

# JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

## Topline

Monthly returns	
Fund	Benchmark
▼ -0.40%	▲ 0.29%
<b>Benchmark :</b> Bloomberg AusBond Bank Bill Index	
<p><b>Markets</b> Global equity and fixed income markets posted small negative returns for May, disguising what was a volatile month for risk assets with significant dispersion in equity sector performance. Markets were largely focused on sticky inflation data, further interest rate rises and commentary from major central banks, as well as uncertainty surrounding the US debt ceiling. The MSCI World Index was down 0.3%, though the tech sector rallied strongly, and the JPM Global GBI fell 0.8% (hedged to Australian dollar).</p>	
<p><b>Helped</b> Long secular equity, particularly cloud computing and digital transformation strategies.</p>	
<p><b>Hurt</b> Short US large cap equity via options and long US volatility.</p>	
<p><b>Outlook</b> We view most of the world as being in a cyclical contraction and maintain negative net equity exposure, favouring high-quality, secular growth equity, and defensive exposures across other asset classes. However, should the backdrop shift, we can flexibly adjust the portfolio.</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.

### Investor profile

This product is likely to be appropriate for a consumer seeking capital growth, to be used as a small allocation within a portfolio where the consumer has a high risk/return profile and needs daily access to capital. The minimum suggested timeframe for holding investments in the Fund is 5 years.

## Month in Review

- **Global equity and fixed income markets posted small negative returns for May**, disguising what was a volatile month for risk assets with significant dispersion in equity sector performance. Markets were largely focused on sticky inflation data, further interest rate rises and commentary from major central banks, as well as uncertainty surrounding the US debt ceiling. The MSCI World Index was down 0.3%, though the tech sector rallied strongly, and the JPM Global GBI fell 0.8% (hedged to Australian dollar). The fund return was negative.
- **The tech sector bucked the downward trend in equity markets and rallied strongly** as investors re-priced expectations for the impact of advances in Artificial Intelligence. Our long equity strategies held to reflect secular themes such as cloud computing and digital transformation contributed positively. However, we hedged some of this exposure amid the deteriorating economic backdrop with short Nasdaq via futures and this was the biggest detractor from performance for the month. Our short US large cap via options and long US volatility strategies also detracted.
- **Activity and sentiment data was mixed**, with persistent weakness in manufacturing while services held up better. Europe saw weaker business confidence and retail sales, while manufacturing and consumer spending data in China disappointed. Against this backdrop, our long US dollar versus China-sensitive currencies such as the Australian dollar and South African rand added value.
- **Inflation remained elevated** and labour markets continued to be tight, prompting a number of major central banks to take another step in their hiking cycles. Against this backdrop, bond yields rose as markets re-priced rate hike expectations and we introduced long US and UK duration strategies, which contributed positively.

## Looking Ahead

- **We view most of the world as being in a cyclical contraction** and expect the cumulative monetary tightening to weigh further on economic activity. We are closely monitoring inflation data and commentary from key central banks to assess potential policy paths from here.
- **We maintain negative net equity exposure**, favouring high-quality, secular growth equity, and defensive exposures across other asset classes. However, should the backdrop shift, we can flexibly adjust the portfolio.

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

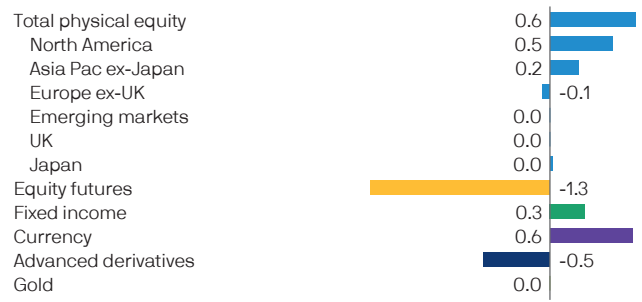
%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
Fund	-0.40	6.57	6.85	7.79	-1.11	2.88	2.96	4.39
Benchmark	0.29	0.89	1.65	2.64	1.33	0.91	1.14	1.34
Outperformance (Total Return)	-0.69	5.69	5.20	5.15	-2.45	1.98	1.82	3.05

**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)	
		Sovereign duration	Credit Spread Duration
Asia Pac ex-Japan	5	0.0	0.0
UK	3	1.4	0.0
Japan	1	0.0	0.0
Emerging markets	-2	0.0	-0.2
Europe ex-UK	-11	0.0	-0.1
North America	-25	2.2	-0.1

### 1 Month contribution analysis (%)



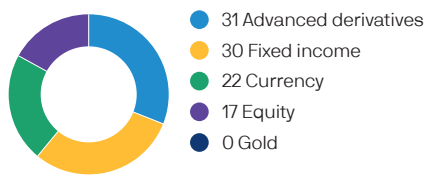
### Net equity region and sector positioning (%)

	Asia Pac ex-Japan	Emerging markets	Europe ex-UK	Japan	North America	UK	Sector total
Communication services		0	0		-3	0	-4
Consumer discretionary		0	-1		-1	0	-3
Consumer staples		0	-1		0	1	0
Energy		0	-1		-1	0	-2
Financials	3	-1	-2	1	-2	1	0
Healthcare		0	0		-2	0	-2
Industrials		0	-2		-6	0	-8
Information technology	2	-1	-2		-9	0	-10
Materials		0	-1		-1	0	-1
Real estate		0	0		-1	0	-1
Utilities		0	0		1	0	0
<b>Region total</b>	<b>5</b>	<b>-2</b>	<b>-11</b>	<b>1</b>	<b>-25</b>	<b>3</b>	<b>-29</b>

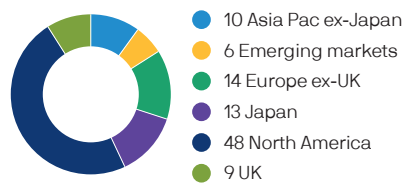
### Active currency positions (%), gold (%) & VIX futures (vega, bps)

USD	JPY	INR	THB	CAD	SEK	ZAR	KRW	MXN	TWD	GBP	AUD	Gold	VIX
29	20	5	4	-3	-5	-5	-6	-6	-9	-11	-13	0	26

#### Asset class risk (%)



#### Regional risk (%)



Ex-ante fund volatility: 12.2%

Source for all charts: J.P. Morgan Asset Management, as at 31.05.2023. 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, accuracy, 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](mailto: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 investors to consider the appropriateness of the information and seek appropriate legal, tax, and other professional advice. **For more detailed information relating to the risks of the Fund, the type of customer (target market) it has been designed for and any distribution conditions please refer to 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>.**

All rights reserved.