

JPMorgan Global Research Enhanced Index Equity Fund (Hedged)

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Topline

Monthly Total Return Fund	Benchmark
▼ -2.79%	▼ -3.03%
<p>Benchmark : MSCI World Index (Total Return Net) Hedged to AUD</p> <p>Markets Global equities declined in May, with the MSCI World Index losing 1.5% in EUR terms.</p> <p>Helped Stock selection in technology, particularly semiconductors & hardware, and retail.</p> <p>Hurt Stock selection in property and media.</p> <p>Outlook Strong global economic data and corporate earnings growth continue to drive fundamentals and global recovery over the medium term. However, higher commodity prices and a material shift in the path of monetary policy suggest that the prospect of a recession, particularly in Europe, is much higher than it was at the start of the year.</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 positive in nine of the 19 sectors** in our internal sector classification scheme this month.
- **An overweight position in NXP Semiconductors**, a Dutch semiconductor designer and manufacturer, contributed to relative returns over the month. The stock price rose as the company reported record sales and earnings that came in ahead of expectations. Investor sentiment was buoyed by management's anticipation for robust customer demand for the next quarter given company-specific accelerated growth drivers.
- **Our overweight position in Prologis**, an American real estate investment trust, detracted from relative performance over the month. The stock came under pressure as Amazon, one of its largest clients, stated that it would be focusing more on efficiency than on increasing physical and staffing capacity, which sent the stock into a tailspin.

Looking ahead

- **Inflationary pressure from the commodity supply shock** due to the Russia-Ukraine crisis and supply chain disruptions from China's zero-Covid policy continue to pose a dilemma for central banks. Given the tightness in the labour market, central banks view inflation as the more pressing problem to tackle, but negative real wage growth and dwindling savings rates indicate that there are already risks to the growth outlook.
- **Overall consumer demand is expected to remain strong**, as pent-up demand for both goods and services remains robust. Capital spending and government interventions could also support economic expansion over the medium term. Therefore, looking out into the next five years, we expect material earnings growth, front-loaded and not unlike the rebound from the global financial crisis.
- **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	-2.79	-4.10	-8.87	-1.44	16.32	12.50	9.75	8.94
Benchmark	-3.03	-4.42	-9.84	-2.98	15.14	11.36	9.16	8.75
Outperformance (Total Return)	0.24	0.32	0.97	1.54	1.18	1.14	0.59	0.20

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
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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.
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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.

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