JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

Topline

Monthly Total Return	
Fund	Benchmark
▲ 5.93%	▲ 0.28%

Benchmark : Bloomberg AusBond Bank Bill Index

Markets Global equity and fixed income markets were volatile amid an unexpected banking crisis. US and European financial sectors sold off sharply and bond yields plummeted before swift action from regulators and policymakers eased investor fears of further immediate contagion. The MSCI World Index and JPM Global GBI were up 2.5% (hedged to Australian dollar).

Helped Long US duration, long US volatility via VIX index futures and long secular equity strategies.

Hurt Short US large cap via derivatives to hedge long exposures.

Outlook We remain cautious as we expect the rapid and synchronised monetary tightening conducted by central banks in their focus on combatting inflation to weigh on economic activity. We maintain a negative beta to risk assets and favour high-quality, secular growth equity and defensive exposures across asset classes. We remain flexible to adjust the portfolio and continue to look for opportunities to take advantage of heightened 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 were volatile amid an unexpected banking crisis.** US and European financial sectors sold off sharply and bond yields plummeted before swift action from regulators and policymakers eased investor fears of immediate contagion. The MSCI World Index and the JPM Global GBI were up 2.5% (hedged to Australian dollar). The fund return was positive, benefitting from our flexibility to adjust exposures as the backdrop shifted.
- **Financial turmoil was sparked by the collapse of Silicon Valley Bank,** followed by the closure of Signature Bank and demise of Credit Suisse within the space of a week. The series of bank failures – the biggest since 2008 – saw bond yields drop and equities sell off sharply, particularly banks, as investors questioned the stability of other institutions. While we did not specifically predict the banking stress, we thought that central banks engaging in the most synchronised and rapid monetary tightening in 50 years was likely to create some casualties.
- **The portfolio was well positioned for the market moves** and benefitted predominantly from long US duration, long US volatility and short equity strategies – we were net short equity at mid-month. Our long secular equity strategies, particularly rate-sensitive exposures such as digital transformation and cloud computing, added value.
- **Our view on US growth had deteriorated coming into March** amid weakening consumer spending and manufacturing data, and we remained concerned about the impact of tightening liquidity. Meanwhile, the recent data improvement in Europe appeared close to a peak. While our view deteriorated, markets remained buoyant, and we sought to take advantage of this potential mispricing by adjusting to a more cautious portfolio. We added to our long US duration and long US volatility strategies and reduced net equity exposure through derivatives and a modest trimming of select names. These strategies performed strongly, and we took profit in the wake of the sell-off, re-risking the portfolio as we felt markets were extended to the downside.
- **Regulators and policymakers allayed investor fears through swift action** that catalysed a rapid equity market rebound from which we benefitted through our long equity strategies before reverting back to our cautious positioning.

Looking Ahead

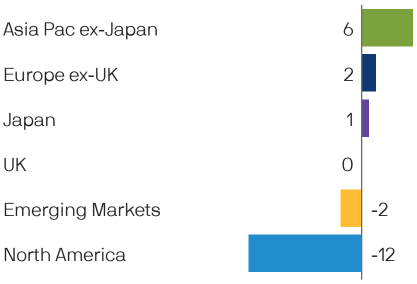
- **We expect economic activity to slow further** as global central banks remain focused on combatting inflation and as the impact of monetary tightening takes greater hold. This backdrop will likely result in continued heightened volatility in markets.
- **We maintain a cautious portfolio, with a negative beta to risk assets,** defensive currency strategies and protection strategies through equity options and VIX futures. Within equity, we favour high-quality, secular growth and defensive exposures. We will continue to tactically adjust our exposures to varying outcomes as opportunities arise from market dislocations.

Performance and positioning

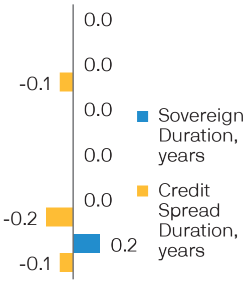
%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
Fund	5.93	7.50	7.07	1.96	-0.90	3.28	2.79	4.40
Benchmark	0.28	0.79	1.54	2.04	1.03	0.73	1.08	1.28
Outperformance (Total Return)	5.64	6.71	5.52	-0.08	-1.93	2.55	1.70	3.12

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.

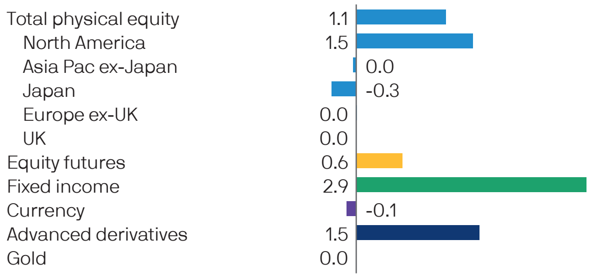
Net equity exposure (%)



Duration (years)



1 Month contribution analysis (%)



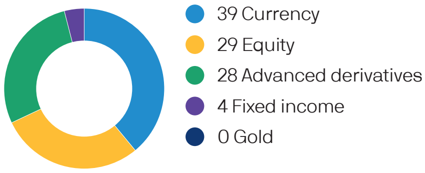
Net equity region and sector positioning (%)

