cash equivalents	<u>170</u>	<u>440</u>
<b><i>Cash and cash equivalents at the end of the half-year</i></b>	<b><u>12,633</u></b>	<b><u>12,735</u></b>
Non-cash financing activities	6 <u>298</u>	<u>576</u>

*The above Condensed statement of cash flows should be read in conjunction with the accompanying notes.*

## 1 Basis of preparation of interim report

These interim financial statements for the half-year ended 31 December 2022 (the "reporting period") have been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* in Australia.

This interim report does not include all the notes of the type normally included in an annual report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any announcements made in respect of JPMorgan Global Strategic Bond Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Responsible Entity of the Fund is Perpetual Trust Services Limited (the "Responsible Entity"). The Responsible Entity is incorporated and domiciled in Australia, and its registered office is Level 18 Angel Place, 123 Pitt Street, Sydney, NSW 2000. The condensed financial statements are presented in the Australian currency.

The condensed financial statements were authorised for issue by the Directors on 6 March 2023. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

### *Compliance with International Financial Reporting Standards (IFRS)*

Compliance with AASB 134 ensures that the interim financial report of the Fund, comprising the financial statements and notes thereto, complies with International Accounting Standards IAS 34 *Interim Financial Reporting*.

#### **(a) New and amended standards adopted by the Fund**

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial half-year beginning 1 July 2022 that have a material impact on the Fund.

#### **(b) Significant accounting policies**

The accounting policies applied in these condensed financial statements are the same as those applied to the Fund's financial statements for the year ended 30 June 2022.

## 2 Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

## 3 Fair value measurement

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss (see note 4 and 5)
- Derivative financial instruments

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

### *(i) Fair value in an active market (level 1)*

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments and derivatives in accordance with the accounting policies set out in Note 3 to the financial statements. For the majority of investments, information provided by independent pricing services is relied upon for valuation of investments.

The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price.

### **3 Fair value measurement (continued)**

*(i) Fair value in an active market (level 1) (continued)*

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

*(ii) Valuation techniques used to derive level 2 and level 3 fair value*

The fair value of financial assets and liabilities that are not exchange-traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This may be the case for certain corporate debt securities.

Where discounted cash flow techniques are used, estimated future cash flows are based on the Investment Manager's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Investments in other managed funds are recorded at the redemption value per unit as reported by the investment managers of such funds.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

The determination of what constitutes 'observable' requires significant judgment by the Investment Manager. The Investment Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

### 3 Fair value measurement (continued)

*(iii) Recognised fair value measurement*

The following table presents the Fund's financial assets and liabilities measured and recognised at fair value as at 31 December 2022 and 30 June 2022.

<b>As at 31 December 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets at fair value through profit or loss</b>				
Derivatives				
Forward exchange contracts	-	2,747	-	2,747
Fixed interest futures	1,642	-	-	1,642
Swaps	-	55	-	55
Fixed interest securities	-	315,518	5	315,523
Convertible notes	-	13,106	-	13,106
<b>Total</b>	<b>1,642</b>	<b>331,426</b>	<b>5</b>	<b>333,073</b>
<b>Financial Liabilities at fair value through profit or loss</b>				
Derivatives				
Forward exchange contracts	-	2,056	-	2,056
Fixed interest futures	235	-	-	235
Swaps	-	991	-	991
<b>Total</b>	<b>235</b>	<b>3,047</b>	<b>-</b>	<b>3,282</b>
<b>As at 30 June 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets at fair value through profit or loss</b>				
Derivatives				
Forward exchange contracts	-	1,124	-	1,124
Fixed interest futures	1,419	-	-	1,419
Swaps	-	440	-	440
Fixed interest securities	-	323,824	1,459	325,283
Managed funds	-	13,930	-	13,930
Convertible notes	-	14,288	-	14,288
<b>Total</b>	<b>1,419</b>	<b>353,606</b>	<b>1,459</b>	<b>356,484</b>
<b>Financial Liabilities at fair value through profit or loss</b>				
Derivatives				
Forward exchange contracts	-	15,591	-	15,591
Fixed interest futures	95	-	-	95
Swaps	-	54	-	54
<b>Total</b>	<b>95</b>	<b>15,645</b>	<b>-</b>	<b>15,740</b>

### 3 Fair value measurement (continued)

*(iv) Transfer between levels*

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The following tables present the transfers between levels:

	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000
<b>At 31 December 2022</b>			
Transfer between levels 2 and 3:			
Fixed Interest securities	-	1,403	(1,403)
<b>At 30 June 2022</b>			
Transfers between levels 2 and 3:			
Fixed Interest Securities	-	397	(397)

*(v) Fair value measurement using significant unobservable inputs (level 3)*

The following table presents the movement in level 3 financial instruments for the half-year ended 31 December 2022 and 30 June 2022.

