

# JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

## Topline

Monthly Total Return Fund	Benchmark
▼ -2.76%	▲ 0.03%
<p><b>Benchmark :</b> Bloomberg AusBond Bank Bill Index</p> <p><b>Markets</b> Global equity and fixed income markets ended May in negative territory, with risk assets selling off for much of the period before a sharp month-end rally. The MSCI World Index and the JPM Global GBI were down 0.2% and 0.6% respectively (hedged to Australian dollar).</p> <p><b>Helped</b> Long defensive relative value equity strategies and long US sovereign bonds.</p> <p><b>Hurt</b> Long equity exposure, particularly cloud computing, software and luxury consumer discretionary names.</p> <p><b>Outlook</b> Global growth is decelerating and the risk of contraction has risen. We are positioned to benefit from a slowdown environment in which defensive assets typically outperform, and are seeking to manage for potential continued high volatility.</p>	

\*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

- **Global equity and fixed income markets ended May in negative territory**, with risk assets selling off for much of the period before a sharp month-end rally. Investors were initially focused on the rising risk of recession before positive news on China's lockdowns helped spur a rally. The MSCI World Index and the JPM Global GBI were down 0.2% and 0.6% respectively (hedged to Australian dollar). The fund's return was negative.
- **Growth data showed more cause for concern** with pockets of weakness emerging. The US experienced weak jobless claims, softening mortgages and disappointing retail earnings as discount retailers struggled amid higher inflation and shifting consumer choices. The negative consumer picture weighed on our luxury and lifestyle names, causing them to detract most from performance. Meanwhile, the impact of lockdowns in China has been more severe than feared, with global disruptions, particularly in manufacturing, though the lifting of restrictions provided some relief at month-end. With downside growth risk broadly increasing, our long equity strategies detracted, while our defensive relative value strategies (long healthcare and utilities versus short the broader market) were additive.
- **Central banks remained hawkish and squarely focused on inflation** although some US Federal Reserve members made comments about a potentially slower pace of hiking later in the year depending on the path of inflation. Against this backdrop, we switched our long US dollar exposure to long Japanese yen. The European Central Bank is expected to end asset purchases early in the third quarter, followed by rate hikes as early as July amid continued stronger inflation. In part to reflect this more hawkish policy path in Europe, as well as the deteriorating growth backdrop, we reduced net equity exposure.
- **With policy pricing having significantly adjusted over the year to date**, we do not expect yields to move sharply higher in the near term. Consequently, we added long US and Australian sovereign bonds as potential diversifiers to equity in an environment of decelerating growth and stabilising - if not easing - inflation, and they contributed positively. We also added a short US and European high yield strategy via credit default swaps as we expect spreads to widen further against a slowdown backdrop with tightening financial conditions.

## Looking ahead

- **Global growth is decelerating and the risk of contraction has risen**, with concerns emanating from China and growing in the US. We expect volatility to remain high in the near term as markets are highly sensitive to the latest data prints and newsflow.
- **We are positioned to benefit from a slowdown environment in which defensive assets typically outperform**, by reflecting our views through defensive relative value equity strategies, sovereign bonds, short credit risk and defensive currency pairs, as well as a modest gold allocation.

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.

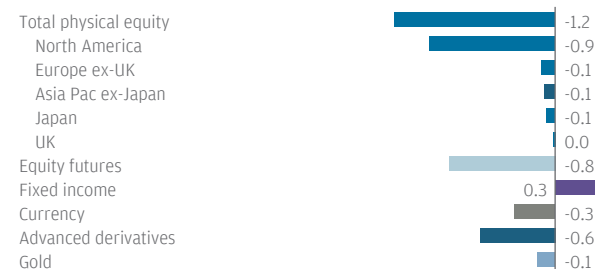
## Performance and positioning

%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
<b>Fund</b>	-2.76	-6.76	-10.80	-9.28	0.52	2.60	4.82	3.84
<b>Benchmark</b>	0.03	0.02	0.04	0.05	0.06	0.36	0.97	1.13
<b>Outperformance (Total Return)</b>	-2.79	-6.78	-10.84	-9.33	0.46	2.24	3.85	2.71

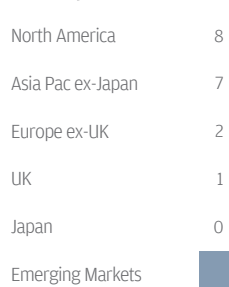
Past performance is not a reliable indicator of current and future results.

