JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

Topline

Monthly Total Return

Fund	Benchmark
▲ 0.09%	▲ 0.15%

Benchmark : Bloomberg AusBond Bank Bill Index

Markets Equity and fixed income markets were volatile in August and ultimately ended the month in negative territory, as investors digested central banks' ongoing commitment to managing inflation and resultant tightening financial conditions, while growth data deteriorated further. The MSCI World Index was down 3.5% and the JPM Global GBI fell 2.9% (hedged to Australian dollar).

Helped Short-biased equity futures and options held for protection, short credit and long US dollar exposure.

Hurt Long equity exposure, particularly cloud computing and luxury consumer discretionary names.

Outlook We anticipate further deterioration in global growth as elevated inflation continues to prompt central bank tightening in the near term, while growth risks in Europe from the significant rise in energy costs remain concerning. Against a backdrop of cyclical contraction, we expect markets to remain volatile and are tilted towards defensive assets that would typically deliver relative outperformance.

*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 capital appreciation in excess of its cash benchmark by investing primarily in securities, globally, using financial derivative instruments where appropriate.

Month in Review

- **Equity and fixed income markets were volatile in August** and ultimately ended the month in negative territory, as investors digested central banks' ongoing commitment to managing inflation and resultant tightening financial conditions, while growth data deteriorated further. The MSCI World Index was down 3.5% and the JPM Global GBI fell 2.9% (hedged to Australian dollar). The fund return was positive.
- **Global inflation remained elevated**, but a modest drop in the US print fuelled hopes of a policy pivot by the US Federal Reserve (Fed) and supported risk assets early in the month. While easing energy prices supported some moderation in US inflation, there was an acceleration in price pressures in other regions, notably the eurozone and UK, which prompted a sharp sell-off in global bonds and equities in the second half of the month.
- **Key central banks reaffirmed their commitment to policy tightening at Jackson Hole towards the end of August**, notably in speeches from Fed Chair Powell and European Central Bank board member Schnabel. This exacerbated the sell-off in equity markets as investors adjusted their expectations for the path of policy. Our long equity strategies detracted, with higher growth exposures in technology and consumer weighing most on returns. However, our defensive positioning overall was beneficial as strategies held to provide protection, particularly our short-biased US and European equity futures and options, contributed positively to performance. Our short US and European high yield strategies held via credit default swaps were also additive.
- **Global growth deteriorated further**, with purchasing managers' indices showing weakness broadening out to services and softening demand. With ongoing weak activity in China, our long US dollar versus China-sensitive currencies such as the Australian dollar, South African rand and Chinese renminbi added value. Reflective of a potential shift in market focus to decelerating growth and a potentially stabilising inflation backdrop in the US, we added long US duration and took profit on some of our long US dollar exposure by switching to long Japanese yen.

Looking Ahead

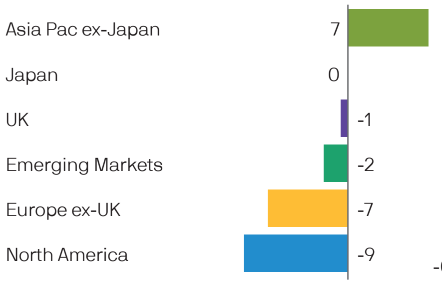
- **We anticipate further deterioration in global growth** as financial conditions continue to tighten, while growth risks in Europe from the significant rise in energy costs remain concerning. We are closely monitoring incoming data on inflation and the probability of achieving a soft landing by central banks.
- **With the world in an economic contraction, we maintain a low level of portfolio risk** as we expect markets to remain volatile and have a higher conviction in our current cyclical view over the medium term. We maintain a portfolio with a tilt towards defensive assets that would typically deliver relative outperformance as we continue to hold defensive relative-value equity strategies, short credit and defensive currency pairs, and a modest gold allocation.

