

JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

Topline

Monthly returns	
Fund	Benchmark
▲ 3.10%	▲ 0.37%
Benchmark : Bloomberg AusBond Bank Bill Index	
<p>Markets Global equity markets moved lower in August, and government bonds failed to offer diversification as yields rose. The US Federal Reserve (Fed) reaffirmed its commitment to combat high inflation, while data releases in China and Europe disappointed. The MSCI World Index fell 1.8% and the JPM Global GBI fell 0.3% (hedged to Australian dollar).</p> <p>Helped Long US dollar versus short China-centric and high-beta emerging-market currencies, and short equity strategies.</p> <p>Hurt Long cyclical equity, particularly semiconductors, and long luxury consumer discretionary names.</p> <p>Outlook Disappointing Chinese and European data has reaffirmed our contraction view. The US has bucked this trend in recent months, but we expect a worsening picture from here. We maintain a negative net equity exposure and hold defensive exposures across asset classes. We have also added robustness to more positive outcomes and retain the flexibility to adjust exposures as the probabilities for differing outcomes shift.</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 moved lower in August, and government bonds failed to offer diversification** as yields rose. The Fed reaffirmed its commitment to combat high inflation, while data releases in China and Europe disappointed. The MSCI World Index fell 1.8% and the JPM Global GBI fell 0.3% (hedged to Australian dollar). The fund delivered positive returns.
- **US retail sales were stronger than expected**, and labour markets showed only marginal evidence of easing, with wages remaining elevated. Against this backdrop, we added a tactical short duration strategy, and took profit after yields repriced higher to reflect the resilient US data momentum and lingering inflation risks. The moves in yields in part drove higher equity-market volatility, which benefitted our long US volatility strategy. On a view that US growth risks remain, with support from more mixed data later in the month, we added long US duration in late August, which benefitted performance.
- **Chinese economic data disappointed across the board**, with renewed weakness in the property sector, weak consumer spending and deteriorating credit growth. While stimulus measures were announced, they are expected to have limited impact. Our long US dollar versus short China-centric currencies such as the Australian dollar and Korean won added value. European data, particularly for manufacturing and consumer confidence, was similarly disappointing, which benefitted our short Euro Stoxx position.
- **Major technology names retraced some of their previous gains**, benefitting our short Nasdaq strategy via futures. While technology and broader equity markets posted negative returns, our select technology names added value due to strong stock selection. Overall, our secular equity was flat as, by contrast, our luxury consumer strategy struggled.

Looking Ahead

- **Disappointing Chinese and European data has reaffirmed our contraction view.** The US has bucked this trend in recent months, but we expect a worsening picture from here, in part as the excess savings that have supported the US consumer are being depleted. We are closely monitoring macroeconomic drivers and expect deteriorating global growth to be increasingly influential on price action.
- **We maintain a negative net equity exposure and hold defensive exposures** across other asset classes, including a long Japanese yen position in reflection of a broad contraction view. At the same time, we have added some robustness to a more positive outcome, with greater use of options versus futures, and retain the flexibility to adjust exposures as the probabilities for differing outcomes 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	3.10	-6.48	-0.34	0.59	-5.06	0.18	2.17	3.28
Benchmark	0.37	1.04	1.94	3.37	1.86	1.25	1.24	1.44
Outperformance (Total Return)	2.73	-7.53	-2.28	-2.78	-6.91	-1.06	0.93	1.85

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	6	0.8	0.0
UK	5	0.3	0.0
Japan	2	0.0	0.0
Emerging markets	-3	0.0	0.0
North America	-4	0.3	-0.1
Europe ex-UK	-13	0.0	-0.1

1 Month contribution analysis (%)



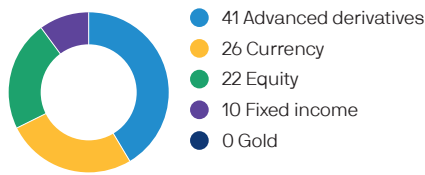
Net equity region and sector positioning (%)

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

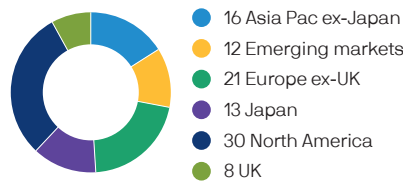
Active currency positions (%), gold (%) & VIX futures (vega, bps)

USD	JPY	INR	THB	BRL	SEK	EUR	CAD	MXN	KRW	TWD	ZAR	CNH	GBP	AUD	Gold	VIX
35	15	7	4	3	-3	-3	-5	-5	-7	-7	-7	-8	-8	-10	0	26

Asset class risk (%)



Regional risk (%)



Ex-ante fund volatility: 7.1%

Source for all charts: J.P. Morgan Asset Management, as at 31.08.2023. 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, accuracy, or completeness of any data or information relating to the Benchmark.

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