

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

APIR: PER0715AU ARSN: 166890937 ISIN: AU60PER07154

## Topline

### Monthly returns

Fund	Benchmark
▲ 2.73%	▲ 2.84%

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

**Markets** Markets remained buoyant in July as investors retained their optimism, building over the course of the year, that inflation can fall back to target without significant further interest-rate hikes or a meaningful decline in economic activity. This raised hopes of a global soft landing and supported a broad rally in global equities.

**Helped** Stock selection in industrial cyclical and telecommunications.

**Hurt** Stock selection in financial services and retail.

**Outlook** With the scare of the regional banking crisis in the rearview mirror and economic growth holding up well, investors see recession being pushed out further. As various macroeconomic indicators suggest signs of diminishing economic momentum, we believe recession risk 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 positive** in 8 of the 19 sectors in our internal sector classification scheme this month.
- **An overweight position in AbbVie**, a US-based pharmaceutical company, contributed to performance over the month. The company posted strong second-quarter results, with revenues beating consensus estimates across most of its products. This led to a revision of its earnings guidance and a rise in its stock price.
- **An overweight position in Chipotle Mexican Grill**, a US-based Mexican restaurant chain, detracted from performance over the month. Shares came under pressure after the company gave guidance on growth in third-quarter same-store sales and margins below consensus estimates. This led sell-side analysts to cut their price target on the stock.

## 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, central banks may have to reverse course and set the stage for a new multi-year period of lower long-term interest rates.
- **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	2.73	8.46	11.31	12.24	2.78	12.57	9.12	9.04
Benchmark	2.84	8.35	11.03	12.57	1.93	11.68	8.43	8.87
Outperformance (Total Return)	-0.12	0.11	0.28	-0.33	0.84	0.89	0.69	0.17

### 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.

Information from communications with you will be recorded, monitored, collected, stored and processed consistent with our Australian Privacy Policy available at <https://am.jpmorgan.com/global/privacy>. The yield displayed is in the base currency of the Fund. Actual share class yields may differ from the displayed yield due to currency effects. Maturity Date refers to the maturity/reset date of the security. For those securities whose reference coupon rate is adjusted at least every 397 days, the date of the next coupon rate adjustment is shown. This document does not take into account any specific investor's objectives, financial situation or needs. Investors should seek financial advice, refer to offering documents including risk factors and make independent evaluation before investing. Past performance is not a guide to current or future results. Please refer to fund's offering documents for details relating to risk factors, fees and expenses, distribution policy.

**Information Sources:** Fund information, including performance calculations and other data, is provided by J.P. Morgan Asset Management (the marketing name for the asset management businesses of JPMorgan Chase & Co and its affiliates worldwide). All data is as at the document date unless indicated otherwise. Due to rounding, values may not total 100%. Top holdings, sector and country or region excludes cash. Holdings may be subject to change from time to time. Benchmark Source: MSCI. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

**Further Information:** For further information please email us at [jpmorgan.funds.au@jpmorgan.com](mailto:jpmorgan.funds.au@jpmorgan.com), telephone 1800 576 468 or visit our website <https://am.jpmorgan.com/au>

All investments contain risk and may lose value. This advertisement or publication has been prepared and issued by JPMorgan Asset Management (Australia) Limited (ABN 55 143 832 080) (AFSL No. 376919) being the investment manager of the fund. It is for general information only, without taking into account your objectives, financial situation or needs and does not constitute personal financial advice. Before making any decision, it is important for investors to consider the appropriateness of the information and seek appropriate legal, tax, and other professional advice. **For more detailed information relating to the risks of the Fund, the type of customer (target market) it has been designed for and any distribution conditions please refer to the relevant Product Disclosure Statement 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>.**

All rights reserved.