Performance and positioning

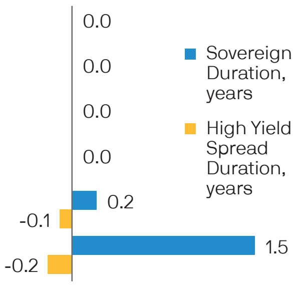
%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
Fund	0.09	0.21	-6.56	-10.38	-0.02	1.69	3.48	3.72
Benchmark	0.15	0.33	0.35	0.37	0.21	0.36	0.95	1.13
Outperformance (Total Return)	-0.06	-0.12	-6.91	-10.75	-0.22	1.33	2.53	2.58

Past performance is not a reliable indicator of current and future results.
Source: J.P. Morgan Asset Management. Bloomberg. Inception date: 05.02.2016. 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.

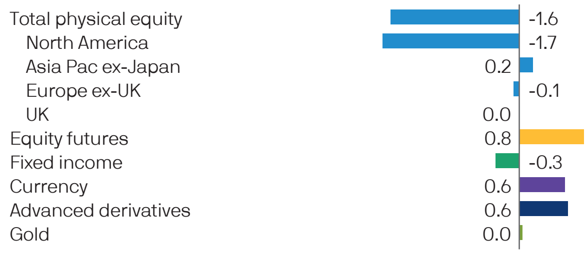
Net equity exposure (%)



Duration (years)



1 Month contribution analysis (%)



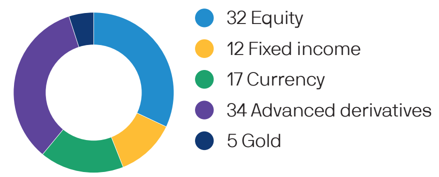
Net equity region and sector positioning (%)

	Asia Pac ex-Japan	Emerging markets	Europe ex-UK	Japan	North America	UK	Sector total
Communication services		0	0		-1		**-1**
Consumer discretionary		0	0		1		**0**
Consumer staples		0	-1		-1		**-2**
Energy		0	-1		-1		**-2**
Financials	6	0	-4		-3		**-1**
Healthcare		0	2		0		**2**
Industrials		0	-1		-2		**-4**
Information technology	1	0	-1		-1		**-1**
Materials		0	-2		-1	-1	**-4**
Real estate		0	0		-1		**-1**
Utilities		0	1		1		**2**
Region total	7	-2	-7	0	-9	-1	-11

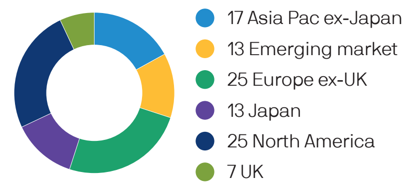
Active currency positions and gold (%)

USD	JPY	THB	IDR	TWD	GBP	KRW	CAD	CNH	NZD	EUR	ZAR	AUD	Gold
19	13	2	1	-2	-2	-2	-3	-3	-3	-5	-6	-9	5

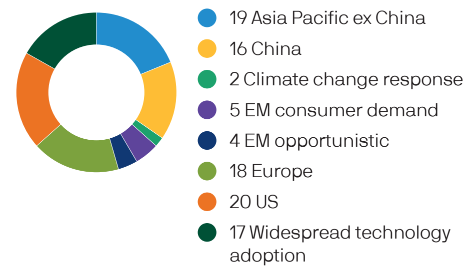
Asset class risk (%)



Regional risk (%)



Theme risk (%)



Ex-ante fund volatility: 5.2%

Source for all charts: J.P. Morgan Asset Management, as at 31.08.2022. 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 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.

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 available on our website for more information.**

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

Techniques	***Securities***	
Concentration	China	- Investment grade debt
Derivatives	Commodities	- Government debt
Hedging	Convertible securities	- Unrated debt
Short position	Debt securities	Emerging markets
	- Below investment grade debt	Equities

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

Credit	Market	Currency
Liquidity	Interest rate	

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

Loss	**Volatility**	**Failure to meet the Fund's objective.**
Unitholder could lose some or all of their money.	Units of the Fund will fluctuate in value.	

Notes