JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

Topline

Monthly returns	
*Fund	Benchmark
▲ 0.64%	▲ 0.00%

Benchmark: Bloomberg AusBond Bank Bill Index

Markets Global risk assets and government bonds rose amid continued improvement in economic and growth activity, and despite the US Federal Reserve (Fed) signalling a modestly more hawkish policy stance.

Helped Our long equity strategies, particularly our quality growth names in tech, consumer discretionary and healthcare.

Hurt Short-biased equity strategies held for protection and our short US duration strategy.

Outlook We remain in an expansionary environment, but are closely monitoring for signs of a slowdown and have modestly increased our protection via equity options.

*Net of fees performance is calculated on Bid - Bid with gross income reinvested, e.g. net of ongoing fees and expenses.

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 risk assets and government bonds rose** amid continued improvement in economic activity and growth data, and despite the Fed signalling a modestly more hawkish policy stance. The MSCI World Index was up 2.4% and the JPM GBI Index was up 0.6% (hedged to Australian dollar). The fund return was positive.
- **The Fed turned modestly more hawkish** by acknowledging that the balance of risks around inflation has shifted while reiterating its belief that higher inflation is expected to be transitory. This prompted an update to Fed committee members' rate-hiking expectations, with two hikes now anticipated by the end of 2023, and further discussion expected on the timing of asset-purchase tapering. Against this backdrop, value underperformed higher-quality growth areas of the equity market, which benefitted our exposures in cloud computing and software, global consumer brands and global pharmaceuticals. We took some profit on our long NASDAQ versus short US large-cap equity strategy, which benefitted from the reversal. Given reduced conviction in cyclical exposures, which would benefit from a reflationary environment, we closed our long basic resources and EU insurance equity strategies, resulting in more balanced factor exposures within the portfolio.
- **Yields on longer-dated US Treasuries moved lower** as Fed members appeared more responsive to the risks of higher inflation. Against this backdrop, our short 10 year US duration strategy detracted, and we trimmed our exposure given reduced conviction in its diversifying properties. We introduced a tactical long US dollar versus short Canadian dollar strategy to reflect the hawkish shift from the Fed and as a hedge against a pullback in the oil price, which contributed positively in June, and we continue to favour long USD on the Fed's hawkish shift and as a diversifier in a growth slowdown scenario.
- **Global economic and activity data continued to show signs of strength**, though the euphoria of the initial re-opening appears to be fading as seen in softening Chinese activity data and in some cooling off elevated levels in US surveys. We continue to hold short-bias equity put options as protection against an adverse scenario, which detracted from performance.

Looking ahead

- **We remain in an expansionary environment**, but are closely monitoring for signs of a slowdown in growth, which have started to come through in Chinese services data, and any resurging Covid concerns. We have been neutralising our tilt towards cyclical/value exposures by trimming some cyclical exposure, such as semis, and adding to favoured quality growth names.
- **We continue to closely monitor inflation dynamics** and policy shifts, as well as developments in virus variants and vaccination rates. We continue to hold some protection from an adverse environment through equity options.

J.P.Morgan
Asset Management

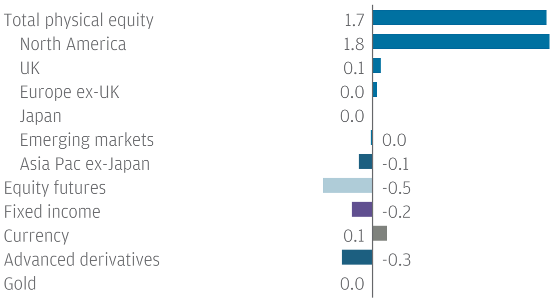
Performance and positioning

%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
JPMorgan Global Macro Opportunities Fund (Net of Fees)	0.64	1.70	4.16	13.07	8.07	6.72	6.27	6.66
Benchmark	0.00	0.01	0.01	0.06	0.45	0.96	1.29	1.32
Outperformance (Net of fees)	0.64	1.69	4.15	13.01	7.62	5.76	4.98	5.34

Past performance is not a reliable indicator of current and future results.

