

# JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

## Topline

Monthly Total Return Fund	Benchmark
▲ 0.48%	▲ 0.05%
<p><b>Benchmark :</b> Bloomberg AusBond Bank Bill Index</p> <p><b>Markets</b> Global equity markets moved sharply lower in June amid tightening financial conditions and rising risks of recession, while fixed income markets also suffered as inflation kept central banks on a hawkish path. The MSCI World Index and the JPM Global GBI were down 8.1% and 1.3% respectively (hedged to Australian dollar).</p> <p><b>Helped</b> Our short-biased equity futures and options held for protection from a risk-off environment and our short US and European high yield strategy.</p> <p><b>Hurt</b> Long equity exposure, particularly consumer and high growth exposures, and long duration exposure (which we closed intra-month).</p> <p><b>Outlook</b> We maintain a cautious portfolio as we expect risk assets to remain vulnerable amid a continued deteriorating growth backdrop, with rising concerns about energy supply in Europe, while higher inflation continues to prompt central bank tightening.</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 markets moved sharply lower in June amid tightening financial conditions and rising risks of recession**, while fixed income markets also suffered as inflation kept central banks on a hawkish path. The MSCI World Index and the JPM Global GBI were down 8.1% and 1.3% respectively (hedged to the Australian dollar). The fund return was positive.
- **Inflation data surprised to the upside in June**, which prompted many central banks across developed and emerging markets to further tighten monetary policy. A stronger-than-anticipated Consumer Price Index (CPI) print and move higher in inflation expectations in the US saw the Federal Reserve raise interest rates by 75 basis points for the first time in nearly three decades, a move that was at the upper end of expectations. In Europe, upwards pressure on headline inflation was broad-based and the European Central Bank turned more hawkish by announcing it would move to normalise policy, with the first rate hike of the cycle anticipated next month. Market concerns shifted away from decelerating growth towards higher inflation and, against this backdrop, we removed our long US and Australian sovereign bond strategies and switched our long Japanese yen exposure to long US dollar.
- **Growth data showed rising risks of moving from a global slowdown into contraction**, with weakness in incoming business surveys and consumer data outside of China, which is re-opening following Covid-induced lockdowns. Against this backdrop of weaker growth and tighter financial conditions, risk assets sold off sharply. Our long equity strategies detracted in aggregate, with higher growth and consumer exposures weighing on returns. However, the market moves benefited the fund more broadly, as we had moved to be positioned more defensively overall. Strategies held to provide protection from a risk-off environment, particularly our short-biased equity futures and options in the US and Europe, contributed positively. Our short US and European high yield strategies held via credit default swaps were also additive.

## Looking ahead

- **We maintain a cautious portfolio as we expect risk assets to remain vulnerable** amid a continued deteriorating growth backdrop, with rising concerns about energy supply in Europe, while higher inflation continues to prompt central bank tightening. We maintain a low level of equity risk with protection via equity derivatives and continue to hold defensive relative value equity strategies, short credit risk and defensive currency pairs, as well as a modest gold allocation.
- **We are closely monitoring inflation indicators and the impact of tightening financial conditions** against a weakening demand backdrop. We remain flexible to adjust the portfolio composition as we navigate market volatility, which we expect to remain high given the sensitivity to inflation and policy developments.

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>	0.48	-4.37	-10.03	-9.43	1.20	1.89	4.51	3.86
<b>Benchmark</b>	0.05	0.07	0.08	0.10	0.08	0.33	0.95	1.12
<b>Outperformance (Total Return)</b>	0.43	-4.44	-10.11	-9.52	1.12	1.56	3.56	2.74

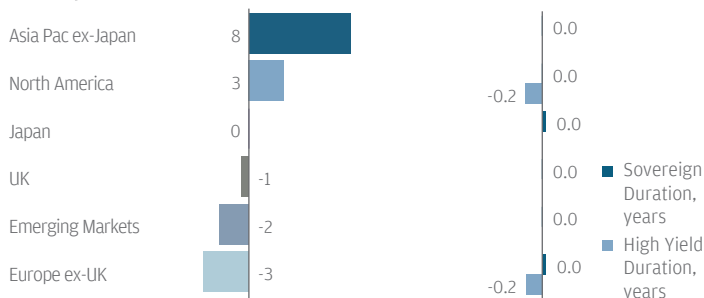
Past performance is not a reliable indicator of current and future results.

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.

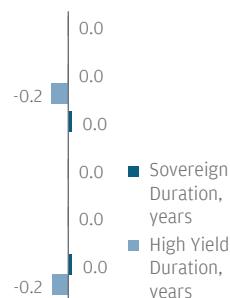
### 1 MONTH CONTRIBUTION ANALYSIS (%)



### NET EQUITY EXPOSURE (%)



### DURATION (YEARS)



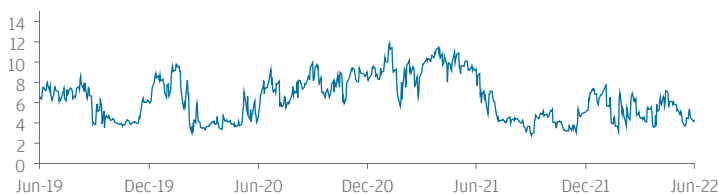
### NET EQUITY REGION AND SECTOR POSITIONING (%)

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

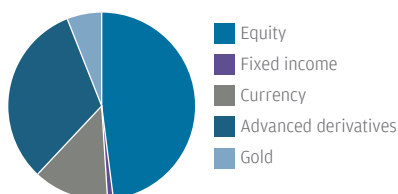
### ACTIVE CURRENCY POSITIONS AND GOLD (%)

Currency	USD	THB	JPY	IDR	KRW	GBP	CAD	INR	TWD	EUR	ZAR	AUD	Gold
Position (%)	21	2	2	2	-1	-1	-3	-3	-4	-5	-5	-5	5

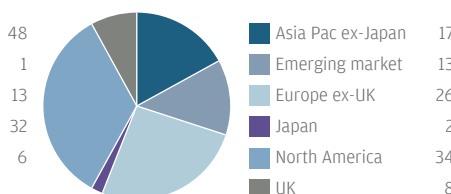
### EX-ANTE VOLATILITY (%)



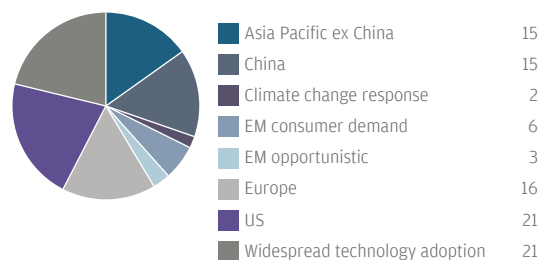
### ASSET CLASS RISK (%)



### REGIONAL RISK (%)



### THEME RISK (%)



Source for all charts: J.P. Morgan Asset Management, as at 30.06.2022. 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>
--	---	--

**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 and Target Market Determination of the fund (available from [www.jpmorganam.com.au](http://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>.