JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

Topline

Monthly returns

Fund	Benchmark
▼ -7.59%	▲ 0.30%

Benchmark : Bloomberg AusBond Bank Bill Index

Markets Risk assets performed well amid increased optimism about the outlook for the US and China, as well as developments related to artificial intelligence (AI), and despite continued monetary policy tightening. The MSCI World Index rose 5.5% and the JPM Global GBI fell 0.4% (hedged to the Australian dollar).

Helped Long secular equity, particularly cloud computing and digital transformation strategies.

Hurt Long US duration, long US volatility and short equity derivatives strategies, particularly short Nasdaq, and long US dollar and Japanese yen exposures.

Outlook We expect the drivers of recent optimism in markets to reverse course, and we continue to see much of the world as being in a contraction. Therefore, we maintain our defensive positioning.

*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 markets moved higher in June**, while sovereign bonds were down. Risk assets performed well amid increased optimism about the outlook for the US and China, as well as AI developments, and despite continued policy tightening from major central banks. Market moves were amplified by the fact that the multiple drivers of optimism coincided and combined with momentum-related flows at a point when liquidity was thin. The fund delivered negative returns.
- **US recession risk was priced out** as the expected broad data deterioration failed to materialise for another month. Increased optimism about the ability of the US to engineer a soft landing was boosted by well-behaved inflation data. Against this backdrop, our long US volatility, long US duration and short US equity derivatives strategies delivered negative returns.
- **Weak Chinese data was brushed aside** as expectations rose for significant stimulus, supporting China-related assets. This weighed on our long US dollar versus short China-centric currencies such as the Australian dollar, as well as our broad negative equity beta tilt.
- **AI developments were a catalyst for strong technology performance.** This benefitted our cloud computing and digital transformation strategies. However, it led to negative performance from our short Nasdaq exposure, which we hold in part as a near-term hedge for our secular equity and because it looks too expensive. We believe the upcoming earnings season may catalyse a reversion if AI developments are not translated into better near-term revenues.
- **Major central banks broadly delivered hawkish surprises**, with more than expected delivered by the Bank of England, the Bank of Canada and the Reserve Bank of Australia, which worked against our short currency exposures in these countries. The European Central Bank and the US Federal Reserve signalled that they are not done yet in this hiking cycle, while the Bank of Japan continued to leave policy unchanged, which negatively impacted our long Japanese yen exposure held for its defensive properties and the expected path of policy.

Looking Ahead

- **We expect the drivers of recent optimism in markets to reverse course** in the coming months. We expect the US to increasingly feel the impact of tightening financial conditions, Chinese stimulus to underwhelm investors and the technology sector to retrace some of its recent performance as the earnings season fails to provide evidence that AI developments can boost near-term revenues.
- **Within our macro cycle framework**, we continue to see much of the world as being in a contraction. Industrial activity is negative and decelerating, and we expect labour markets and consumption to follow. Therefore, we maintain our defensive positioning but have the flexibility to adjust exposures should our fundamental outlook shift.

Performance and positioning

%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
Fund	-7.59	-7.03	-0.06	-0.87	-5.25	0.50	1.76	3.19
Benchmark	0.30	0.90	1.70	2.89	1.48	1.01	1.17	1.37
Outperformance (Total Return)	-7.89	-7.93	-1.76	-3.76	-6.73	-0.50	0.60	1.82

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.

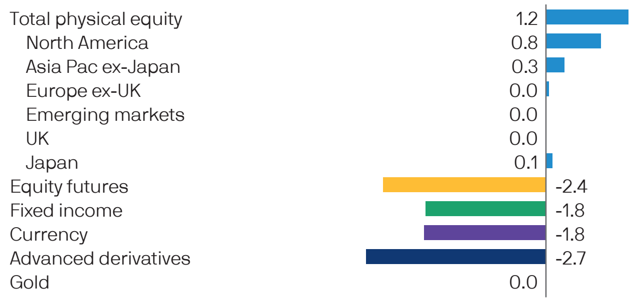
Net equity exposure

	%
Asia Pac ex-Japan	5
UK	5
Japan	1
Emerging markets	-3
Europe ex-UK	-13
North America	-21

Duration (years)

Sovereign duration	Credit Spread Duration
0.0	0.0
2.8	0.0
0.0	0.0
0.0	-0.2
0.0	-0.1
2.7	-0.1

1 Month contribution analysis (%)



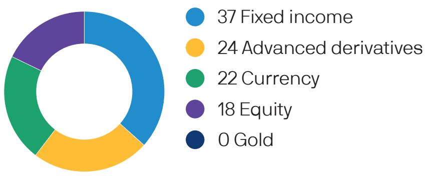
Net equity region and sector positioning (%)

	Asia Pac ex-Japan	Emerging markets	Europe ex-UK	Japan	North America	UK	Sector total
Communication services		0	0		-3	0	**-3**
Consumer discretionary		0	-1		-2	0	**-3**
Consumer staples		0	-1		1	1	**0**
Energy		0	-1		-1	1	**-1**
Financials	4	-1	-3	1	-1	1	**1**
Healthcare		0	0		-1	1	**0**
Industrials		0	-2		-6	1	**-8**
Information technology	2	-1	-2		-8	0	**-9**
Materials		0	-1		-1	1	**-1**
Real estate		0	0		-1	0	**-1**
Utilities		0	-1		1	0	**1**
Region total	5	-3	-13	1	-21	5	-25

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

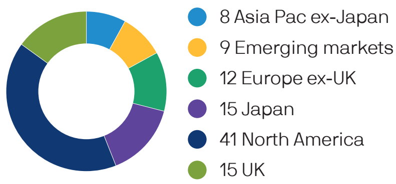
JPY	USD	INR	THB	CAD	SEK	KRW	ZAR	MXN	TWD	AUD	GBP	Gold	VIX
28	24	7	4	-3	-4	-5	-7	-7	-11	-12	-13	0	28

Asset class risk (%)



Ex-ante fund volatility: 13.5%

Regional risk (%)



Source for all charts: J.P. Morgan Asset Management, as at 30.06.2023. 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.

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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.

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