

**SHINING A LIGHT ON THE.....
JPM Global Equity Income Fund**

AT A GLANCE

Investment Objective

To provide a portfolio designed to achieve income by investing, at least 80% of the Fund's assets globally, in equities, in any economic sector whilst participating in capital growth over the long-term (5-10 years). At least 80% of assets invested in equities of companies anywhere in the world, including emerging markets, that generate income. In search of income, the Fund may be concentrated and may have significant positions in specific sectors or countries from time to time.

Fund Factsheet Link

<https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000OV0T>

Management

Manager Name

Start Date

Helge Skibeli

5th March 2018

Sam Witherow

28th February 2019

FUND PERFORMANCE

Performance from 1st January 2016 to 31st March 2022:

	2016	2017	2018	2019	2020	2021	2022
JPM Global Equity Income Fund	7.47%	13.71%	-8.91%	25.26%	10.37%	24.36%	-0.84%
MSCI ACWI NR GBP	28.66%	13.24%	-3.78%	21.71%	12.67%	19.63%	-2.64%

Performance over 12 months, 3 years, 5 years and since fund manager inception:

	1 year	3 years	5 years	Since fund manager inception (2018)
JPM Global Equity Income Fund	13.86%	52.18%	72.61%	49.64%
MSCI ACWI NR GBP	12.41%	45.66%	64.71%	59.50%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

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Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
5.80	-	119.84	74.13	61.11	1.07	6.70	Blend/Large

Volatility Measurements	
3-Yr Std Dev (volatility)	16.20%
3-Yr Mean Return (average)	15.02%

Investment Style Details	
Giant	45.33%
Large	40.69%
Medium	10.27%
Small	0.00%
Micro	0.00%

Top 5 Holdings – 72 Equity Holdings		
Microsoft Corp	Technology	4.98%
Texas Instruments Inc	Technology	2.95%
Nomura Bank International plc	-	2.82%
Coca-Cola Co	Consumer Defensive	2.50%
Analog Devices Inc	Technology	2.37%

Top 5 Sectors	
Financial Services	19.20%
Technology	19.11%
Healthcare	12.68%
Industrials	11.39%
Consumer Cyclical	7.87%

Top 5 Regions	
United States	57.94%
Japan	5.62%
Germany	4.83%
Canada	4.65%
France	3.91%

UPDATE....

When you plug in the long-term numbers the performance is poor. However, a new manager came on board in 2018 and we can see a marked improvement in the numbers. This is a blended strategy, effectively style agnostic, and therefore to perform well in this current environment is something to consider. There have been periods where it has all been about growth stocks and then switching back to value.

The team seem relatively positive about the outlook as they believe valuations in the part of the market they are looking at are compelling, and investors are moving away from pure growth stocks to

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more defensive stocks. The strategy also thrives in high inflation markets, so everything seems to be in their favour presently.

Taking a step back, the team provided a little more background to the strategy. They have an unconstrained approach, looking to invest in between 40 and 90 companies. The strategy tends to favour large mega caps and is also defensive, protecting on the downside and capturing less on the upside.

The strategy has a higher yield compared to the index, faster dividend growth and has had fewer dividend cuts compared to the index. The fund invests across the investable universe from “high growth low yield stocks” to “high yield low growth stocks”. The focus however is on compounders, those are the companies that have a track record of steady investment growth.

They are essentially looking for long term winners, quality businesses, good ESG scores and then valuations vs comparable businesses.

The current holdings are around 50% compounders, 25% high yield and 25% high growth. The top ten holdings are mainly compounders. High yield stocks tend to be in the healthcare and financial sector, and high growth in the shift to cloud.

They try and avoid macro “bets” so have reduced exposure to Europe due to the war in the Ukraine. They have increased their exposure to Japan where there is an improving dividend culture and the recent sell-off has opened attractive valuations. The US is its main weighting as this is really where they are seeing the best opportunities.

In summary, this was an interesting update from a team who have been able to turn around the performance of the strategy and perform in what has been a challenging market. We would see this as a potential counterbalance to more growth focused funds. We are happy to add to our watchlist so we can do more due diligence and watch how it continues to perform, especially as inflation becomes less elevated.

The source of information in this note has been provided by JPM and is correct as at April 2022. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.