

JPMorgan Funds - US Opportunistic Long-Short Equity Fund

JPM A (perf) (acc) - USD: LU1297691815

For other available share classes, please check the prospectus.

Topline

Monthly returns	
Fund	Benchmark
▲ 5.81%	▲ 0.01%
<p>Benchmark: ICE 1 Month USD LIBOR</p> <p>Markets The S&P 500 Index® returned 7.19% in August, rallying for the fifth consecutive month. The market reached new highs in the month, driven by a rally in technology stocks and encouraging economic data, resulting in the best monthly gain since the April rebound.</p> <p>Helped Holdings in the consumer discretionary sector and, to a lesser extent, in the information technology sector proved beneficial.</p> <p>Hurt The short side of the portfolio, in particular shorts within the consumer discretionary, consumer staples and real estate sectors, marginally detracted from overall performance.</p> <p>Outlook We continue to focus on the fundamentals of the economy and on company earnings. Our core analysts' estimates for S&P 500® earnings currently project -20% growth for 2020 and +26% for 2021.</p>	

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

Fund overview

Investment objective

To achieve a total return through the active management of long and short equity positions, with exposure primarily to US companies and through the use of derivatives.

Month in review

- **Despite the strong performance of equities in August**, the fund captured approximately 85% of the S&P 500 Index return.
- **Similarly to the previous month**, the fund's average net exposure during August was above the long-term average at 74%. Gross exposure was at 127%, above the long-term average of 101%.
- **The long side of the portfolio had a strong positive contribution** to total return. In particular, our holdings in the consumer discretionary sector and, to a lesser extent, in the information technology sector proved beneficial.
- **In particular, our positions in Tesla, Alibaba and Best Buy** were all top performers. Tesla rallied over renewed demand in China for its electric-vehicle segment and the optimism that its cutting-edge technologies and innovations would help it widen its total addressable market. Best Buy was also a strong performer on the back of very solid results against high expectations.
- **With regards to the positive performance in the information technology space**, our position in Nvidia was the main contributor. On an individual stock basis, our position in Zillow Group in the communication services sector added value.
- **In terms of negatives**, the short side of the portfolio, in particular, shorts within the consumer discretionary, consumer staples and real estate sectors, marginally detracted from overall performance.

Looking ahead

- **We continue to focus on the fundamentals of the economy** and on company earnings. Our core analysts' estimates for S&P 500® earnings currently project -20% growth for 2020 and +26% for 2021. While subject to revision, this forecast reflects our expectations for a weak year, yet ultimate recovery in the underlying economy and includes our best analysis of earnings expectations. Unemployment and other uncertainties, such as trade, fiscal stimulus and the US election, will be integral to investor sentiment moving forward.
- **While we believe the economy will recover**, it will first need time to heal and hence we remain balanced and continue to monitor incremental risks that could represent headwinds for US stocks. Through the volatility, we continue to increase our exposure to quality, focus on high-conviction stocks and take advantage of market dislocations for compelling stock-selection opportunities.
- **From a positioning perspective**, we continue to focus on companies that are typically agnostic to the macro environment and that have the ability to compound earnings growth. Currently we have a diversified exposure to defensive businesses, specifically through our healthcare holdings, secular growth stocks within consumer and information technology, and more cyclical stocks. At the same time, we retain significant flexibility to modify our exposures in the long and short side as new evidence arise.

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.

Performance and positioning

%	1M	3M	YTD	1Y	3Y	Since inception
JPM US Opportunistic Long-Short Equity A (perf) (acc) - USD	5.81	9.35	13.24	13.15	5.80	4.88
Benchmark	0.01	0.04	0.48	1.11	1.76	1.35
Excess return (arithmetic)	5.79	9.30	12.76	12.04	4.04	3.53

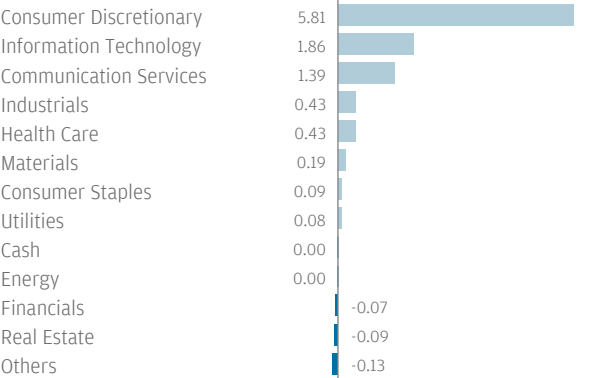
%	2019	2018	2017	2016
JPM US Opportunistic Long-Short Equity A (perf) (acc) - USD	1.12	-0.59	13.75	-2.08
Benchmark	2.27	2.08	1.13	0.50
Excess return (arithmetic)	-1.16	-2.67	12.62	-2.59

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 NAV (net asset value) of the above share class with income (gross of shareholder tax) reinvested including actual ongoing charges excluding any entry and exit fees. Performance over one year is annualised. Share class inception date is 30.10.2015

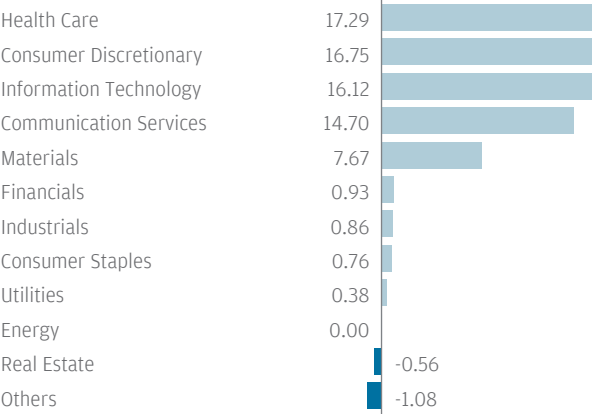
FUND CHARACTERISTICS

Exposure	Average weight (%)	Position	
Long	100.83	Long	34
Short	-27.00	Short	13
Net	73.82	Total number of holdings	47

CONTRIBUTION TO RETURN ANALYSIS VS. BENCHMARK (%)



NET SECTOR POSITIONING VS BENCHMARK (%)



Source: Factset, as at 31.08.2020. Based on average weights during the month. All figures are gross of fees and as such are used as an indicator of performance but actual fund performance may be different. 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.

KEY RISKS

The Sub-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 Sub-Fund.

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

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

Techniques	Securities
Derivatives	Equities
Hedging	
Short positions	
Concentration	

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

Market

Outcomes to the Shareholder *Potential impact of the risks above*

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