JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

Topline

Monthly Total Return

Fund	Benchmark
▼ -0.15%	▲ 0.15%

Benchmark : Bloomberg AusBond Bank Bill Index

Markets Equity and fixed income markets moved sharply lower in September, as central banks reaffirmed their commitment to combatting inflation and global growth data remained weak. The MSCI World Index was down 8.8% and the JPM Global GBI fell 3.3% (hedged to Australian dollar).

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

Hurt Long equity exposure, particularly in digital transformation names, as well as long US duration.

Outlook We maintain a cautious outlook, driven particularly by expectations of tighter financial conditions and weaker growth. While we retain a core defensive portfolio, given the recent downside extension in markets and subsequent higher expectations for a short-term risk rebound, we tactically took profit on some of our short-bias exposure.

*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 moved sharply lower in September**, as central banks reaffirmed their commitment to combatting inflation and global growth data remained weak. The MSCI World Index was down 8.8% and the JPM Global GBI fell 3.3% (hedged to Australian dollar). The fund return was negative.
- **US inflation data surprised to the upside, with particular strength in services components**, while the labour market showed continued resilience. Central banks, including the US Federal Reserve, reaffirmed their commitment to combatting inflation, and concerns about continued tightening of financial conditions through aggressive policy action saw risk assets sell off sharply. In this environment, our short equity derivatives, short credit and long US dollar exposures all added value, while our long equity strategies detracted, as did our long duration position. We had scaled into US and Australian debt with the expectation that the market would focus on weaker growth and rates would approach peak policy pricing.
- **While inflation and policy risks dominated market moves, activity data remained weak**, with disappointing manufacturing and retail sales data corroborating our view of global contraction. Fiscal support packages were announced in Europe and in the UK, but concerns about the inflationary impulse and potential implications for monetary policy fuelled sharp moves in UK assets, and we took profit on our short sterling exposure intra-month.
- **We have tactically taken profit on some of our defensive positioning** following the aggressive downside extension in markets as our expectations for a short-term rebound increased commensurately. We took profit on our short credit, short basic resources equity and long US dollar exposure, and reduced our short equity futures to take our net equity exposure into positive territory. This moderate re-risking is expected to be short-lived before adjusting back to more defensive positioning, reflecting our view of global contraction over the coming months.

Looking Ahead

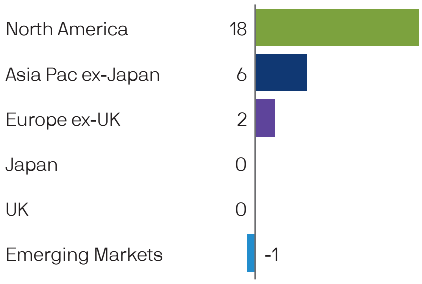
- **We maintain a cautious outlook** as we expect substantially weaker global growth in the coming months; central banks to remain focused on managing upside inflation risks, where the cost of tightening policy too little far exceeds that of overtightening; and heightened volatility in energy markets as Russia's options narrow, which raises the potential for further economic warfare.
- **As we move past peak inflation and policy pricing**, which we expect as price pressures ease and the lagged impulse from tighter financial conditions is felt, we expect markets to focus increasingly on the growth slowdown. In this environment, the quality factor typically outperforms, which would benefit our secular equity where we have recently added to healthcare innovation.

Performance and positioning

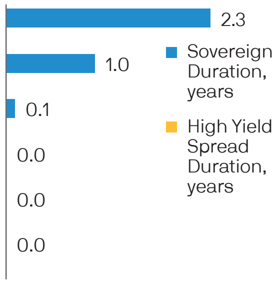
%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
Fund	-0.15	-0.41	-4.77	-9.89	-0.04	1.58	2.71	3.64
Benchmark	0.15	0.42	0.49	0.52	0.28	0.38	0.95	1.14
Outperformance (Total Return)	-0.29	-0.84	-5.26	-10.41	-0.31	1.20	1.77	2.50

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 (%)

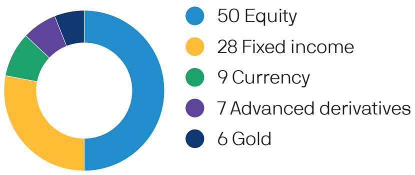
Net equity region and sector positioning (%)

	Asia Pac ex-Japan	Emerging markets	Europe ex-UK	Japan	North America	UK	Sector total
Communication services		0	0		2		**2**
Consumer discretionary		0	1		4		**5**
Consumer staples		0	0		1		**1**
Energy		0	0		0		**0**
Financials	5	0	-3		0		**1**
Healthcare		0	2		4		**7**
Industrials		0	0		0		**0**
Information technology	1	0	0		7		**8**
Materials		0	0		0		**0**
Real estate		0	0		0		**0**
Utilities		0	1		1		**2**
Region total	**6**	**-1**	**2**	**0**	**18**	**0**	**25**

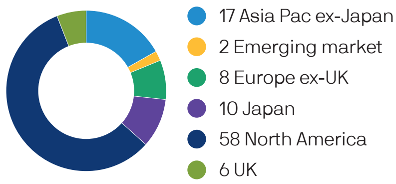
Active currency positions and gold (%)

JPY	THB	IDR	AUD	TWD	GBP	NZD	USD	Gold
11	2	1	-1	-2	-2	-3	-7	5

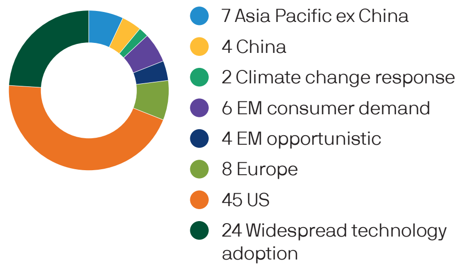
Asset class risk (%)



Regional risk (%)



Theme risk (%)



Ex-ante fund volatility: 7.9%

Source for all charts: J.P. Morgan Asset Management, as at 30.09.2022. 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

It is important to understand that the value of investments may rise or fall, investment returns are not guaranteed and it is possible that investors may lose their money. Theappropriate level of risk for each person depends on a range of factors, including age, investment timeframe and the investor's risk profile. For more detailed information relatingto the risks of the Fund, please refer to the relevant Product Disclosure Statement and Target Market Determination available on the website.

Notes