<b>31 December 2022</b>	<b>Fixed interest securities</b>
	<b>\$'000</b>
Opening balance	1,459
Gains/(losses) recognised in the Condensed statement of comprehensive income	(51)
Transfers out of Level 3	<u>(1,403)</u>
<b>Closing balance</b>	<b><u>5</u></b>
Total unrealised gains/(losses) for the half-year included in the Statement of comprehensive income for financial assets and liabilities held at the end of the half-year	<u>(51)</u>
<b>30 June 2022</b>	<b>Fixed interest securities</b>
	<b>\$'000</b>
Opening balance	504
Purchases	1,344
Gains recognised in the Statement of comprehensive income	8
Transfers out of Level 3	<u>(397)</u>
<b>Closing balance</b>	<b><u>1,459</u></b>
Total unrealised gains/(losses) for the year included in the Statement of comprehensive income for financial assets and liabilities held at the end of the year	<u>106</u>

*(vi) Valuation inputs and relationships to fair value*

The level 3 financial instrument noted above has been valued at cost in the absence of a vendor or broker coverage.

*(vii) Valuation processes*

Portfolio reviews are undertaken regularly by the Investment Manager to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities.

Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, the Investment Manager performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting year.

### 3 Fair value measurement (continued)

(viii) Fair values of other financial instruments

The Fund did not hold any financial instruments which were not measured at fair value in the Statement of financial position. Due to their short-term nature, the carrying amounts of receivables and payables are assumed to approximate fair value.

### 4 Financial assets at fair value through profit or loss

	As at	
	31 December 2022	30 June 2022
	\$'000	\$'000
Derivatives	4,444	2,983
Fixed interest securities	315,523	325,283
Managed funds	-	13,930
Convertible notes	<u>13,106</u>	<u>14,288</u>
<b>Total financial assets at fair value through profit or loss</b>	<b><u>333,073</u></b>	<b><u>356,484</u></b>
<b>Comprising:</b>		
<b>Derivatives</b>		
Forward currency contracts	2,747	1,124
International fixed interest futures	1,642	1,419
Swaps	<u>55</u>	<u>440</u>
Total derivatives	<u>4,444</u>	<u>2,983</u>
<b>Fixed interest securities</b>		
International government bonds	9,560	85
International other public sector bonds	22,132	22,963
International corporate bonds	83,817	94,667
International commercial mortgages	158,155	169,745
International floating rate notes	40,382	36,238
International other fixed interest securities	<u>1,477</u>	<u>1,585</u>
Total fixed interest securities	<u>315,523</u>	<u>325,283</u>
<b>Managed funds</b>		
Australian managed funds	-	13,930
Total managed funds	<u>-</u>	<u>13,930</u>
<b>Convertible notes</b>		
International convertible notes	<u>13,106</u>	<u>14,288</u>
Total convertible notes	<u>13,106</u>	<u>14,288</u>
<b>Total financial assets at fair value through profit or loss</b>	<b><u>333,073</u></b>	<b><u>356,484</u></b>

## 5 Financial liabilities at fair value through profit or loss

	As at	
	31 December 2022 \$'000	30 June 2022 \$'000
Derivatives	<u>3,282</u>	<u>15,740</u>
<b>Total financial liabilities at fair value through profit or loss</b>	<b><u>3,282</u></b>	<b><u>15,740</u></b>

### Comprising:

#### Derivatives

Forward currency contracts	2,056	15,591
Australian fixed interest futures	-	72
International fixed interest futures	235	23
Swaps	<u>991</u>	<u>54</u>
Total derivatives	<u>3,282</u>	<u>15,740</u>
<b>Total financial liabilities at fair value through profit or loss</b>	<b><u>3,282</u></b>	<b><u>15,740</u></b>

## 6 Net assets attributable to unitholders

Under AASB 132 Financial instruments: Presentation, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund has elected into the AMIT tax regime and consequently the Fund's constitution has been amended. The Fund does not have a contractual obligation to pay distributions to unitholders. Therefore, the net assets attributable to unitholders of the Fund meet the criteria set out under AASB 132 and are classified as equity.