Source: J.P. Morgan Asset Management, Bloomberg. Inception date: 2 May 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 annualised.

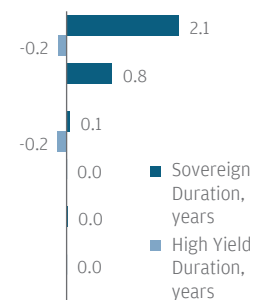
### 1 MONTH CONTRIBUTION ANALYSIS (%)



### NET EQUITY EXPOSURE (%)



### DURATION (YEARS)



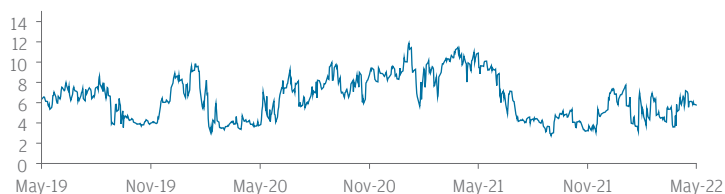
### NET EQUITY REGION AND SECTOR POSITIONING (%)

	Asia Pac ex-Japan	Emerging markets	Europe ex-UK	Japan	North America	UK	Sector total
<b>Communication services</b>	0	0	0	1	0	0	0
<b>Consumer discretionary</b>	0	1	3	0	0	0	3
<b>Consumer staples</b>	0	0	0	0	0	0	-1
<b>Energy</b>	0	0	0	0	-1	0	-1
<b>Financials</b>	6	0	-2	0	0	0	4
<b>Healthcare</b>	0	3	3	2	1	0	6
<b>Industrials</b>	0	-1	-1	-1	-1	0	-2
<b>Information technology</b>	1	0	-1	5	0	0	5
<b>Materials</b>	0	-1	-1	-1	0	0	-2
<b>Real estate</b>	0	0	0	-1	-1	0	-1
<b>Utilities</b>	0	3	3	1	1	0	4
<b>Region total</b>	7	-2	2	0	8	1	15

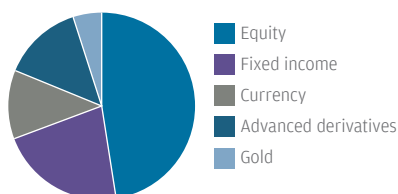
### ACTIVE CURRENCY POSITIONS AND GOLD (%)

JPY	USD	ZAR	CLP	KRW	AUD	GBP	CAD	INR	Gold
13	1	-1	-2	-2	-2	-2	-2	-3	3

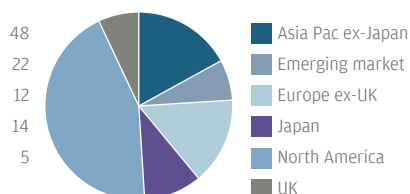
### EX-ANTE VOLATILITY (%)



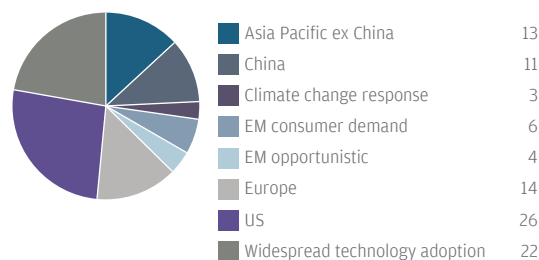
### ASSET CLASS RISK (%)



### REGIONAL RISK (%)



### THEME RISK (%)



Source for all charts: J.P. Morgan Asset Management, as at 31.05.2022. 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 for more information.**

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

<b>Techniques</b>	<b>Securities</b>	
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*

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

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