

JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

Topline

Monthly returns *Fund	Benchmark
▲ 0.11%	▲ 0.00%
<p>Benchmark: Bloomberg AusBond Bank Bill Index</p> <p>Markets Global equity markets ended May in positive territory after a volatile month, as inflation concerns grew amid a continued improvement in economic activity.</p> <p>Helped Our long equity strategies, particularly cyclical exposures such as financials and semis, and select emerging market equities.</p> <p>Hurt Long US equity put options, secular growth exposures in tech and consumer discretionary names.</p> <p>Outlook We anticipate continued momentum in the current expansion, but are closely monitoring inflation dynamics and maintain a slightly lower level of risk in the portfolio as well as some protection via equity options.</p>	

*Net of fees performance is calculated on Bid - Bid with gross income reinvested, e.g. net of ongoing fees and expenses.

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

- **Global equity markets ended May in positive territory after a volatile month**, as inflation concerns grew amid a continued improvement in economic activity. The MSCI World Index was up 1.0% and JPM GBI Index was up 0.2% (hedged to Australian dollar). The fund return was positive.
- **An increased focus on higher inflation outcomes impacted markets** as investors grew concerned that this might lead to an earlier unwinding of accommodative monetary policy. This was prompted by a higher-than-expected US Consumer Prices Index print and strengthening wage data in a disappointing April US employment report. The pick-up in inflation was largely due to supply constraints amid re-openings, which have extended to labour markets and are factors that we expect to be transitory. However, market volatility increased and the risk-off reaction particularly hurt our secular growth tech and consumer discretionary exposures. We took advantage of more attractive valuations intra-month to add to our favoured names, and introduced a long Nasdaq versus short US large-cap equity strategy to benefit from a reversal in tech underperformance, which contributed later in the month.
- **The US Federal Reserve maintained its accommodative stance**, reiterating that it would look through short-term rises in inflation and indicating that members are not yet talking about tapering. As yields consolidated, we added to our short US duration strategy with a view that yields will grind higher over the year and as a strategy offering diversification benefits from the scenario of higher yields destabilising equity markets. To provide further protection in the event of a shift in policy and/or inflation expectations, in addition to risks surrounding new Covid-19 variants, we maintained a relatively large short-bias equity put options strategy through the month, which detracted from performance.
- **The fundamental backdrop remains encouraging**, with activity data reaffirming an acceleration in global growth. Manufacturing and services sectors continued to show improvement and further re-opening of non-essential businesses contributed to the broadening recovery across developed markets. In this environment, our long cyclical equity exposure added value, particularly our select financials and semis names, as well as long US regional and European banks via derivatives and select emerging market equities, which benefited from early signs of improvement in Covid-19 trends.

Looking ahead

- **We anticipate continued momentum in the current expansion** as activity improves and re-opening broadens and maintain a pro-cyclical tilt in the portfolio, particularly through equity with our largest exposure in the financials sector.
- **We continue to closely monitor inflation dynamics** and, mindful of the recent pickup in volatility amid fears about rising inflation, we maintain a slightly lower level of risk in the portfolio and continue to hold some protection via equity options.

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. Provided for information only, not to be construed as investment recommendation or advice.

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

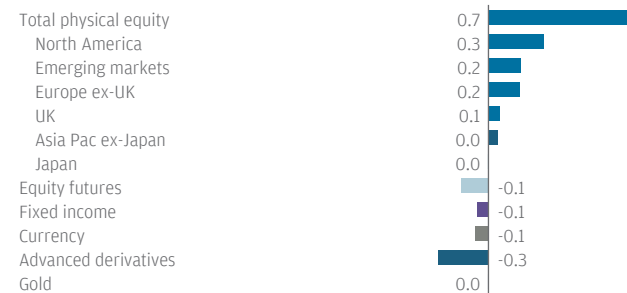
Performance and positioning

%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
JPMorgan Global Macro Opportunities Fund (Net of Fees)	0.11	1.01	5.80	11.37	9.12	5.76	6.57	6.64
Benchmark	0.00	0.01	0.01	0.06	0.52	1.01	1.33	1.34
Outperformance (Net of fees)	0.11	1.00	5.79	11.31	8.60	4.75	5.24	5.30

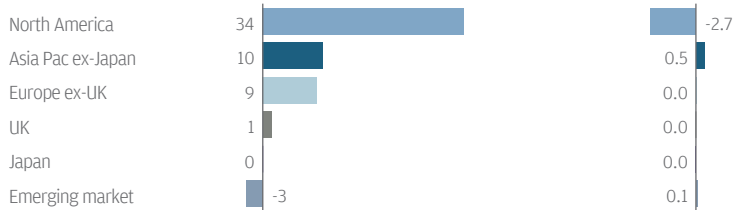
Past performance is not a reliable indicator of current and future results.