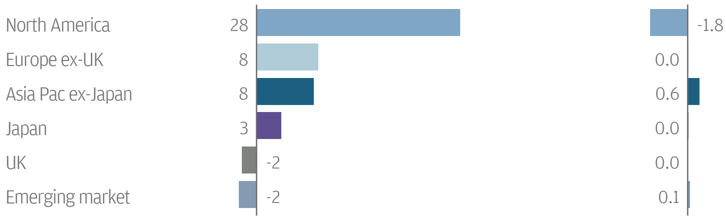
Source: J.P. Morgan Asset Management. Bloomberg. Inception date: 2 May 2016. Net of fees performance is calculated on Bid - Bid with gross income reinvested, i.e. net of ongoing fees and expenses. Returns for periods greater than one year are annualised.

1 MONTH CONTRIBUTION ANALYSIS (%)



NET EQUITY EXPOSURE (%)

DURATION (YEARS)



NET EQUITY REGION AND SECTOR POSITIONING (%)

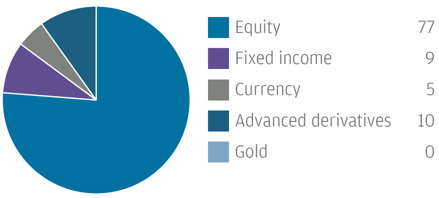
	Asia Pac ex-Japan	Emerging markets	Europe ex-UK	Japan	North America	UK	Sector total
Communication services		0	0	0	3	0	**3**
Consumer discretionary	1	-1	1	1	7	0	**9**
Consumer staples		0	0	0	0	-1	**0**
Energy		0	0	0	1	0	**0**
Financials	5	0	3	0	4	0	**11**
Healthcare		0	1	0	1	1	**3**
Industrials		0	2	1	2	0	**4**
Information technology	2	-1	0	0	11	0	**12**
Materials		0	0	0	0	0	**-1**
Real estate		0	0	0	0	0	**0**
Utilities		0	3	0	0	0	**2**
Region total	**8**	**-2**	**8**	**3**	**28**	**-2**	**43**

ACTIVE CURRENCY POSITIONS AND GOLD (%)

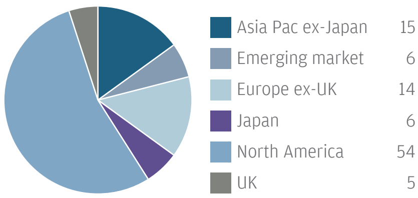
CNH	USD	NOK	CAD	JPY	EUR	TWD	Gold
7	7	4	-2	-4	-4	-8	0

EX-ANTE VOLATILITY (%)

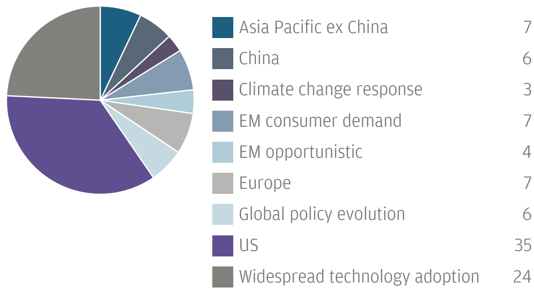
ASSET CLASS RISK (%)



REGIONAL RISK (%)



THEME RISK (%)



Source for all charts: J.P. Morgan Asset Management, as at 30.06.2021. 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

The Fund is subject to **Investment risks** and **Other associated** risks from the techniques and securities it uses to seek to achieve its objective. The table on the right explains how these risks relate to each other and the **Outcomes to the Unitholder** that could affect an investment in the Fund. **Please refer to the Product Disclosure Statement and Reference Guide for more information**.

Investment risks *Risks from the Fund's techniques and securities*

Techniques	***Securities***	
Concentration	China	- Investment grade debt
Derivatives	Commodities	- Government debt
Hedging	Convertible securities	- Unrated debt
Short position	Debt securities	Emerging markets
	- Below investment grade debt	Equities

Other associated risks *Further risks the Fund is exposed to from its use of the techniques and securities above*

Credit	market	Currency
Liquidity	Interest rate	

Outcomes to the Unitholder *Potential impact of the risks above*

Loss	**Volatility**	**Failure to meet the Fund's objective.**
Unitholder could lose some or all of their money.	Units of the Fund will fluctuate in value.	

NOTES