

JPMorgan Global Research Enhanced Index Equity Fund (Hedged)

APIR: PER0715AU ARSN: 166890937 ISIN: AU60PER07154

Topline

Monthly Total Return Fund	Benchmark
▲ 0.36%	▲ 0.01%
<p>Benchmark : MSCI World Index (Total Return Net) Hedged to AUD</p> <p>Markets Global equities declined in November, with the MSCI World Index losing 1.5% in local currency terms over the month.</p> <p>Helped Stock selection in technology - software and technology - semi & hardware.</p> <p>Hurt Stock selection in pharm/medtech and transportation.</p> <p>Outlook Although global growth momentum likely peaked in the second quarter, strong economic data, policy support and successful vaccine roll-outs continue to drive fundamentals. While the new Covid-19 variant Omicron is a cause for concern and will cause disruption, the widespread vaccine roll-out and better treatments make us more confident that the economic and human consequences will be less severe than we observed in 2020.</p>	

*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 by investing primarily in a portfolio of companies, globally. The risk characteristics of the portfolio of securities held by the Underlying Sub-Fund will resemble the risk characteristics of the portfolio of securities held in the Benchmark.

Month in review

- **Stock selection was the primary driver of performance** and was positive in 11 of the 19 sectors in our internal sector classification scheme this month.
- **An overweight position in AMD**, an American multinational semiconductor company, contributed to relative returns. The stock rallied as the company announced that it had gained Meta Platforms as a data centre chip customer and unveiled plans for introducing a range of new chips that would help them to gain a significant share in supercomputing markets. The stock further gained as the company delivered solid third-quarter results, buoyed by strong sales and margin expansion across its business lines.
- **An underweight position in Pfizer**, the American multinational pharmaceutical and biotechnology corporation, detracted from relative returns over the month. The stock rose as the company had a potential breakthrough with a possible new pill to fight Covid-19. Furthermore, the US FDA authorised booster shots as protection against new variants, thereby benefitting the company with a longer sales opportunity.

Looking ahead

- **Earnings growth should be strong this year and next**, but could slow as profit margins come under pressure from higher wages, rising commodity prices and increasing corporate taxes. However, for now, a combination of booming demand and surging productivity continues to bolster profits.
- **As central banks view some of the recent drivers of higher inflation as “sticky”** and the progress towards full employment seems encouraging, we could expect policy normalisation cycle to start unfolding in the coming months.
- **It is crucial to differentiate cyclical from structural headwinds and tailwinds** as the recovery takes shape.
- **Strong economic growth** accompanied by still relatively accommodative monetary policy will provide support to equity markets.
- **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
JPMorgan Global Research Enhanced Index Equity Fund (Hedged) (Total Return)	0.36	1.71	8.16	25.59	17.63	16.83	14.27	11.21
Benchmark	0.01	1.17	7.62	24.28	16.46	15.87	13.89	11.18
Outperformance (Total Return)	0.34	0.53	0.54	1.31	1.18	0.96	0.37	0.04

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

Source: J.P. Morgan Asset Management. Inception date: 5 May 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.

KEY RISKS

The Fund is subject to **Investment risks** and **Other associated risks** from the techniques and securities it uses to seek to achieve its objective. The table on the right explains how these risks relate to each other and the **Outcomes to the Unitholder** that could affect an investment in the Fund. **Please refer to the Product Disclosure Statement, Target Market Determination and Reference Guide for more information.**

Investment risks *Risks from the Fund's techniques and securities*

Techniques	Securities
Hedging	Equities

Other associated risks *Further risks the Fund is exposed to from its use of the techniques and securities above*

Currency	Market
----------	--------

Outcomes to the Unitholder *Potential impact of the risks above*

Loss Unitholder could lose some or all of their money.	Volatility Units of the Fund will fluctuate in value.	Failure to meet the Fund's objective.
--	---	--

NOTES

JPMorgan Global Research Enhanced Index Equity Fund and JPMorgan Global Research Enhanced Index Equity Fund (Hedged) ("The Funds") will be substantially invested in shares that correspond to the JPMorgan Funds - Global Research Enhanced Index Equity Fund ("Underlying Sub-Fund"), a specific portfolio within the JPMorgan Funds, which is an open-ended investment company organised under Luxembourg law as a société anonyme qualifying as a SICAV and authorised under Part 1 of the Luxembourg law of 17 December 2010. References in this document to the fund managers, and underlying assets or investments of The Funds generally related to the Underlying Sub-Fund's managers and assets.

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.

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 and Target Market Determination of the fund (available from 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. 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>.

All rights reserved.