

# JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

## Topline

### Monthly Total Return

Fund	Benchmark
▼ -0.36%	▲ 0.12%

**Benchmark :** Bloomberg AusBond Bank Bill Index

**Markets** Global equity and fixed income markets rebounded in July, as weaker activity data tempered expectations for further central bank tightening and second-quarter earnings releases were better than feared, against a backdrop of light positioning and poor investor sentiment. The MSCI World and JPM Global GBI were up 7.9% and 2.1% respectively (hedged to Australian dollar).

**Helped** Long equity exposure, particularly consumer, cloud computing and software names.

**Hurt** Short-biased equity futures and options held for protection from a risk-off environment and short US and European high yield strategies.

**Outlook** We continue to reflect a deteriorating global growth backdrop, elevated inflation and risks to energy supply in Europe through a cautious portfolio with increased protection via equity derivatives and defensive currency strategies. We remain flexible to adjust the portfolio as we navigate market volatility, which we expect to remain high given investor sensitivity to inflation and policy developments.

\*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 rebounded in July**, as weaker activity data tempered expectations for further central bank tightening and second-quarter earnings releases were better than feared, against a backdrop of light positioning and poor investor sentiment. The MSCI World and the JPM Global GBI were up 7.9% and 2.1% respectively (hedged to Australian dollar). The fund return was negative.
- **Central banks delivered further rate rises, as anticipated given inflationary pressures.** The Federal Reserve increased rates by 75 basis points (bps) for the second consecutive meeting with a clear focus on stronger-than-expected inflation including accelerating Consumer Price Index prints. The European Central Bank delivered its first interest rate hike in 11 years, with a bigger-than-expected rise of 50bps, bringing the policy rate to zero, in addition to announcing details of an anti-fragmentation tool to support the transmission of policy as rates rise. Outstanding questions on activation of this tool, a weakening growth backdrop in Europe relating to gas supply disruption, and heightened political uncertainty in Italy led us to add a long German Bund versus short Italian BTP strategy.
- **Data prints showed a further weakening of global growth**, with flash purchasing managers' indices outside of China moving into contractionary territory, and consumer sentiment also weakening. Although Chinese economic data surprised to the upside, recovery is expected to remain muted amid mounting concerns around the property sector, the strict Covid-19 response, and limited expected stimulus-response. In this environment of growing downside risks, we introduced a long US dollar versus short Chinese renminbi strategy.
- **Market expectations for future monetary policy tightening faded somewhat** amid weakening growth data and this supported risk assets. In this environment, our strategies held to provide protection from a risk-off environment detracted, particularly our short-biased equity futures and options in the US and Europe and our short US and European high yield strategies held via credit default swaps. Meanwhile, our long equity exposure, particularly our quality growth names in global consumer brands, cloud computing and software that reflect our long-term secular themes, contributed positively to performance.

## Looking Ahead

- **We continue to reflect a deteriorating global growth backdrop, elevated inflation and risks to energy supply** in Europe through a cautious portfolio with increased protection via equity derivatives and defensive currency strategies. We continue to hold defensive relative value equity strategies, short credit risk and defensive currency pairs, as well as a modest gold allocation.
- **We remain flexible to adjust the portfolio composition as we navigate market volatility**, which we expect to remain high given investor sensitivity to inflation and policy developments, and are closely monitoring inflation indicators and the impact of tightening financial conditions against a weakening demand backdrop.

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.

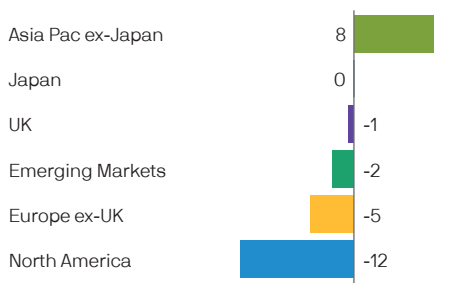
All data is sourced by J.P. Morgan Asset Management and is correct as at the date of this commentary.

### Performance and positioning

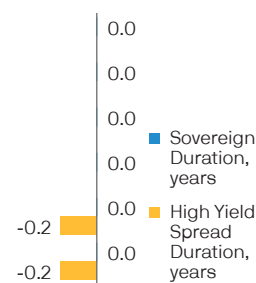
%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
Fund	-0.36	-2.64	-7.04	-9.48	0.84	1.23	3.74	3.76
Benchmark	0.12	0.21	0.20	0.22	0.13	0.33	0.94	1.13
Outperformance (Total Return)	-0.48	-2.85	-7.24	-9.70	0.70	0.89	2.80	2.63

**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.

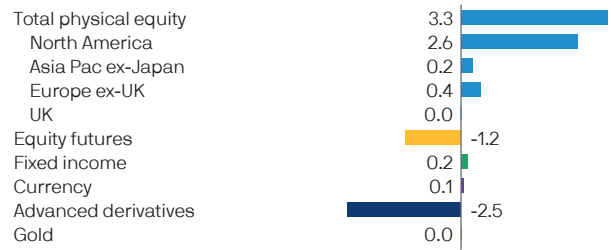
#### Net equity exposure (%)



#### Duration (years)



### 1 Month contribution analysis (%)



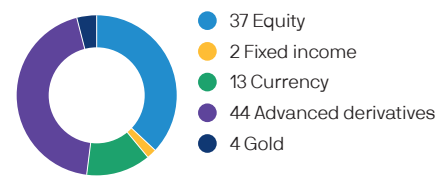
### Net equity region and sector positioning (%)

	Asia Pac ex-Japan	Emerging markets	Europe ex-UK	Japan	North America	UK	Sector total
Communication services		0	0		-1		-2
Consumer discretionary		0	0		1		0
Consumer staples		0	-1		-1		-2
Energy		0	-1		-1		-2
Financials	7	0	-3		-2		2
Healthcare		0	2		-1		2
Industrials		0	-1		-3		-4
Information technology	1	0	-1		-2		-2
Materials		0	-2		-1	-1	-4
Real estate		0	0		-1		-1
Utilities		0	2		1		3
<b>Region total</b>	<b>8</b>	<b>-2</b>	<b>-5</b>	<b>0</b>	<b>-12</b>	<b>-1</b>	<b>-11</b>

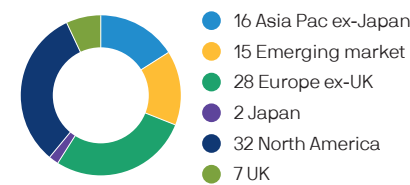
### Active currency positions and gold (%)

USD	JPY	THB	IDR	GBP	KRW	CAD	INR	CNH	TWD	EUR	AUD	ZAR	Gold
30	2	2	2	-2	-2	-3	-3	-3	-3	-5	-7	-7	5

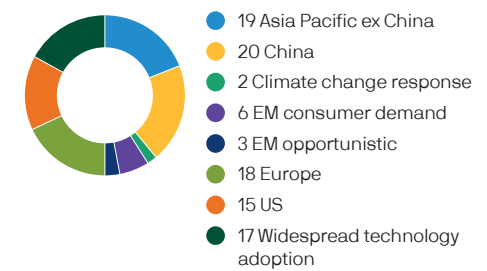
#### Asset class risk (%)



#### Regional risk (%)



#### Theme risk (%)



Ex-ante fund volatility: 5.8%

Source for all charts: J.P. Morgan Asset Management, as at 31.07.2022. 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*

<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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