

JPMorgan Global Research Enhanced Index Equity Trust - Class A (Hedged) Units

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Topline

Monthly returns	
Fund	Benchmark
▼ -1.59%	▼ -1.85%
Benchmark : MSCI World ex Australia Index (Total Return Net) hedged to AUD	
Markets In August, global equities delivered negative returns as investors reacted to renewed stress in the Chinese property market, weaker macroeconomic data from China and an increase in global bond yields.	
Helped Stock selection in financial services and industrial cyclical.	
Hurt Stock selection in technology, particularly semiconductors & hardware, and transportation.	
Outlook August's volatility suggests that China's difficulties could weigh on the global economy in the coming months, given the country contributes almost a third of global growth. As various macroeconomic indicators are showing signs of diminishing economic momentum, we believe recession risk still remains. Nevertheless, current valuations continue to look more attractive compared to the lofty levels at the end of 2021, which suggests reasonable returns ahead for patient investors.	

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 a long-term return in excess of the benchmark; the risk characteristics of the portfolio of securities held by the Fund will resemble the risk characteristics of the portfolio of securities held in the benchmark.

Investor profile

This product is likely to be appropriate for a consumer seeking capital growth, to be used as a core component within a portfolio where the consumer has a high risk/return profile and needs daily access to capital. The minimum suggested time frame for holding investments in the Fund is 5 years.

Month in Review

- **Stock selection was the primary driver of performance** and was positive in 13 of the 19 sectors in our internal sector classification scheme this month.
- **An overweight position in Eaton**, an Ireland-based power management company, contributed to performance over the month. The company's initiative to increase its prices was well received by its distributors. This led to optimism around the stock as its margins are expected to improve.
- **An overweight position in NXP Semiconductors**, a Netherlands-based semiconductor solution provider, detracted from returns over the month. Shares fell as investors questioned the outlook for the semiconductor industry in the face of a weaker Chinese economy impacting global growth.

Looking Ahead

- **While corporate profits have held up well so far** after an extraordinary surge in 2021, margins are now starting to decline for many companies, and we expect weaker profits this year. Increased caution among lenders and slowing corporate profits could constrain capital expenditure.
- **Recent data points suggest that inflation has likely peaked** and is gradually falling to more manageable levels. As inflation pressures subside and fading business and consumer spending poses risks to the global outlook, we appear to be approaching the end of the current tightening cycle.
- **Against this backdrop, we would caution** against positioning portfolios with too much concentration in any single equity region. Our highest-conviction view is that markets will reward companies with stronger-quality credentials such as robust balance sheets and management teams with deep experience through multiple cycles.
- **The fund remains broadly region-, sector- and style-neutral** versus the benchmark. Our focus is on identifying attractive stocks within each sector, in each region, to generate incremental excess returns over time. Our process is currently pointing towards above-average levels of these stock opportunities in the marketplace.

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

%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
Fund	-1.59	6.72	11.31	14.21	0.77	9.55	8.47	8.74
Benchmark	-1.85	6.58	10.78	13.01	-0.17	8.79	7.68	8.53
Outperformance (Total Return)	0.26	0.14	0.53	1.19	0.94	0.77	0.79	0.20

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

Source: J.P. Morgan Asset Management. Inception date: 05.05.2015. 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.

The Excess returns are calculated Arithmetically.

Key Risks

It is important to understand that the value of investments may rise or fall, investment returns are not guaranteed and it is possible that investors may lose their money. The appropriate level of risk for each person depends on a range of factors, including age, investment timeframe and the investor's risk profile. For more detailed information relating to the risks of the Fund, please refer to the relevant Product Disclosure Statement and Target Market Determination available on the website.

Notes

General Disclosures

Before investing, obtain and review the Product Disclosure Statement of the Fund and Target Market Determination which have been issued by Perpetual Trust Services Limited, ABN 48 000 142 049, AFSL 236648, as the responsible entity of the fund available on <https://am.jpmorgan.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 intended solely for the person to whom it is provided by the issuer. Positive yield does not imply positive returns. Yields are not guaranteed. Fund holdings and performance are likely to have changed since the report date. No provider of information presented here, including index and ratings information, is liable for damages or losses of any type arising from use of their information.

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