

JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

Topline

Monthly Total Return

Fund	Benchmark
▼ -1.57%	▲ 0.24%

Benchmark : Bloomberg AusBond Bank Bill Index

Markets Global equity and fixed income markets moved lower in February as evidence of lingering inflation pressures, continued labour market tightness and resilient growth data drove an upward repricing of monetary policy expectations. The MSCI World Index and JPM Global GBI were both down 1.7% (hedged to Australian dollar).

Helped Long Japanese banks, Nasdaq exposure via options and long Mexican peso.

Hurt Long equity exposure including digital transformation and luxury consumer strategies, long European basic resources versus short Eurostoxx and long US duration.

Outlook While better-than-expected activity data continues to support our view of cyclical recovery, we see increased risks given the recent shift in monetary policy pricing and the stronger growth momentum already being priced in markets. We have reflected this balance of risks by reducing net equity exposure below long-term average levels, adding US duration and increasing protection via equity options and long US volatility.

*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 lower in February** as evidence of lingering inflation pressures, continued labour market tightness and resilient growth data drove an upward repricing of monetary policy expectations. The MSCI World Index and JPM Global GBI were both down 1.7% (hedged to Australian dollar). The fund return was negative.
- **Global inflation data and survey measures showed increasing signs of lingering price pressures**, while labour markets remained tight. Key central banks continued to raise rates accordingly, with the US Federal Reserve hiking by 25 basis points (bps) and both the European Central Bank and Bank of England raising rates by 50 bps, while signalling further hikes to come. The combination of incoming data and central bank activity fuelled expectations for an extended path of monetary policy tightening, which weighed on risk assets. Our long equity exposure detracted in aggregate, particularly in rate-sensitive areas such as digital transformation and luxury consumer, although this was partly offset by our Nasdaq exposure held via options. Given the extent of rate moves coupled with the conviction that disinflation should prevail over the medium term, we took profit on our tactical US short duration strategy and switched to a long position, which detracted from performance. Elsewhere, the Bank of Japan saw a change in leadership and shifting policy stance, and we took profit on our long Japanese yen exposure and added long Japanese banks, which contributed positively to performance.
- **Activity data remained resilient globally**, with flash purchasing managers' indices coming in ahead of expectations. The US saw particular strength in services activity, while Europe continued to show signs of a broad-based recovery, which further supported the rate re-pricing and we consequently closed our Germany flattener strategy. In China, we remain optimistic that the ongoing recovery will continue and saw some improvement in activity levels, although the reopening effect was more muted in other measures. Coupled with the rates backdrop, this hurt our long Australian dollar exposure and long European basic resources versus short Eurostoxx strategy, while we took profit on our long Mexican peso strategy which has performed well this year.

Looking Ahead

- **While better-than-expected activity data continues to support our view of a cyclical recovery, we see increased risks** given the recent shift in monetary policy pricing and the stronger growth momentum already being priced in markets.
- **We have reflected this balance of risks by reducing net equity exposure to below long-term average levels** and adding to US duration, while also increasing protection via equity options and long US volatility. We remain flexible to adjust positioning should the backdrop alter.

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.

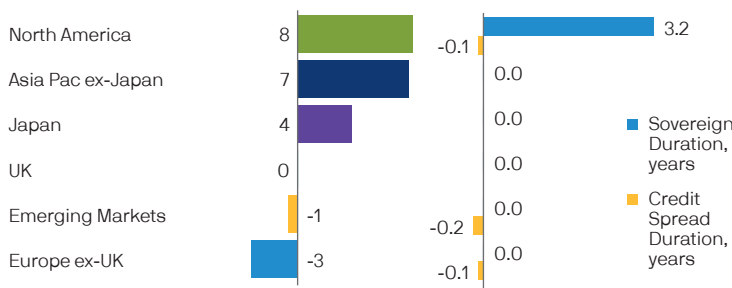
All data is sourced by J.P. Morgan Asset Management and is correct as at the date of this commentary.

Performance and positioning

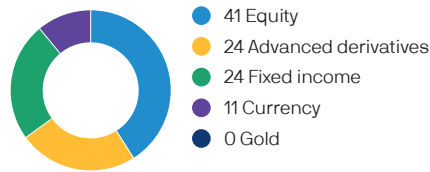
%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
Fund	-1.57	0.26	0.93	-5.69	-3.73	1.00	0.96	3.58
Benchmark	0.24	0.76	1.40	1.76	0.89	0.66	1.05	1.26
Outperformance (Total Return)	-1.81	-0.49	-0.47	-7.45	-4.62	0.34	-0.09	2.32

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.

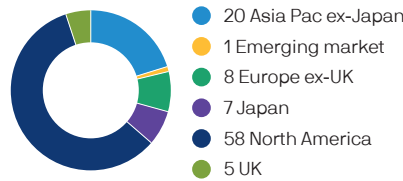
Net equity exposure (%)



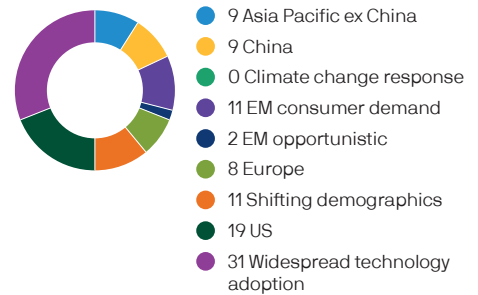
Asset class risk (%)



Regional risk (%)

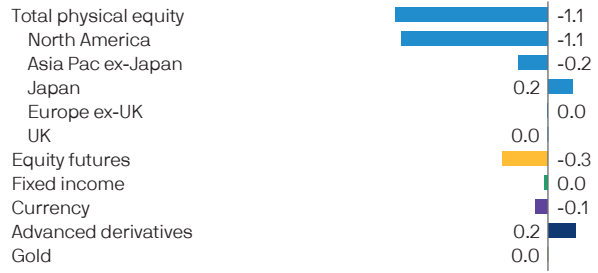


Theme risk (%)



Ex-ante fund volatility: 7.4%

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	1	0	0
Consumer discretionary	0	0	0	0	3	0	3
Consumer staples	0	0	-1	0	0	0	0
Energy	0	0	-1	0	0	0	-1
Financials	6	0	-2	4	0	0	8
Healthcare	0	0	0	0	2	0	3
Industrials	0	0	-1	0	-4	0	-5
Information technology	2	0	-1	0	5	0	5
Materials	0	0	2	0	0	0	2
Real estate	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	-1
Region total	7	-1	-3	4	8	0	15

Active currency positions and VIX futures, vega (bps)

VIX	AUD	INR	GBP	EUR	JPY	THB	TWD	CHF	USD
7	7	5	5	4	3	3	-3	-4	-20

Source for all charts: J.P. Morgan Asset Management, as at 28.02.2023. 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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