

JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

Topline

Monthly Total Return Fund	Benchmark
▼ -3.56%	▲ 0.01%
<p>Benchmark : Bloomberg AusBond Bank Bill Index</p> <p>Markets Global equity and fixed income markets sold off sharply and volatility spiked amid a more hawkish stance from key central banks, while tensions in eastern Europe contributed to risk-off sentiment. The fund delivered a negative return, with our secular equity strategies detracting most amid the re-pricing.</p> <p>Helped Our long US large-cap put options strategy held for protection from a broad equity sell-off and short-bias equity strategies.</p> <p>Hurt Long equity exposure, particularly in more growth-oriented software and consumer discretionary names, and our media streaming strategy.</p> <p>Outlook We are closely monitoring economic data to track our growth and inflation views, and continually reassess the balance of risks. While we maintain a moderate level of risk, we will continue to be flexible amid heightened market volatility and look to add convexity to provide more robustness in the event of further risk-off moves.</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.

Month in review

- **Global equity and fixed income markets sold off sharply and volatility spiked** amid a more hawkish stance from key central banks, while tensions in eastern Europe contributed to risk-off sentiment. The MSCI World fell 5.1% and JPM Global GBI fell 1.6% (hedged to Australian dollar). The fund delivered a negative return, with our secular equity strategies detracting most amid the re-pricing.
- **The US Federal Reserve meeting minutes suggested more hawkish rhetoric** than anticipated amid a strong labour market and higher inflation backdrop. Rates sold off along the curve driven by rising real yields, which triggered a rotation in equity markets that was felt most acutely in high growth areas. The yield curve subsequently flattened and equity volatility spiked as investors aggressively de-risked, prompting a wider sell-off across all sectors except energy. Our long equity exposure, which we held at slightly above average levels versus history amid fading Omicron and China concerns, detracted in aggregate from performance. Our long US dollar versus short South African rand strategy also detracted, failing to deliver the diversification we expected in a risk-off move.
- **Our secular equity strategies suffered most amid the re-pricing** on concerns about the increased cost of capital amid higher real rates. Our software and consumer discretionary names detracted most, while our global media streaming strategy also struggled due to slower-than-expected subscriber growth. We reassessed our holdings, and with the fundamentals remaining strong and valuations having improved we added to select high-quality names.
- **As the sell-off broadened out and volatility looked likely to remain**, we introduced a long US large cap put strategy, which added value as the market moved lower. We also introduced a long Nasdaq versus short UK equity strategy to benefit from a reversal in tech underperformance, which contributed modestly to performance later in the month.

Looking ahead

- **We are closely monitoring economic data to track our growth and inflation views**, and continually reassess the balance of risks. We expect to see a continued slowdown in trend activity and inflation to fall as the year progresses. In the shorter term, we anticipate further market volatility as it reacts to inflation and policy developments.
- **We maintain a moderate level of portfolio risk** but expect to flexibly adjust this in line with the evolving balance of risks, and are looking to add convexity to provide more robustness. In equity, we favour names where we have strong conviction in the long-term secular drivers, in addition to exposures that should perform well in a slowdown environment.

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	-3.56	-4.46	-2.62	1.85	5.83	6.24	7.19	5.41
Benchmark	0.01	0.01	0.02	0.03	0.16	0.57	1.08	1.19
Outperformance (Total Return)	-3.57	-4.47	-2.64	1.82	5.67	5.67	6.12	4.22

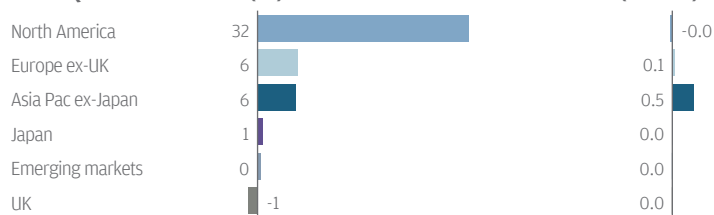
Past performance is not a reliable indicator of current and future results.

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)



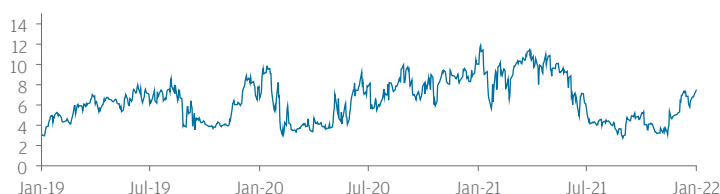
NET EQUITY REGION AND SECTOR POSITIONING (%)

	Asia Pac ex-Japan	Emerging markets	Europe ex-UK	Japan	North America	UK	Sector total
Communication services			0		5	0	5
Consumer discretionary			1		8	0	9
Consumer staples			0		1	-1	0
Energy			0		0	0	-1
Financials	5	0	1		4	0	9
Healthcare			0		5	1	6
Industrials			1		1	0	1
Information technology	1		0	1	10	0	12
Materials			0		0	0	-1
Real estate			0		0	0	0
Utilities			4		0	0	4
Region total	6	0	6	1	32	-1	43

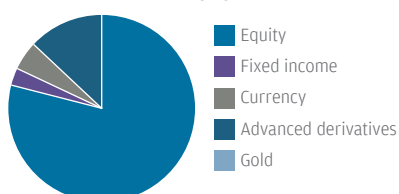
ACTIVE CURRENCY POSITIONS AND GOLD (%)

JPY	CNH	USD	ZAR	AUD	TWD	Gold
5	4	0	-2	-2	-4	0

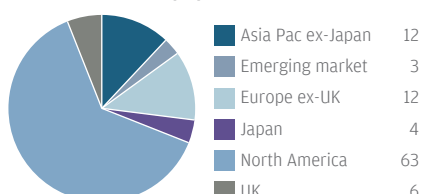
EX-ANTE VOLATILITY (%)



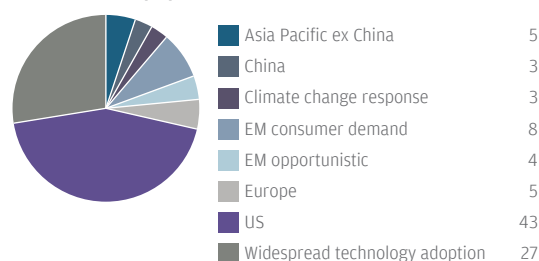
ASSET CLASS RISK (%)



REGIONAL RISK (%)



THEME RISK (%)



Source for all charts: J.P. Morgan Asset Management, as at 31.01.2022. 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 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.
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NOTES

This information has been provided by JPMorgan Asset Management (Australia) Limited (ABN 55143832080) (AFSL 376919), the manager of the fund featured in this document. Perpetual Trust Services Limited (ABN 48 000 142 049) (AFSL 236648) is the fund's Responsible Entity. This document is for information purposes only and should not be taken as containing any financial product advice or recommendation. It does not take into account an individual's financial circumstances. Investors should consider the Product Disclosure Statement and Target Market Determination of the fund (available from www.jpmorganam.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 confidential and intended solely for the person to whom it is provided by the issuer. Bloomberg Finance L.P. and its affiliates (collectively, "Bloomberg") are not affiliated with the Manager or the Responsible Entity 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. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our privacy policies at <https://am.jpmorgan.com/global/privacy>.