

JPMorgan Global Research Enhanced Index Equity Fund (Hedged)

APIR: PER0715AU ARSN: 166890937 ISIN: AU60PER07154

Topline

Monthly Total Return	
Fund	Benchmark
▲ 8.46%	▲ 8.35%
Benchmark : MSCI World Index (Total Return Net) Hedged to AUD	
Markets Global equities rebounded strongly over the month, with the MSCI World Index gaining 8.0% and the MSCI ACWI Index gaining 7.1% in local currency terms.	
Helped Stock selection in technology – semis & hardware and telecommunications.	
Hurt Stock selection in pharmaceuticals/medtech and insurance.	
Outlook Elevated inflation, soaring commodity prices and a material shift in the monetary policy path continue to pose challenges to global growth. The resulting combination of rising consumer prices, higher interest rates and dwindling consumer as well as 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 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 12 of the 19 sectors** in our internal sector classification scheme this month.
- **An overweight position in Amazon**, the US online retailer and technology company, contributed to performance over the month. Shares rose strongly as reported revenue and earnings came in ahead of expectations. Despite concerns over the macro environment, the company is not seeing any negative impact on its business.
- **An overweight position in AbbVie**, the US-based pharmaceutical company, detracted from performance over the month. Even as the company reported quarterly earnings in line with expectations, shares declined on forecasts of a "potential settlement" of litigation over a business unit's past sales of opioid drugs.

Looking Ahead

- **Concerns around inflation remain at the centre of market volatility**, and a meaningful decline in government spending relative to revenues is likely to reduce the aggregate demand within the economy. The risk is that if the economy slows too much, rather than just cooling in its activity, we could see a more meaningful and long-lasting recession.
- **At this point, we still believe that such a recession, if it occurs, should be mild** owing to a lack of excess in the more cyclical areas of the economy and the strength of the labour market.
- **While the short-term outlook is both challenging and confusing**, given the better valuations yielded by a painful first-half selloff in financial assets, 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.

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	8.46	-3.58	-6.96	-5.89	12.73	9.41	9.21	8.61
Benchmark	8.35	-4.11	-7.43	-7.70	11.23	8.17	8.52	8.37
Outperformance (Total Return)	0.11	0.53	0.48	1.81	1.50	1.24	0.69	0.24

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

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

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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