

# JPMorgan Global Research Enhanced Index Equity Fund (Hedged)

APIR: PER0715AU ARSN: 166890937 ISIN: AU60PER07154

## Topline

Monthly Total Return Fund	Benchmark
▼ -2.19%	▼ -2.06%
<p><b>Benchmark :</b> MSCI World Index (Total Return Net) Hedged to AUD</p> <p><b>Markets</b> After a tough start to the year in January 2022, global equities sold off further in February, with the MSCI World Index losing 2.7% in EUR terms.</p> <p><b>Helped</b> Stock selection in pharm/medtech and financial services.</p> <p><b>Hurt</b> Stock selection in industrial cyclical and basic industries.</p> <p><b>Outlook</b> Strong global economic data and corporate earnings growth continue to drive fundamentals and the global recovery. However, the Russian invasion of Ukraine has created significant uncertainty and we expect the recent volatility to continue in the near term.</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 10 of the 19 sectors in our internal sector classification scheme this month.
- **An overweight position in Orsted**, a Danish multinational power company, contributed to relative returns over the month. The stock rallied significantly in this turbulent environment as investors turned more optimistic on the company amid the geopolitical tensions, which could further accelerate the transition towards renewable sources of energy, thereby reducing the dependence on imported fossil fuels.
- **Our overweight in Trane Technologies**, the US industrial company and manufacturer of HVAC systems, detracted from performance. While fourth-quarter results were better than expected, margins came in short, which was taken negatively by investors. Margin performance will be a key measure of success going into 2022 for the company.

## Looking ahead

- **We have already started seeing higher commodity prices** due to the ongoing geopolitical tensions and any further escalations is likely to lead to further increases, especially in the short term.
- **The reaction from central banks** to higher energy prices by increasing interest rates to combat inflation, or reducing their pace of tightening to support the economy, will be a key development to watch out for. At this point, we expect central banks to prioritise growth, resulting in a more gradual policy normalisation cycle as they acknowledge the downside risks from higher commodity prices.
- **We believe that there is still considerable pent-up demand**, and strong household balance sheets and savings rates mean developed-world consumers are in better shape to support the economic expansion over the medium term.
- **Historically, geopolitical events, even those involving major energy producers**, have not had a lasting impact on markets. While the ongoing geopolitical tensions and the prospect of higher interest rates may spark occasional bouts of volatility, we still believe the outlook for equities remains positive.
- **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
<b>Fund</b>	-2.19	-4.98	-3.36	13.40	19.76	13.84	11.54	9.96
<b>Benchmark</b>	-2.06	-5.68	-4.57	11.35	18.34	12.78	11.00	9.81
<b>Outperformance (Total Return)</b>	-0.13	0.70	1.21	2.04	1.42	1.06	0.54	0.15

### 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

Hedging

#### Securities

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](http://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.