

# JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

## Topline

Monthly returns	
Fund	Benchmark
▼ -1.84%	▲ 0.37%
<b>Benchmark :</b> Bloomberg AusBond Bank Bill Index	
<p><b>Markets</b> Global equity markets continued to move higher in July, while sovereign bonds were down. Equities were supported by signs of easing inflation momentum, alongside increased market optimism about the outlook for the US and China as well as ongoing AI developments. The MSCI World Index rose 2.8% and the JPM Global GBI fell 0.5% (hedged to Australian dollar).</p> <p><b>Helped</b> Long secular equity, particularly cloud computing and digital transformation strategies.</p> <p><b>Hurt</b> Long US volatility and short equity derivatives strategies, particularly short Nasdaq and short US large cap equity.</p> <p><b>Outlook</b> We remain cautious as we expect the cumulative monetary tightening conducted by central banks to weigh on economic activity. As such, we maintain negative net equity exposure and a defensive tilt but can flexibly adjust the portfolio as the macroeconomic backdrop evolves.</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 markets continued to move higher in July**, while sovereign bonds were down. Equities were supported by signs of easing inflation momentum, alongside increased optimism about the outlook for the US and China as well as ongoing AI developments. The MSCI World Index rose 2.8% and the JPM Global GBI fell 0.5% (hedged to Australian dollar). The fund delivered negative returns.
- **Growing evidence of easing inflationary pressures** globally fuelled hopes of a pause in central-bank tightening and supported risk assets. Our long equity strategies added value, particularly our cloud computing and digital transformation strategies. In the UK, both headline and core inflation eased more than expected. Against this backdrop, UK gilts rallied over the month and we took the opportunity to reduce our long UK duration strategy.
- **Activity data in the US remained resilient**, including stronger-than-expected second-quarter GDP growth. Stable activity data, coupled with resilience in labour markets and the aforementioned easing in inflation momentum, supported market optimism about the ability of the US to engineer a soft landing. This weighed on our long US volatility and short US equity derivatives strategies as well as our long US dollar exposure. While this backdrop supported risk assets, rates moved higher in the second half of the month, and we tactically removed our long US duration strategy. With implied volatility remaining low, we took the opportunity to add convexity to the portfolio by pivoting some of our short-biased futures into options strategies.
- **Major central banks delivered mixed actions over the month.** The US Federal Reserve, European Central Bank and Bank of Canada hiked rates by 25 basis points, while some central banks held rates steady. Market expectations built around the potential for the Bank of Japan to meaningfully adjust policy, which benefitted our long Japanese yen exposure, and we took profit on our long Japanese yen versus short US dollar strategy.

## Looking Ahead

- **We remain cautious** as we expect the cumulative monetary tightening conducted by central banks to weigh on economic activity. We continue to see credit conditions tightening, as evidenced by the most recent credit surveys. We maintain a defensive portfolio, with negative net equity exposure, and continue to favour long US dollar versus a basket of currencies exposed to Europe and China where momentum is weaker.
- **Within our macro cycle framework**, we continue to see much of the world as being in a contraction, but with relatively better near-term momentum in the US versus other regions. We are closely monitoring activity and inflation data and have the flexibility to adjust exposures should our fundamental outlook shift.

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

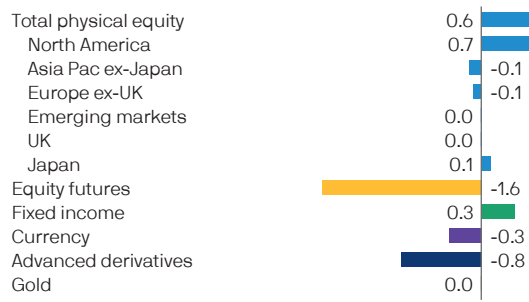
%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
Fund	-1.84	-9.66	-4.85	-2.34	-5.98	-0.24	1.62	2.89
Benchmark	0.37	0.97	1.81	3.15	1.67	1.13	1.20	1.40
Outperformance (Total Return)	-2.21	-10.63	-6.66	-5.49	-7.65	-1.37	0.41	1.49

**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
UK	5	1.5	0.0
Asia Pac ex-Japan	5	0.0	0.0
Japan	2	0.0	0.0
Emerging markets	-3	0.0	0.0
North America	-10	0.0	-0.1
Europe ex-UK	-12	0.0	-0.1

## 1 Month contribution analysis (%)



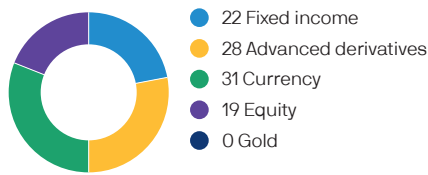
## Net equity region and sector positioning (%)

	Asia Pac ex-Japan	Emerging markets	Europe ex-UK	Japan	North America	UK	Sector total
Communication services		0	0		-2	0	-2
Consumer discretionary		0	0		-1	0	-1
Consumer staples		0	-5		1	1	-3
Energy		0	-1		-1	1	-1
Financials	4	-1	-2	2	-1	1	3
Healthcare		0	0		0	1	1
Industrials		0	-2		-3	1	-4
Information technology	2	-1	-2		-4	0	-5
Materials		0	-1		-1	1	-1
Real estate		0	0		-1	0	-1
Utilities		0	0		1	0	1
<b>Region total</b>	<b>5</b>	<b>-3</b>	<b>-12</b>	<b>2</b>	<b>-10</b>	<b>5</b>	<b>-12</b>

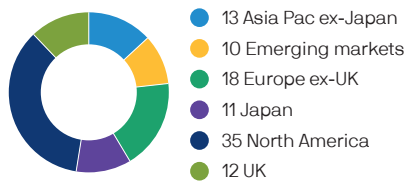
## Active currency positions (%), gold (%) & VIX futures (vega, bps)

USD	JPY	INR	THB	BRL	EUR	CAD	KRW	MXN	SEK	ZAR	CNH	TWD	AUD	GBP	Gold	VIX
48	15	7	4	3	-3	-5	-5	-6	-6	-8	-8	-11	-11	-14	0	29

### Asset class risk (%)



### Regional risk (%)



Ex-ante fund volatility: 9.2%

Source for all charts: J.P. Morgan Asset Management, as at 31.07.2023. 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.

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## 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.

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## 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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