

SHINING A LIGHT ON THE..... JPM Global Macro Opportunities Fund

AT A GLANCE

Investment Objective
The fund aims to provide positive investment returns over a rolling 3-year period in all market conditions by investing in securities globally, using financial derivative instruments where appropriate. A positive return is not guaranteed over this or any time period and a capital loss may occur. The Investment Adviser uses an investment process based on macroeconomic research to identify global investment themes and opportunities. The Investment Adviser uses a flexible asset allocation approach, using a broad range of asset classes, instruments and techniques. Allocations may vary significantly and exposure to certain asset classes, markets, sectors or currencies may be concentrated from time to time, in response to market conditions and opportunities.

Inception Date	15 th February 2013
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000PII9

Management	
Manager Name	Start Date
Shrenick Shah	15 th February 2013
Josh Berelowitz	18 th December 2019
Benoit Lanctot	18 th December 2019

FUND PERFORMANCE – Launched 15th February 2013

Performance from 1st January 2015 to 30th September 2020:

	2015	2016	2017	2018	2019	2020
JPM Global Macro Opportunities Fund	11.81%	-3.16%	15.98%	-1.34%	1.97%	6.38%
Vanguard Global Bond Index	1.25%	3.50%	2.00%	-0.11%	6.64%	4.67%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
JPM Global Macro Opportunities Fund	4.78%	11.19%	17.22%	60.14%
Vanguard Global Bond Index	3.67%	12.04%	17.77%	29.20%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Tracking Error	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
-	-	-	-	0.98	3.09	Growth/Large

Volatility Measurements	
3-Yr Std Dev (volatility)	5.70%
3-Yr Mean Return (average)	3.60%

Investment Style Details	
Giant	68.65%
Large	19.07%
Medium	2.12%
Small	0.00%
Micro	0.00%

Top 5 Holdings		
JPM EUR Iqdy LVNAV X (flex dist.)	-	9.02%
France (Republic Of) 0%	-	4.99%
Japan (Government Of) 0%	-	4.82%
Japan (Government Of) 0%	-	3.94%
Japan (Government Of) 0%	-	3.56%

Top 5 Sectors	
Financial Services	24.65%
Consumer Cyclical	21.21%
Technology	18.35%
Utilities	14.40%
Healthcare	8.15%

Top 5 Regions	
United States	56.01%
Eurozone	18.53%
Asia – Emerging	9.86%
Europe ex Euro	7.39%
United Kingdom	3.74%

UPDATE....

These updates have been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.

This strategy looks to invest across a wide range of asset classes and deliver a positive return over cash in varying market environments over the medium term. The strategy launched a ESG version in August 2019. The aim is to follow the main strategy but apply some filters or exclusions. They have a dedicated team in place of 7 investment managers, and 3 investment specialists. But over and above that they have access to the wider knowledge bank within JPM.

The investment process is founded on macroeconomic research which looks at macro themes, investment strategies and then portfolio construction. Underpinning this is the risk management. We discussed ideas and some of the macro themes include long term structural trends like adoption of technology, climate change etc, and the cyclical trends. When looking for the right strategies then they look for the best risk return, so the example of having a basket of European utilities which are transition to lower carbon world.

Risk management is key to the portfolio and with the US election this again places focus on what they do. In 2018 they felt that the trade war was reversing globalisation and that the market was ignoring this. Therefore, they moved to a negative equity position which enabled the portfolio to provide some protection when the market turned in the last quarter. In February, leaning on knowledge on the ground they could see how the virus had played out in China and felt that the West was ignoring this. They moved to zero exposure to equities, and as stimulus policies were put in place in the West, they reduced their risk protection options.

Looking forward they feel that although Brexit will be painful for the UK, the impact globally is small. With the US election they think that it will go one way or the other rather than a contested result. So there might be a few days of uncertainty but looking through there isn't a great deal to worry about. The main area of focus is the virus and when a vaccine will be available. This really is a game changer but caution needs to be at play as many people have indicated they would not take the approved drug.

The key macro themes for this are climate change response, widespread technology adoption, global policy evolution and emerging market consumer demand. In terms of where they source the opportunities, this comes from the US, Europe, China, Asia Pacific ex China and Emerging Market Opportunistic.

In terms of the ESG strategy areas / sectors which would be excluded or have revenue thresholds, includes controversial weapons, military equipment and components, alcohol, tobacco, cannabis, pornography, gambling, fossil fuels, unconventional oil and gas, and power generation (fossil fuels and nuclear).

In summary, the aim is to provide investors with a blended approach which can provide protection when markets go down but also capture some of the upside. The ESG is a new angle and provides an alternative investment option within a growing part of the market.

The source of information in this note has been provided by JP Morgan and is correct as at September 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.