

JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

Topline

Monthly returns *Fund	Benchmark
▼ -0.30%	▲ 0.00%
<p>Benchmark: Bloomberg AusBond Bank Bill Index</p> <p>Markets Developed market equities and government bonds ended July in positive territory after a volatile month, as a strong start to the second-quarter earnings season supported markets while sentiment was negatively impacted by the rapid spread of the Delta variant and the slowing of growth momentum.</p> <p>Helped Our long equity strategies, particularly our quality growth names in tech, consumer discretionary and healthcare.</p> <p>Hurt Long cyclical equity sector exposures and our short-biased equity strategies held for protection.</p> <p>Outlook We remain in an expansionary environment but are mindful of signs of a slowdown in growth. We maintain equity risk at average levels versus history and continue to hold some protection via equity options and select currency strategies.</p>	

*Net of fees performance is calculated on Bid - Bid with gross income reinvested, e.g. net of ongoing fees and expenses.

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

- **Developed market equities and government bonds ended July in positive territory** after a volatile month, as a strong start to the second-quarter earnings season supported markets while sentiment was negatively impacted by the rapid spread of the Delta variant and the slowing of growth momentum. The MSCI World Index was up 1.7% and JPM GBI Index was up 1.4% (hedged to Australian dollar). The fund return was modestly negative.
- **Risk assets were supported amid stronger-than-expected second-quarter earnings** and lower yields, with over half of the S&P 500 companies having reported earnings, and close to 90% of those reporting beating analysts' earnings expectations. Our long equity exposure contributed positively to performance, particularly our quality growth names in global consumer brands, cloud computing and software, and global healthcare equipment.
- **The pace of acceleration in global growth showed some signs of slowing**, led by the US and China, with economic and activity data coming in softer than expected. The rapid spread of the Delta variant also weighed on investor sentiment, with new daily infections continuing to rise across regions. Against this backdrop, cyclicals underperformed more quality growth areas of the market, and our long equity exposures in financials, semis and energy sectors detracted. Given signs of a slowdown and cyclical underperformance, we reduced our cyclical/value tilt by closing our exposures in semis as well energy, as fundamental support for the latter weakened with less certain demand recovery and an announced increase in supply from OPEC+. We also closed our long European banks, industrials and insurance strategies held via futures and introduced a long US utilities vs short US large-cap strategy via futures to add to the defensive tilt of the portfolio, supported by attractive valuations.
- **Emerging markets continued to suffer** in July with new announcements of Chinese regulations targeting reforms to the private tutoring sector weighing on sentiment across the region where growth signals have slowed and virus dynamics have worsened. In this environment, we took profit on our long Chinese renminbi vs short Taiwanese dollar exposure and introduced a short Australian dollar vs long Japanese yen strategy, which can provide portfolio protection in an environment of slowing growth and liquidity. Our short emerging market exposure via futures, held as part of our hedge to long equity exposure, contributed.

Looking ahead

- **We remain in an expansionary environment** but are mindful of signs of a slowdown in growth. We maintain equity risk at average levels versus history and have been neutralising our tilt towards cyclical/value exposures.
- **We continue to closely monitor developments in virus variants** and how these interact with current vaccine efficacy. We continue to hold protection from an adverse environment through equity options and select currency strategies.

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.

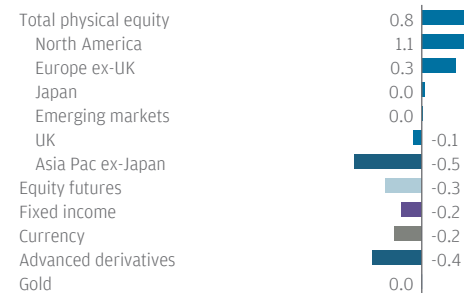
Performance and positioning

%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
JPMorgan Global Macro Opportunities Fund (Net of Fees)	-0.30	0.46	4.59	12.33	7.05	7.02	6.16	6.49
Benchmark	0.00	0.01	0.01	0.05	0.39	0.89	1.26	1.30
Outperformance (Net of fees)	-0.30	0.45	4.58	12.28	6.65	6.13	4.90	5.19