Source: J.P. Morgan Asset Management. Bloomberg. Inception date: 2 May 2016. Net of fees performance is calculated on Bid - Bid with gross income reinvested, i.e. net of ongoing fees and expenses. Returns for periods greater than one year are annualised.

1 MONTH CONTRIBUTION ANALYSIS (%)



NET EQUITY EXPOSURE (%)



DURATION (YEARS)

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	0	0	4	0	4
Consumer discretionary	2	-1	1	0	8	0	9
Consumer staples	0	0	0	0	0	0	0
Energy	0	0	0	0	1	0	1
Financials	6	1	4	0	4	0	14
Healthcare	0	0	1	0	1	1	3
Industrials	0	0	2	0	2	0	4
Information technology	3	-1	-1	0	15	0	16
Materials	0	0	1	0	-1	0	0
Real estate	0	0	0	0	-1	0	-1
Utilities	0	0	3	0	0	0	3
Region total	10	-3	9	0	34	1	51

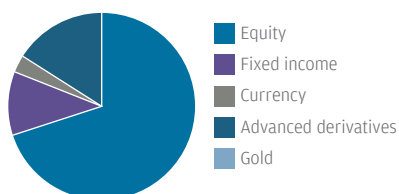
ACTIVE CURRENCY POSITIONS AND GOLD (%)

	CNH	NOK	EUR	TWD	Gold
	7	4	-4	-7	0

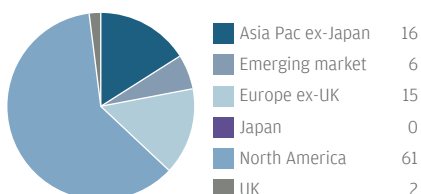
EX-ANTE VOLATILITY (%)



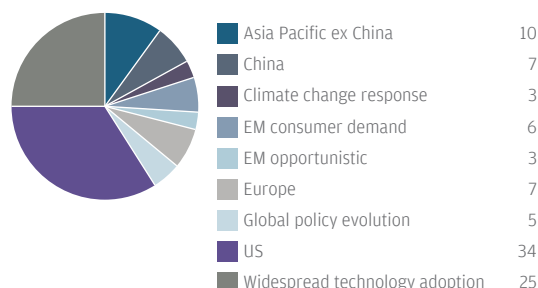
ASSET CLASS RISK (%)



REGIONAL RISK (%)



THEME RISK (%)



Source for all charts: J.P. Morgan Asset Management, as at 31.05.2021. 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 and Reference Guide 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 Unitholder could lose some or all of their money.	Volatility Units of the Fund will fluctuate in value.	Failure to meet the Fund's objective.
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NOTES

This information has been provided by JPMorgan Asset Management (Australia) Limited (ABN 55143832080) (AFSL 376919), the manager of the fund featured in this document. Perpetual Trust Services Limited (ABN 48 000 142 049) (AFSL 236648) is the fund's Responsible Entity. This document is for information purposes only and should not be taken as containing any financial product advice or recommendation. It does not take into account an individual's financial circumstances. Investors should consider the Product Disclosure Statement of the fund (available from www.jpmorganam.com.au) to understand the various risks associated with investing in the fund and in making any investment decision. Past performance is not a reliable indicator of future performance and investors may not get back the full amount invested. Future performance and return of capital is not guaranteed. Information is considered correct at the time of issue but no liability for errors or omissions will be accepted by JPMorgan Asset Management (Australia) Limited or its affiliates. This document is confidential and intended solely for the person to whom it is provided by the issuer. Bloomberg Finance L.P. and its affiliates (collectively, "Bloomberg") are not affiliated with the Manager or the Responsible Entity and do not approve, endorse, review, or recommend the Fund. Bloomberg and the Benchmark are trademarks or service marks of Bloomberg and have been licensed to the Manager. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Benchmark. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our privacy policies at <https://am.jpmorgan.com/global/privacy>.