

JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

Topline

Monthly Total Return

Fund	Benchmark
▲ 0.14%	▲ 0.25%

Benchmark : Bloomberg AusBond Bank Bill Index

Markets Global equity and fixed income markets moved higher in November, as inflation momentum showed signs of easing in key regions, supporting market expectations for a slower pace of hiking by major central banks going forward. The MSCI World Index was up 5.5% and the JPM Global GBI was up 2.0% (hedged to Australian dollar).

Helped Long equity exposure in areas such as healthcare and financials, as well as long US and Australian duration.

Hurt Short-biased equity futures and options, and long US dollar exposure.

Outlook We expect substantially weaker global growth in the coming months and ongoing volatility, as the market remains sensitive to data releases and policy developments. As such, we maintain cautious core positioning with increased protection via equity derivatives and defensive currency strategies, while retaining the flexibility to adjust risk should the macro backdrop shift.

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 moved higher** in November, as inflation momentum showed signs of easing in key regions, supporting market expectations for a slower pace of hiking by major central banks going forward. The MSCI World Index was up 5.5% and the JPM Global GBI was up 2.0% (hedged to Australian dollar). The fund return was positive.
- **Downside surprises in the US and then Eurozone inflation prints fuelled hopes of a slower pace of tightening** by central banks and supported risk assets despite global inflation remaining elevated. This data followed the US Federal Reserve (Fed) raising the fed funds rate by 75bps for the fourth consecutive meeting and reiterating their commitment to policy tightening, albeit at a slower pace. Against this backdrop, and also supported by light positioning and better China sentiment, our long equity exposure contributed positively to performance, with areas such as healthcare innovation, emerging market financials and luxury and lifestyle adding the most value. 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. As bond yields moved lower, we closed our long US and Australian duration strategies.
- **Survey activity data in developed markets showed further signs of weakening** with purchasing managers' indices moving further into contractionary territory and business and consumer sentiment similarly remaining weak, while hard activity data was mixed. In China, economic data came in lower than expected, but sentiment improved amid the easing of lockdown restrictions combined with additional policy support including measures to aid the property market. However, surging case counts, alongside low vaccination protection, means the path to reopening will likely remain challenging.
- **In anticipation of markets refocusing on a contractionary growth environment** and amid the re-pricing in risk assets, we reduced our net equity exposure and added to defensive strategies. We increased our US dollar strategy versus pro-cyclical currencies such as the Korean won, Australian dollar and South African rand, which detracted over the month. We also increased our short US and European high yield strategies, held via credit default swaps and our gold exposure, which added value.

Looking Ahead

- **We expect substantially weaker global growth** in the coming months and ongoing volatility as the market remains sensitive to data releases and policy developments. We are closely monitoring inflation indicators and the impact of tightening financial conditions against a weakening demand backdrop.
- **We maintain cautious core positioning with increased protection** via equity derivatives and defensive currency strategies, while retaining the flexibility to adjust risk should the macro backdrop shift.

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.

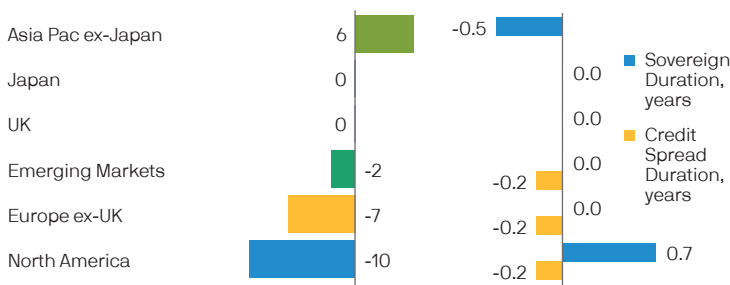
All data is sourced by J.P. Morgan Asset Management and is correct as at the date of this commentary.

Performance and positioning

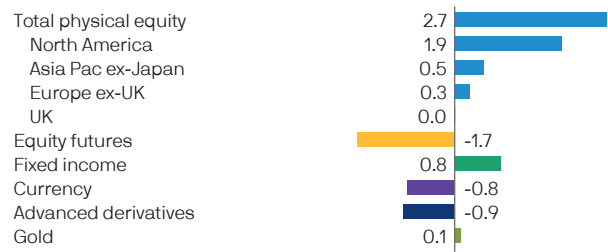
%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
Fund	0.14	0.66	0.87	-10.02	-1.60	2.49	2.08	3.68
Benchmark	0.25	0.64	0.97	1.01	0.51	0.49	0.99	1.19
Outperformance (Total Return)	-0.11	0.02	-0.09	-11.02	-2.11	2.00	1.09	2.49

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 (%)



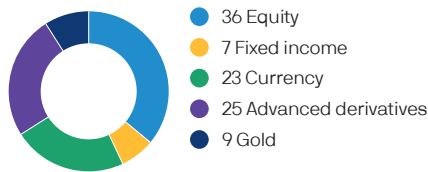
Net equity region and sector positioning (%)

	Asia Pac ex-Japan	Emerging markets	Europe ex-UK	Japan	North America	UK	Sector total
Communication services		0	0		0		-1
Consumer discretionary		0	0		2		2
Consumer staples		0	-1		-1		-2
Energy		0	-1		-2		-2
Financials	5	0	-4		-4		-3
Healthcare		0	2		-1		1
Industrials		0	-1		-8		-9
Information technology	1	0	-2		3		1
Materials		0	-1		-1		-2
Real estate		0	0		-1		-1
Utilities		0	1		2		3
Region total	6	-2	-7	0	-10	0	-13

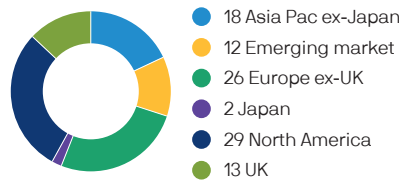
Active currency positions and gold (%)

USD	CNH	THB	JPY	NZD	EUR	SEK	TWD	KRW	ZAR	GBP	AUD	Gold
38	2	2	1	-2	-2	-2	-4	-5	-5	-7	-16	9

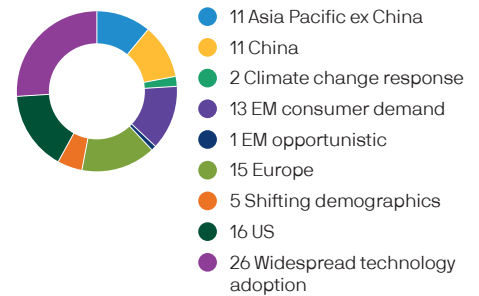
Asset class risk (%)



Regional risk (%)



Theme risk (%)



Ex-ante fund volatility: 5.1%

Source for all charts: J.P. Morgan Asset Management, as at 30.11.2022. 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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