

# JPMorgan Global Macro Opportunities Fund

APIR: PER0758AU ARSN: 611865948 ISIN: AU60PER07584

## Topline

Monthly returns *Fund	Benchmark
▲ 2.24%	▲ 0.00%
<p><b>Benchmark:</b> Bloomberg AusBond Bank Bill Index</p> <p><b>Markets</b> Global equity markets continued their ascent in December, supported by positive developments on vaccines, diminishing risk around key events and solid data.</p> <p><b>Helped</b> Our long equity strategies, particularly names geared to cyclical growth, and gold.</p> <p><b>Hurt</b> Short-bias equity strategies held for protection from an adverse scenario.</p> <p><b>Outlook</b> We are closely monitoring the vaccine distribution and logistics process across regions, while we also continue to closely analyse virus cases and government and central bank responses.</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

- **Global equity markets continued their ascent in December**, supported by positive developments on vaccines, diminishing risk around key events and solid data. The MSCI World Index was up 3.4% and the JPM GBI Index was flat (hedged to the Australian dollar). The fund delivered a positive return.
- **Positive vaccine developments supported risk sentiment**, as the first vaccines against Covid-19 were authorised and administered. The increased confidence in the path to recovery overshadowed rising virus infection cases and saw equities perform well. In this environment, our long equity strategies contributed positively to performance, particularly cyclical exposures including our long DAX call options and long basic resources futures strategies. The risk-on environment also led to US dollar weakness, which benefitted our gold position and prompted us to take profit on our long Australian dollar versus short US dollar strategy.
- **Investor optimism was further helped by reduced event risk**, following the announcement of a US fiscal stimulus package and a Brexit deal. US Congress approved a relief plan worth nearly USD 900 billion, which includes direct payments to households and more generous unemployment benefits. This package should support US consumer spending, and our US small-cap exposure, payment companies and US off-price retailers added value following the news. The removal of a hard-deal Brexit scenario further reduced uncertainty as the UK and the European Union reached an agreement ahead of the year-end deadline.
- **Economic data showed some improvement**, with global purchasing managers' indices reversing the downward moves seen in November when a number of economies experienced lockdown restrictions. The improvement in activity was a further support to markets, however we continue to protect the portfolio from the risk of a greater virus resurgence and/or disruption in the vaccination process through short-bias equity strategies, which detracted from performance. We have also added a long euro versus short US dollar put strategy as protection from a near-term reversal in USD weakness.

## Looking ahead

- **We anticipate continued momentum in the medium-term economic recovery** as vaccine developments provide a path to mass vaccination. However, we are closely monitoring the speed of vaccine manufacturing, distribution and administration on a mass scale in case of any potential set-backs. In addition, we continue to closely monitor virus cases, high-frequency data, and government and central bank responses to bridge any short-term economic weakness caused by further restrictions.
- **Our positioning reflects a view of global recovery but with short-term risks**, as we maintain equity risk at average levels versus history, complemented by exposures across other asset classes including sovereign debt and gold, and equity options held for protection from an adverse scenario. We remain flexible to adjust positioning as the outlook evolves.

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.

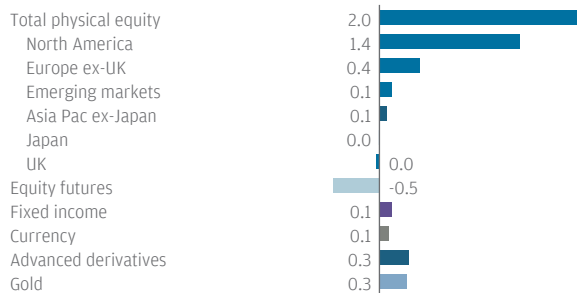
## Performance and positioning

%	1M	3M	6M	1Y	2Y	3Y	Since inception
<b>JPMorgan Global Macro Opportunities Fund (Net of Fees)</b>	2.24	6.36	8.56	13.21	7.93	5.25	6.46
<b>Benchmark</b>	0.00	0.02	0.05	0.37	0.93	1.26	1.46
<b>Outperformance (Net of fees)</b>	2.23	6.34	8.51	12.84	7.00	3.99	5.00

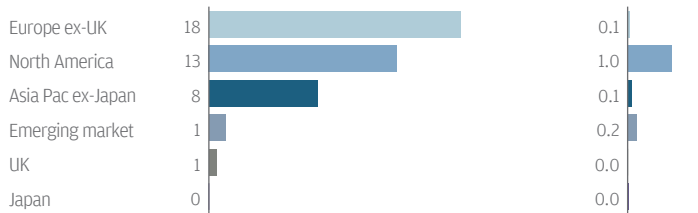
Past performance is not a reliable indicator of current and future results.

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.

