

# JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

## Topline

Monthly Total Return	
Fund	Benchmark
▼ -1.20%	▲ 0.25%
<b>Benchmark :</b> Bloomberg AusBond Bank Bill Index	
<p><b>Markets</b> Global equity and fixed income markets fell sharply in December amid more-hawkish-than-expected central bank policy, while global activity data was mixed. The MSCI World Index dropped 5.1% and the JPM Global GBI was down 1.8% (hedged to Australian dollar).</p> <p><b>Helped</b> Long US versus short Australian duration strategy, long defensive equity relative-value strategies and long gold.</p> <p><b>Hurt</b> Long equity exposure, particularly cloud computing and digital transformation names, as well as long US duration.</p> <p><b>Outlook</b> While we continue to see a backdrop of weaker growth, coupled with risks from inflation and financial conditions, this dynamic appears to be well understood and reflected in negative market sentiment. As such, we are focusing on growing points of optimism and recently increased net portfolio risk, from a baseline of high-quality equity and long Japanese yen exposure.</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 and fixed income markets fell sharply** in December amid more-hawkish-than-expected central bank policy, while global activity data was mixed. The MSCI World Index dropped 5.1% and the JPM Global GBI was down 1.8% (hedged to Australian dollar). The fund return was negative.
- **More-hawkish-than-expected monetary policy weighed on investor sentiment.** The European Central Bank delivered a 50 basis-point rate hike coupled with hawkish communication, and announced quantitative tightening measures. Further to this, other key central banks including the US Federal Reserve remained hawkish, and the Bank of Japan made a surprise adjustment to its yield curve control policy. Our long Japanese yen exposure, which we increased over the month, added value, as did our long US versus short Australian duration strategy, long defensive equity relative-value strategies and long gold. Conversely, our long US duration detracted, while our long US technology exposure through our cloud computing and digital transformation strategies also suffered.
- **Activity data surprised positively in Europe but remained mixed elsewhere.** European business and consumer survey data both came in better than feared, in part supported by an improved energy backdrop, while US data including manufacturing surveys, retail sales and housing was more muted. These mixed developments on growth were coupled with increasing signs of disinflation globally, including the US consumer price index, which delivered a second consecutive downside surprise. We reflected the slightly better balance of risks in the portfolio by bringing net equity exposure out of negative territory, though to levels that remain below our long-run average. This move worked against us in the month.
- **China abandoned its strict Covid-19 policy** as the government announced the widespread removal of virus-related restrictions. Strategies held in part to reflect our near-term caution on China, such as our short Australian dollar versus long US dollar strategy, detracted amid immediate optimism for China's reopening. However, this in turn benefited our China-exposed luxury consumer and emerging market financial equity strategies.

## Looking Ahead

- **We continue to see a backdrop of weaker growth**, coupled with risks from inflation and financial conditions, but this dynamic appears to be well understood and reflected in negative market sentiment.
- **We are focusing on increasing points of optimism**, which include clearer signs of disinflation globally, some better-than-feared activity data releases and an abrupt turn in China's Covid-19 policy. As such, we recently increased net portfolio risk, from a baseline of high-quality equity and long Japanese yen exposure.

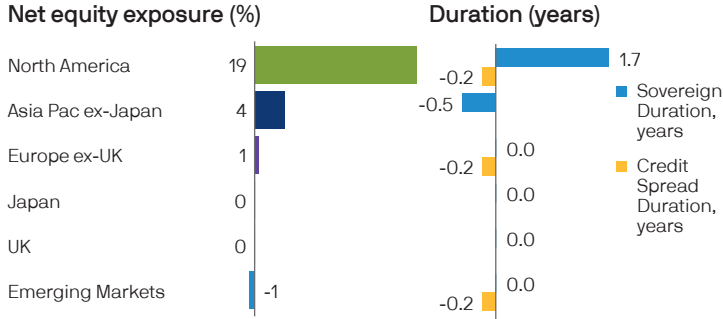
Opinions, estimates, forecasts, projections and statements of financial market trends are based on market conditions at the date of the publication, constitute our judgment and are subject to change without notice. There can be no guarantee they will be met. Provided for information only, not to be construed 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.

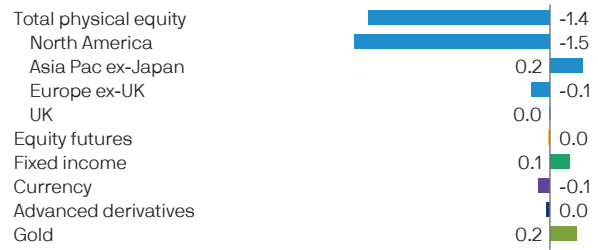
### Performance and positioning

%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
Fund	-1.20	-0.40	-0.82	-10.77	-3.27	1.94	1.76	3.44
Benchmark	0.25	0.74	1.17	1.25	0.64	0.55	1.01	1.21
Outperformance (Total Return)	-1.45	-1.15	-1.99	-12.02	-3.91	1.39	0.74	2.23

**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.



### 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	0	2	0	2
Consumer discretionary	-1	0	1	0	5	0	5
Consumer staples	0	0	0	0	2	0	1
Energy	0	0	0	0	-3	0	-3
Financials	5	0	-2	0	0	-1	3
Healthcare	0	0	2	0	4	1	6
Industrials	0	0	-1	0	-5	0	-6
Information technology	0	0	-1	0	12	0	11
Materials	0	0	0	0	0	0	-1
Real estate	0	0	0	0	0	0	0
Utilities	0	0	1	0	3	0	4
<b>Region total</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>23</b>

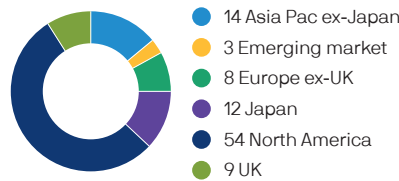
### Active currency positions and gold (%)

USD	JPY	CNH	THB	EUR	SEK	ZAR	NZD	TWD	KRW	GBP	AUD	Gold
19	13	2	2	-2	-3	-3	-3	-4	-5	-7	-10	9

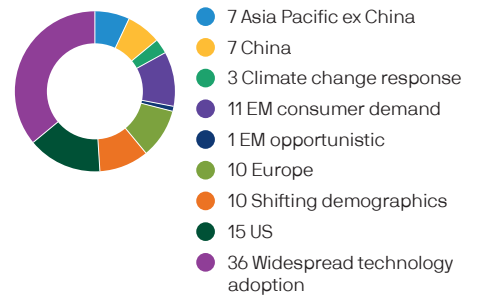
### Asset class risk (%)



### Regional risk (%)



### Theme risk (%)



Ex-ante fund volatility: 7.0%

Source for all charts: J.P. Morgan Asset Management, as at 31.12.2022. 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.

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### 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.

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### Notes

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