JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

Topline

Monthly Total Return Fund	Benchmark
▲ 1.52%	▼ 0.00%

Benchmark : Bloomberg AusBond Bank Bill Index

Markets Global equity markets rallied, supported by a strong earnings season and less immediate risk to the growth outlook stemming from China. Meanwhile, bond markets experienced extreme volatility amid a sharp repricing in short-term yields against a higher inflation backdrop.

Helped Our long equity strategies, with broad strength across a number of favoured names in tech, consumer discretionary, healthcare and financials.

Hurt Short-biased equity futures and options held for protection.

Outlook We are monitoring the persistence of inflation and any hawkish communication from central banks as a response, as well as any change in momentum to the global macro backdrop, which is currently in slowdown.

*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.

Month in review

- **Global equity markets rallied, supported by a strong earnings season and less immediate risk to the growth outlook stemming from China**. Meanwhile, bond markets experienced extreme volatility amid a sharp repricing in short-term yields against a higher inflation backdrop. The MSCI World Index rose 5.3% and the JPM GBI Index fell -0.1% (hedged to Australian dollar). The fund return was positive.
- **Market sentiment improved as the risk of immediate spillovers to growth from the Chinese property sector eased alongside stabilisation in global business surveys.** Chinese activity data continues to be impacted by power shortages and the property market slowdown, while in Europe and the US, Purchasing Managers' Indices stabilised. However, lingering supply-side constraints continue to weigh on recovery. Given less immediate risks from the Chinese growth outlook and a strong earnings season, equity markets rallied, which benefitted our long equity strategies, with broad strength across several favoured names in tech, consumer discretionary, healthcare and financials.
- **Global government bonds fell as the market aggressively re-priced rate hike expectations from central banks**. Inflation remains elevated and more persistent than originally expected due to higher energy pricing and supply side disruptions, prompting a recalibration of market expectations for a faster pace of monetary policy tightening globally. As a result, short-dated yields rose extremely sharply, and a number of key central banks delivered more hawkish shifts, as seen by the Reserve Bank of Australia abandoning their yield curve policy. We introduced a long Australia versus short US fixed income strategy, reflecting our view that the hiking profile priced in for the RBA is too hawkish relative to the US, where the fundamental backdrop is stronger.
- **We continue to have balanced exposure to cyclical and defensive sectors**, but our net equity exposure has increased. We continue to hold protection strategies via long US and European equity put options, which detracted over the month, but offer attractively priced portfolio protection as equity market volatility has fallen. We also added to our long US dollar versus short emerging market currencies strategies, which are exposed to tighter financial conditions globally and would provide diversification benefits in a potential China slowdown scenario.

Looking ahead

- **We have leant back into risk given less immediate risk to the growth outlook** stemming from China, but we maintain portfolio protection via equity options and diversifying currency strategies to protect from higher yields or a more material slowdown.
- **We are monitoring the persistence of inflation and any hawkish communication from central banks as a response**, as well as any change in momentum to the global macro backdrop, which is currently in slowdown. This includes the impact of rising Covid-19 cases in Europe and any spillovers of weakness in Chinese activity.

J.P.Morgan
Asset Management

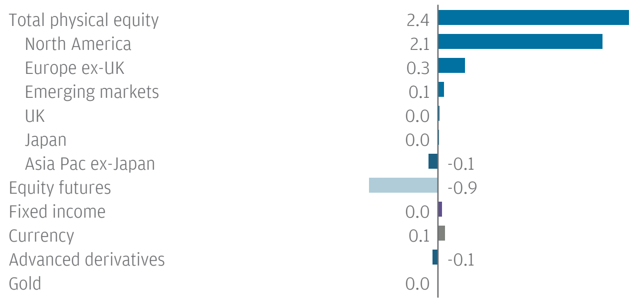
Performance and positioning

%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
JPMorgan Global Macro Opportunities Fund (Total Return)	1.52	1.92	2.39	11.98	9.70	7.24	7.54	6.55
Benchmark	0.00	0.00	0.01	0.03	0.27	0.73	1.17	1.24
Outperformance (Total Return)	1.52	1.92	2.38	11.96	9.43	6.51	6.37	5.31

