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

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Topline

Monthly Total Return	
Fund	Benchmark
▲ 7.27%	▲ 7.22%

Benchmark : MSCI World ex Australia Index (Total Return Net) hedged to AUD

Markets After a bumpy start to the month, equities bounced back in October.

Helped Stock selection in telecommunications and energy.

Hurt Stock selection in banks and media.

Outlook Elevated inflation remains at the centre of market volatility, with investors still concerned that central banks will continue to press on the monetary brakes. The resulting combination of rising consumer prices, higher interest rates and dwindling consumer and business sentiment could translate into sluggish economic activity in the months ahead.

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.

Month in Review

- **Stock selection was positive in 8 of the 19 sectors** in our internal sector classification scheme this month.
- **An overweight position in Netflix**, an online subscription streaming service and production company, contributed to performance over the period. The company reported solid quarterly returns ahead of consensus estimates and guided to increased subscriber and revenue growth opportunities on the back of the ad-supported option launch in November.
- **Not holding Amgen**, an American multinational biopharmaceutical company, detracted from relative returns over the month. The company reported results ahead of consensus expectations, which were largely driven by its mature product Enbrel and good cost control.

Looking Ahead

- **Concerns around inflation remain at the centre of market volatility.** A meaningful decline in government spending relative to revenues will reduce aggregate demand within the economy. Recession fears and declining corporate margins could also reduce capital spending momentum. Therefore, there is a significant risk that the economy may see one or more additional quarters of negative real GDP growth in late 2022 or in 2023.
- **While company earnings have held up well so far**, the first cracks are starting to appear. We are downgrading our earnings estimates for next year and expect this trend to continue.
- **However, the strong labour market** and healthy balance sheets could potentially soften the impact of a recession, unlike in the great financial crisis or the global Covid-19 pandemic.
- **It has been a very tough year for investors.** A painful sell-off in financial assets has led to much better valuations versus the start of the year. We believe equity markets could now offer an attractive entry point to the long-term investor.
- **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.

Performance

%	1M	3M	6M	1Y	2Y	3Y	5Y	Since inception
Fund	7.27	-5.09	-8.48	-13.91	10.28	7.15	7.00	7.55
Benchmark	7.22	-4.52	-8.45	-14.87	9.19	6.10	6.43	7.41
Outperformance (Total Return)	0.05	-0.57	-0.04	0.97	1.08	1.05	0.57	0.14

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. Theappropriate 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 relatingto the risks of the Fund, please refer to the relevant Product Disclosure Statement and Target Market Determination available on the website.

Notes

The JPMorgan Global Research Enhanced Index Equity Trust invests directly in the underlying securities and offers 2 asset classes of units: JPMorgan Global Research Enhanced Index Equity Trust - Class A and JPMorgan Global Research Enhanced Index Equity Trust Class A (Hedged).
Total Returns are net of ongoing fees and expenses and are calculated on Bid – Bid with gross income reinvested. Adjusted returns have been calculated by JPMAM. Blended benchmarks have been calculated by JPMAM.
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