

JPMorgan Funds – Global Select Equity Fund

For available share classes, please check the prospectus.

Topline

Markets – The third quarter of 2024 ended with healthy returns for global equities despite several bouts of market volatility. A combination of weaker US economic data, an interest-rate hike from the Bank of Japan and thin summer liquidity saw stocks hit particularly hard in early August. However, the long-anticipated start of the US Federal Reserve's (Fed's) rate-cutting cycle in September, along with a less hawkish tone from Japanese policymakers and new stimulus in China, helped soothe investor concerns and support a contributed rally in stocks into quarter-end.

Helped – Stock selection and an overweight position in financial services and an overweight position in utilities.

Hurt – Stock selection in technology, particularly semiconductors & hardware, and retail.

Outlook – Improving economic conditions, attractive fundamentals and monetary policy easing are likely to support equities, presenting investors with many attractive opportunities globally.

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.

Provided for portfolio update and reporting purposes only to report on portfolio positioning, not to be construed as offer, research or investment advice. Diversification does not guarantee positive returns or eliminates risks of loss.

Source: Fund related information and market commentary – J.P. Morgan Asset Management, other market data – various public sources. Data is as of date of the commentary unless stated otherwise.

The Fund seeks to achieve its investment objectives stated in the offering document, there is no guarantee the objectives will be met.

The companies/securities, asset classes mentioned above for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. J.P. Morgan Asset Management may or may not hold positions on behalf of its clients in any or all of the aforementioned securities. Past performance is not indicative of future performance. Forecasts/estimates are based on current market conditions subject to change from time to time and may or may not come to pass. Please refer to the Singapore Offering Documents at www.jpmorgan.com/sg/am/per/.

Month in Review

- **Not holding** a multinational technology company and parent company of an Internet company, contributed to performance over the quarter. Amid intense competition in the battle for artificial intelligence leadership, The subsidiary faced another setback in late July when the cybersecurity start-up company rejected its USD 23 billion acquisition offer. In early September, the parent company then faced intense regulatory scrutiny as it lost a legal battle against a USD 2.7 billion EU antitrust fine. This news came during an ongoing Department of Justice investigation following a US judge ruling that the subsidiary had illegally cornered the market for online search.
- **Our overweight position in Meta Platforms**, a leading technology and software company specialising in social media, artificial intelligence and virtual reality, also contributed to performance over the quarter. In July, the company beat Wall Street estimates for profit (notching gains of 73% year on year), reported advertising revenue growth of 22% from the prior year and issued a better-than-expected forecast for the current period. In September, major news included the launch of the Meta Quest 3S headset and the introduction of Orion AR glasses, which were well received and contributed to investor optimism.
- **Our overweight position in Novo Nordisk**, a Danish healthcare company, detracted from performance over the quarter. The company has been impacted by peer launches and positive trial results for competing GLP-1 and obesity medicines. Additionally, investor sentiment weakened after the company reported that its new approach to weight loss caused neuropsychiatric side effects, and the company faced pressure due to disappointing Wegovy sales and supply constraints.
- **An overweight position in Nestle**, a Swiss global food and beverage company, also detracted from relative performance over the quarter. The stock has been weak as results have continued to disappoint due to weak organic sales growth, with full-year guidance downgraded due to a weaker pricing environment.

Looking Ahead

- **Although some signs of stress are emerging**, the US economy has remained on its steady path, with inflation cooling down and the Fed cutting rates.
- **The long-anticipated broadening out of US corporate earnings** is finally underway. As earnings growth becomes more evenly distributed across sectors, this could support a regional rotation and benefit less-loved equity markets.
- **Valuation discounts in Europe relative to the US are at multi-decade lows**, offering potential for notable gains.
- **In Japan, the shift away from deflation and towards nominal growth**, along with corporate governance changes, is likely to benefit equities.
- **With geopolitical risks still elevated and the US election approaching**, diversification across global equity markets is crucial for navigating potential volatility.

NEXT STEPS

For further information, please visit:

www.jpmorgan.com/sg/am/per/

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Refer to Risk Factors in the Prospectus for further information on risks of the product.

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