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

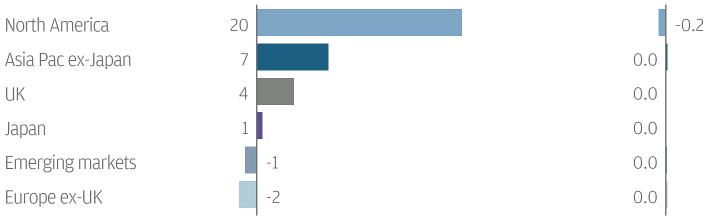
Source: J.P. Morgan Asset Management. Bloomberg. Inception date: 2 May 2016. Total Returns are net of ongoing fees and expenses and are calculated on Bid - Bid with gross income reinvested. Returns for periods greater than one year are annualised.

1 MONTH CONTRIBUTION ANALYSIS (%)



NET EQUITY EXPOSURE (%)

DURATION (YEARS)



NET EQUITY REGION AND SECTOR POSITIONING (%)

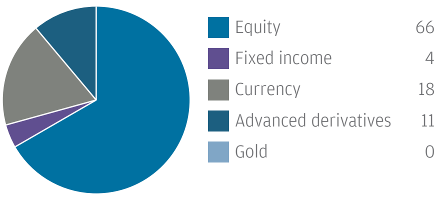
	Asia Pac ex-Japan	Emerging markets	Europe ex-UK	Japan	North America	UK	Sector total
Communication services		0	0		4	0	**3**
Consumer discretionary		0	0		6	0	**6**
Consumer staples		0	0		1	0	**1**
Energy		0	0		0	0	**-1**
Financials	4	1	0		2	0	**7**
Healthcare		0	0		2	2	**3**
Industrials		0	0		1	0	**2**
Information technology	1	0	-1	1	7	0	**7**
Materials		0	-3		0	0	**-3**
Real estate		0	0		0	0	**0**
Utilities		0	3		0	0	**2**
Region total	**5**	**-1**	**-2**	**1**	**21**	**4**	**28**

ACTIVE CURRENCY POSITIONS AND GOLD (%)

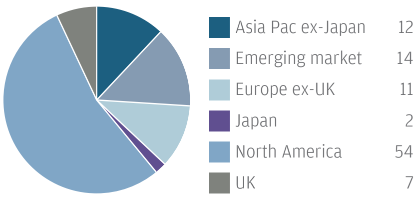
USD	CNH	MXN	ZAR	TWD	AUD	Gold
14	4	-4	-4	-4	-6	0

EX-ANTE VOLATILITY (%)

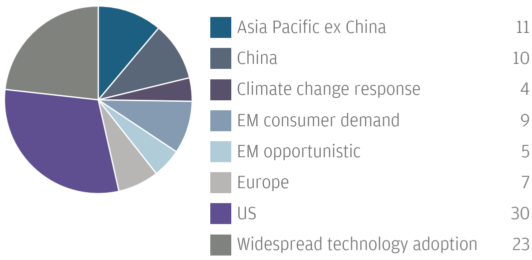
ASSET CLASS RISK (%)



REGIONAL RISK (%)



THEME RISK (%)



Source for all charts: J.P. Morgan Asset Management, as at 31.10.2021. 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, Target Market Determination and Reference Guide for more information**.

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

Techniques	***Securities***	
Concentration	China	- Investment grade debt
Derivatives	Commodities	- Government debt
Hedging	Convertible securities	- Unrated debt
Short position	Debt securities	Emerging markets
	- Below investment grade debt	Equities

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

Credit	market	Currency
Liquidity	Interest rate	

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

Loss	**Volatility**	**Failure to meet the Fund's objective.**
Unitholder could lose some or all of their money.	Units of the Fund will fluctuate in value.	

NOTES