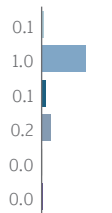
### 1 MONTH CONTRIBUTION ANALYSIS (%)



### NET EQUITY EXPOSURE (%)



### DURATION (YEARS)



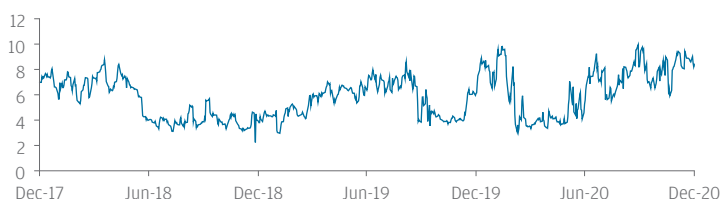
### NET EQUITY REGION AND SECTOR POSITIONING (%)

	Asia Pac ex-Japan	Emerging markets	Europe ex-UK	Japan	North America	UK	Sector total
Communication services			0		1	0	1
Consumer discretionary	2		3		4	0	8
Consumer staples			0		-2	0	-3
Energy			0		0	0	-1
Financials	6	1	2		3	0	13
Healthcare			1		1	1	3
Industrials			2		1	0	3
Information technology	1		0		7	0	8
Materials			2		0	0	1
Real estate			0		0	0	0
Utilities			8		-1	0	7
<b>Region total</b>	<b>8</b>	<b>1</b>	<b>18</b>	<b>0</b>	<b>13</b>	<b>1</b>	<b>41</b>

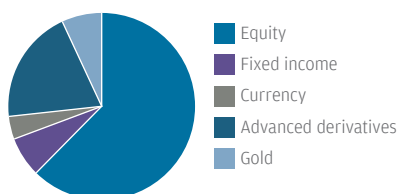
### ACTIVE CURRENCY POSITIONS AND GOLD (%)

Currency	INR	JPY	MXN	KRW	EUR	ZAR	GBP	USD	Gold
Position (%)	4	2	2	1	1	-2	-3	-6	5

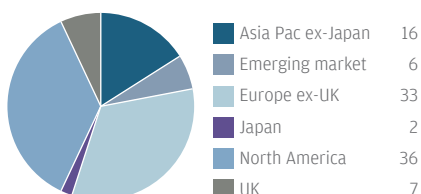
### EX-ANTE VOLATILITY (%)



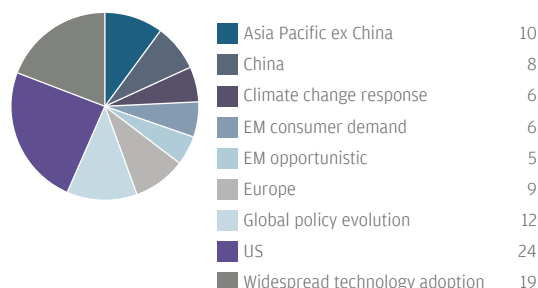
### ASSET CLASS RISK (%)



### REGIONAL RISK (%)



### THEME RISK (%)



Source for all charts: J.P. Morgan Asset Management, as at 31.12.2020. 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.

**RISK PROFILE**

High risk. The fund is considered high risk as its Net Asset Value has shown medium to high fluctuations historically. Please refer to the Product Disclosure Statement dated 2 December 2019.

The fund can use sophisticated investment techniques that differ from those used in traditional Equity funds. The fund should not be used as a substitute for liquidity funds or cash accounts.

The fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the fund. Some Financial Derivative Instruments (derivatives) traded on an exchange may be illiquid, and as a result, may need to be held until the derivative contract position expires. This may have an adverse impact on the return of the fund. The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions. The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment

obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded. These risks are typically increased for Below Investment Grade and certain Unrated securities, which may also be subject to higher volatility and be more difficult to sell than Investment Grade securities.

The fund invests opportunistically and exposure to the markets may vary substantially over a short period of time depending on market conditions. Therefore the fund may not be fully invested in rising markets; conversely the fund could be more than fully invested in a falling market. In both circumstances the performance of the fund would suffer. Movements in currency exchange rates can adversely affect the performance of the fund. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful. The value of securities in which the fund invests may be influenced by movements in commodity prices which can be very volatile.

Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.

The fund may invest in China A-Shares through the China-Hong Kong Stock Connect program which is subject to regulatory change, quota limitations and also operational constraints which may result in increased counterparty risk.

The fund invests in securities of smaller companies which may be more difficult to sell, more volatile and tend to carry greater financial risk than securities of larger companies.

The possible loss from taking a Short Position on a security (using Financial Derivative Instruments) may be unlimited as there is no restriction on the price to which a security may rise. The Short Selling of investments may be subject to changes in regulations, which could adversely impact returns to investors.

The fund may be concentrated in a limited number of securities, industry sectors or countries and as a result, may be more volatile than more broadly diversified funds.

**INVESTOR PROFILE**

The fund may be suitable for investors looking for investment growth through exposure to a range of asset classes.

Investors should take a long-term investment horizon.

**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 of the fund (available from [www.jpmorganam.com.au](http://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>.