

JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

Topline

Monthly Total Return

Fund	Benchmark
▲ 0.67%	▲ 0.24%

Benchmark : Bloomberg AusBond Bank Bill Index

Markets Equity markets strongly rebounded in the second half of October. Investor positioning had been extended and expectations rose for some central banks to start stepping down from aggressive hiking cycles, amid a backdrop of mixed activity data. The MSCI World Index was up 7.2% and the JPM Global GBI fell 0.4% (hedged to Australian dollar).

Helped Long equity exposure in areas such as digital transformation and consumer, as well as via long US large cap call options, in addition to long Australian duration.

Hurt Short equity futures, long US duration and long Japanese yen.

Outlook We retain conviction in our view of a global contraction and continue to reflect a deteriorating growth backdrop and elevated inflation through cautious core portfolio positioning. We maintain flexibility to adjust positioning as we navigate volatility, which we expect to remain high given market sensitivity to data releases 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

- **Equity markets strongly rebounded in the second half of October, while sovereign debt sold off.** Investor positioning had been extended and expectations rose for some central banks to start stepping down from aggressive hiking cycles, amid a backdrop of mixed activity data. The MSCI World Index was up 7.2% and the JPM Global GBI fell 0.4% (hedged to Australian dollar). The fund return was positive.
- **Survey data continued to deteriorate globally,** with broad-based weakness in flash purchasing managers' indices and softening consumer confidence, while interest-rate sensitive areas of the economy declined sharply. Acknowledging the weaker backdrop, the Reserve Bank of Australia and Bank of Canada delivered below-expectation rate hikes and the European Central Bank gave softer commentary, which tempered market expectations for future tightening. Our long Australian duration strategy added value, while the dovish tilt supported equity markets, which benefitted our long secular equity strategies (particularly digital transformation and consumer names) and our long US large cap call options strategy, but saw our short equity futures detract.
- **Global inflation remained elevated,** with the Eurozone Consumer Price Index (CPI) hitting a record high and US CPI surprising to the upside. Coupled with continued US labour market strength, this resulted in the Federal Reserve (the Fed) remaining hawkish. Against this backdrop, our long US duration position detracted. With no change in stance from the Fed and the Bank of Japan remaining dovish, our long Japanese yen exposure also detracted.
- **We reverted to more cautious positioning in late October.** In anticipation of markets refocusing on weaker growth, we reduced our net equity exposure by taking profit on our long US equity call options and adding to short futures. Towards month end, we pared back our short US dollar exposure and have since reaccumulated a long position in light of some normalisation in market positioning. Also in reflection of contraction, we introduced a short emerging market credit strategy.

Looking Ahead

- **We retain conviction in our view of global contraction** and anticipate markets will focus increasingly on the twin challenges of growth and inflation. To reflect this outlook, we maintain cautious core positioning with increased protection via equity derivatives, exposure to defensive, high-quality equity, long duration and defensive currency exposure.
- **We maintain flexibility to adjust the portfolio as we navigate volatility,** which we expect to remain high given market sensitivity to data releases and policy developments. We are closely monitoring inflation and employment indicators amid tighter financial conditions.

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.

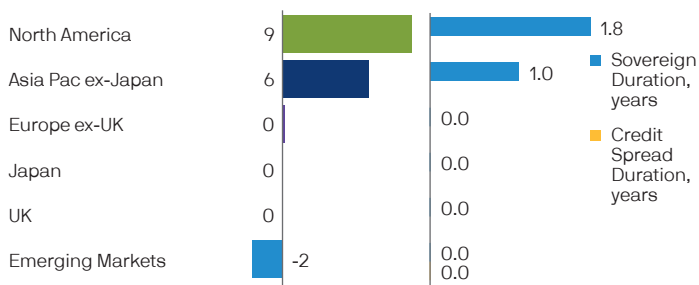
All data is sourced by J.P. Morgan Asset Management and is correct as at the date of this commentary.

Performance and positioning

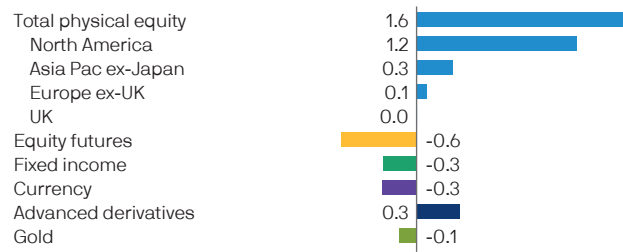
%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
Fund	0.67	0.62	-2.04	-10.64	0.03	2.45	1.77	3.70
Benchmark	0.24	0.54	0.75	0.76	0.39	0.43	0.97	1.17
Outperformance (Total Return)	0.43	0.07	-2.79	-11.40	-0.36	2.02	0.81	2.54

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 (%)



1 Month contribution analysis (%)



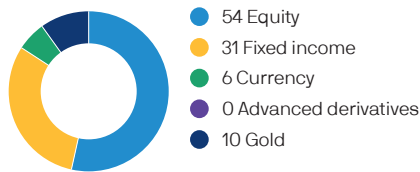
Net equity region and sector positioning (%)

	Asia Pac ex-Japan	Emerging markets	Europe ex-UK	Japan	North America	UK	Sector total
Communication services		0	0		1		0
Consumer discretionary		0	1		3		4
Consumer staples		0	0		0		0
Energy		0	0		-1		-1
Financials	5	0	-3		-2		-1
Healthcare		0	2		4		6
Industrials		0	-1		-2		-2
Information technology	1	0	-1		5		6
Materials		0	0		-1		-1
Real estate		0	0		-1		-1
Utilities		0	1		2		3
Region total	6	-2	0	0	9	0	12

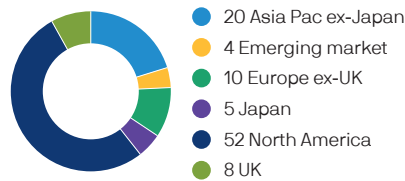
Active currency positions and gold (%)

JPY	THB	NZD	USD	TWD	GBP	Gold
5	2	-2	-2	-2	-3	7

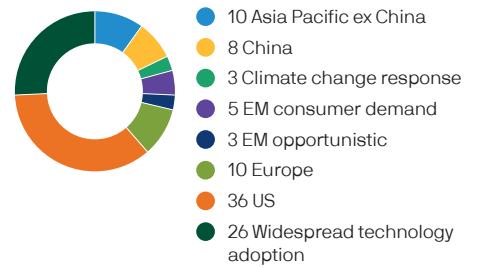
Asset class risk (%)



Regional risk (%)



Theme risk (%)



Ex-ante fund volatility: 6.9%

Source for all charts: J.P. Morgan Asset Management, as at 31.10.2022. 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. The appropriate 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 relating to the risks of the Fund, please refer to the relevant Product Disclosure Statement and Target Market Determination available on the website.

Notes

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