	Asia Pac ex-Japan	Emerging markets	Europe ex-UK	Japan	North America	UK	Sector total
Communication services		0	0		-2		**-3**
Consumer discretionary		0	1		0		**1**
Consumer staples		0	0		1		**1**
Energy		0	0		-1		**-1**
Financials	4	0	0	1	-1		**3**
Healthcare		0	1		0		**1**
Industrials		0	0		-5		**-5**
Information technology	1	0	0		-5		**-4**
Materials		0	0		0		**-1**
Real estate		0	0		0		**-1**
Utilities		0	0		2		**2**
Region total	**6**	**-2**	**2**	**1**	**-12**	**0**	**-7**

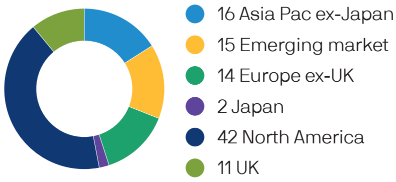
Active currency positions and VIX futures, vega (bps)

USD	INR	THB	VIX	KRW	SEK	TWD	ZAR	GBP	AUD
34	5	3	0	-3	-4	-8	-8	-8	-11

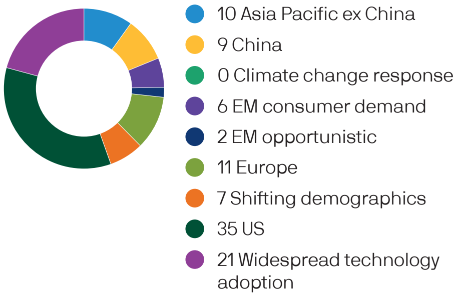
Asset class risk (%)



Regional risk (%)



Theme risk (%)



Ex-ante fund volatility: 7.2%

Source for all charts: J.P. Morgan Asset Management, as at 31.03.2023. 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

General Disclosures
Before investing, obtain and review the Product Disclosure Statement of the Fund and Target Market Determination which have been issued by Perpetual Trust Services Limited, ABN 48 000 142 049, AFSL 236648, as the responsible entity of the fund available on https://am.jpmorgan.com/au to understand the various risks associated with investing in the Fund and in making any investment decision. Past performance is not a reliable indicator of future performance and investors may not get back the full amount invested. Future performance and return of capital is not guaranteed. Information is considered correct at the time of issue but no liability for errors or omissions will be accepted by JPMorgan Asset Management (Australia) Limited or its affiliates. This document is intended solely for the person to whom it is provided by the issuer. Positive yield does not imply positive returns. Yields are not guaranteed. Fund holdings and performance are likely to have changed since the report date. No provider of information presented here, including index and ratings information, is liable for damages or losses of any type arising from use of their information.

Information from communications with you will be recorded, monitored, collected, stored and processed consistent with our Australian Privacy Policy available at https://am.jpmorgan.com/global/privacy. The yield displayed is in the base currency of the Fund. Actual share class yields may differ from the displayed yield due to currency effects. Maturity Date refers to the maturity/reset date of the security. For those securities whose reference coupon rate is adjusted at least every 397 days, the date of the next coupon rate adjustment is shown. This document does not take into account any specific investor's objectives, financial situation or needs. Investors should seek financial advice, refer to offering documents including risk factors and make independent evaluation before investing. Past performance is not a guide to current or future results. Please refer to fund's offering documents for details relating to risk factors, fees and expenses, distribution policy.

Information Sources: Fund information, including performance calculations and other data, is provided by J.P. Morgan Asset Management (the marketing name for the asset management businesses of JPMorgan Chase & Co and its affiliates worldwide). All data is as at the document date unless indicated otherwise. Due to rounding, values may not total 100%. Top holdings, sector and country or region excludes cash. Holdings may be subject to change from time to time. Bloomberg Finance L.P. and its affiliates (collectively, "Bloomberg") are not affiliated with the Manager and do not approve, endorse, review, or recommend the Fund. Bloomberg and the Benchmark are trademarks or service marks of Bloomberg and have been licensed to the Manager. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Benchmark.

Further Information: For further information please email us at jpmorgan.funds.au@jpmorgan.com, telephone 1800 576 468 or visit our website https://am.jpmorgan.com/au

All investments contain risk and may lose value. This advertisement or publication has been prepared and issued by JPMorgan Asset Management (Australia) Limited (ABN 55 143 832 080) (AFSL No. 376919) being the investment manager of the fund. It is for general information only, without taking into account your objectives, financial situation or needs and does not constitute personal financial advice. Before making any decision, it is important for you to consider the appropriateness of the information and seek appropriate legal, tax, and other professional advice. Prior to making an investment decision, investors should read the relevant Product Disclosure Statement and Target Market Determination, which have been issued by Perpetual Trust Services Limited, ABN 48 000 142 049, AFSL 236648, as the responsible entity of the fund available on https://am.jpmorgan.com/au.