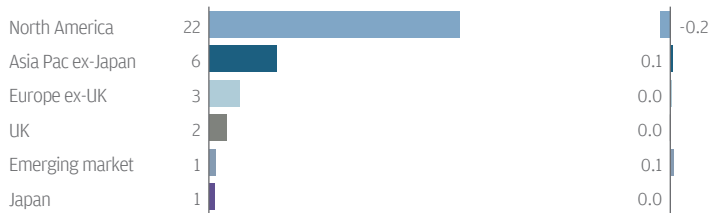
Past performance is not a reliable indicator of current and future results.

Source: J.P. Morgan Asset Management. Bloomberg. Inception date: 2 May 2016. Net of fees performance is calculated on Bid - Bid with gross income reinvested, i.e. net of ongoing fees and expenses. Returns for periods greater than one year are annualised.

1 MONTH CONTRIBUTION ANALYSIS (%)



NET EQUITY EXPOSURE (%)



DURATION (YEARS)



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	0	0	3	0	3
Consumer discretionary	1	0	0	0	7	0	8
Consumer staples	0	0	0	0	0	0	0
Energy	0	0	0	0	0	0	-1
Financials	4	1	1	0	2	0	9
Healthcare	0	0	1	0	2	1	3
Industrials	0	0	1	0	1	0	2
Information technology	1	0	-1	1	5	0	5
Materials	0	0	-1	0	0	0	-1
Real estate	0	0	0	0	0	0	-1
Utilities	0	0	2	0	3	0	5
Region total	6	1	3	1	22	2	34

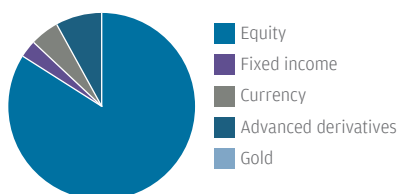
ACTIVE CURRENCY POSITIONS AND GOLD (%)

	NOK	JPY	AUD	CHF
Active Currency Positions and Gold	4	3	-3	-4

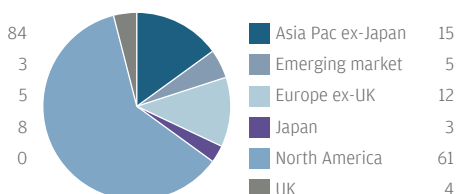
EX-ANTE VOLATILITY (%)



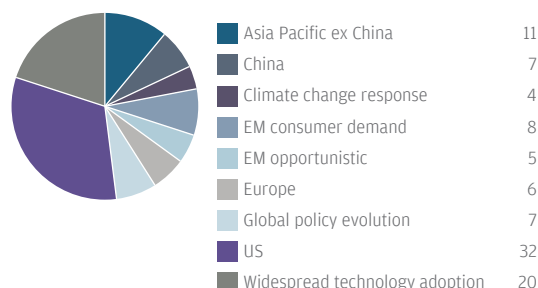
ASSET CLASS RISK (%)



REGIONAL RISK (%)



THEME RISK (%)



Source for all charts: J.P. Morgan Asset Management, as at 31.07.2021. 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

The Fund is subject to **Investment risks** and **Other associated risks** from the techniques and securities it uses to seek to achieve its objective. The table on the right explains how these risks relate to each other and the **Outcomes to the Unitholder** that could affect an investment in the Fund. **Please refer to the Product Disclosure Statement and Reference Guide for more information.**

Investment risks *Risks from the Fund's techniques and securities***Techniques**

Concentration
Derivatives
Hedging
Short position

Securities

China
Commodities
Convertible securities
Debt securities
- Below investment grade debt

- Investment grade debt
- Government debt
- Unrated debt
Emerging markets
Equities

Other associated risks *Further risks the Fund is exposed to from its use of the techniques and securities above*

Credit
Liquidity

market
Interest rate

Currency

Outcomes to the Unitholder *Potential impact of the risks above***Loss**

Unitholder could lose some or all of their money.

Volatility

Units of the Fund will fluctuate in value.

Failure to meet the Fund's objective.**NOTES**

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