JPMorgan Funds – Global Select Equity Fund

For available share classes, please check the prospectus.

Topline

Markets – October was a volatile month for markets, with global equities moving lower after a strong rally during the first nine months of the year. Growth risks remained the primary concern for investors despite signs of resilience, particularly in the US economy. Uncertainty was also heightened by the imminent US election and the potential implications of a policy shift on inflation and interest rates.

Helped – Stock selection in technology, particularly semiconductors & hardware, and financial services.

Hurt – Stock selection in retail and consumer staples.

Outlook – As we approach the end of 2024, the outlook for global equities is shaped by a complex interplay of economic conditions, market dynamics and geopolitical factors. The evolving dynamics in technology and emerging markets and structural changes across industries will require careful navigation and underscore the importance of company-level analysis and stock selection in negotiating the current market environment.

Ratings and Awards

Morningstar rating™	★★★★★
Morningstar category™	Global Large-Cap Blend Equity

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Fund Overview

Investment objective

To achieve a return in excess of the global equity markets by investing primarily in companies, globally.

Month in Review

- **An overweight position in Nvidia**, a US semiconductor technology company, contributed to returns over the month. The company announced record revenues of USD18.12 billion, up 206% from a year ago. The chief executive officer Jensen Huang attributed the exceptional growth to the broad industry platform transition from general-purpose to accelerated computing and generative artificial intelligence (AI).
- **Our overweight position in Wells Fargo**, a US multinational financial services company, also contributed to relative performance over the month. The share price rose strongly after the company reported an increase in net income and earnings per share from the second quarter. The company's fee-based revenue grew 16% during the first nine months of the year, largely offsetting net interest income headwinds. The company also increased its dividend by 14% and repurchased USD3.5 billion of common stock in the third quarter and over USD15 billion during the first nine months of this year (up over 60% from a year ago), leading to a lower diluted common share count of 7% from a year ago.
- **An overweight position in LVMH**, a French luxury goods company, detracted from performance over the period. The stock price declined as the company reported a miss on its third-quarter sales, marking its first quarterly sales decrease since the Covid-19 pandemic. This was attributed to weak demand from Chinese consumers amid economic uncertainties, reflecting broader concerns in the luxury sector.
- **An overweight allocation to ASML**, a Netherlands-based supplier of semiconductor manufacturing equipment, also detracted from performance over the month. The company's stock price plummeted following a profit warning due to a weak order intake fuelled by delayed orders from major customers like Intel and Samsung. As a result, 2025 sales and gross margin forecasts were reduced, which led to a broader sell-off in the semiconductor sector.

Looking Ahead

- **Despite concerns around recession risks**, the US economy has remained on its steady path, and a soft-landing scenario is largely expected due to falling inflation and interest rates. However, economic activity outside the US has been mixed.
- **The year 2025 continues to look strong for profits**. Below the surface, the gap in earnings growth between mega-cap technology companies and the rest of the market is narrowing. This shift could herald a broadening of market returns.
- **Within industries, divergent trends are emerging**. The semiconductor industry, for instance, is experiencing a surge in AI-related spending, while industrial and automobile demand remains subdued.
- **Emerging markets, especially China, show complexity**, with recent stimulus-driven rallies amid a challenging economic outlook. Despite the unpredictability of corporate earnings in China, signs of improved shareholder returns suggest a focus on high-quality stocks with the potential for better shareholder returns.

J.P.Morgan
ASSET MANAGEMENT

NEXT STEPS

For further information, please visit:
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Refer to Risk Factors in the Prospectus for further information on risks of the product.