Movements in the number of units and net assets attributable to unitholders during the half-year were as follows:

	As at			
	31 December 2022 No.'000	31 December 2021 No.'000	31 December 2022 \$'000	31 December 2021 \$'000
Balance as at 1 July	390,355	305,022	358,436	308,790
Applications	43,793	105,865	40,910	107,094
Redemptions	(62,420)	(34,266)	(58,205)	(34,514)
Units issued upon reinvestment of distributions	323	569	298	576
Distributions paid and payable	-	-	(4,185)	(4,931)
Profit/(loss) for the half-year	<u>-</u>	<u>-</u>	<u>8,714</u>	<u>(1,590)</u>
Closing balance	<b><u>372,051</u></b>	<b><u>377,190</u></b>	<b><u>345,968</u></b>	<b><u>375,425</u></b>

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

### Capital Risk Management

The Fund considers its net assets attributable to unitholders as equity. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Responsible Entity and Investment Manager. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.



## 6 Net assets attributable to unitholders (continued)

The Fund's investment strategy remains unchanged and it continues to hold direct investments which provide exposure to liquid assets including income securities, interest earnings and cash equivalent securities. As such, the Fund will meet any capital requirements from the liquidation of liquid assets, which include cash and cash equivalents.

## 7 Distributions to unitholders

The distributions during the half-year were as follows:

	31 December 2022		31 December 2021	
	\$'000	Cents per unit	\$'000	Cents per unit
Distributions paid				
— 30 September	2,191	0.56	2,249	0.64
Distributions payable				
— 31 December	<u>1,994</u>	0.54	<u>2,682</u>	0.71
	<u><u>4,185</u></u>		<u><u>4,931</u></u>	

## 8 Related party transactions

There have been no significant changes to the related party transactions disclosed in the previous annual financial report for the year ending 30 June 2022.

## 9 Significant events during the half-year

The current geopolitical events have had a global market impact and uncertainty exists as to their implications. Such disruptions can adversely affect the assets, performance and liquidity of investment funds.

Recognising the Russia/Ukraine conflict as well as Australia's broadening of its existing autonomous sanctions, the Directors and management continue to remain abreast of developments in this area and monitor the potential impacts across the Fund.

There were no other significant events during the half-year.

## 10 Events occurring after the reporting half-year

Market disruptions associated with current geopolitical events have had a global impact, and uncertainty exists as to their implications. Such disruptions can adversely affect assets of the Fund and thus performance of the Fund. Management is continuing to monitor this development and evaluate its impact on the Fund.

The Directors are not aware of any other event or circumstance since the end of the reporting date which would impact on the financial position of the Fund disclosed in the Condensed statement of financial position as at 31 December 2022 or on the results and cash flows of the Fund for the period ended on that date.

## 11 Contingent assets, contingent liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2022 (30 June 2022: Nil).

## Directors' declaration

In the opinion of the Directors:

- (a) the condensed financial statements and notes set out on pages 4 to 14 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Director



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Sydney

6 March 2023



# Independent auditor's review report to the unitholders of JPMorgan Global Strategic Bond Fund

## Report on the half-year financial report

### Conclusion

We have reviewed the half-year financial report of JPMorgan Global Strategic Bond Fund (the Fund) which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of JPMorgan Global Strategic Bond Fund does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Fund's financial position as at 31 December 2022 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Responsibilities of the directors of the Responsible Entity for the half-year financial report

The directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

**PricewaterhouseCoopers, ABN 52 780 433 757**

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### **Auditor's responsibilities for the review of the half-year financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2022 and of its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Paul Collins'.

Paul Collins  
Partner

Sydney  
6 March 2023

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For further information concerning J.P. Morgan Funds, please contact the  
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**J.P.Morgan**  
ASSET MANAGEMENT