

# JPMorgan Funds – Global Select Equity Fund

For available share classes, please check the prospectus.

## Topline

**Markets** – August was an eventful month for investors. Any hopes of a late-summer lull were quickly dashed at the beginning of the month as the publication of US economic data, together with an interest-rate hike by the Bank of Japan, sparked a sharp sell-off across global equity markets. However, in the second half of the month, the prospect of lower US interest rates helped equity markets rebound, with global stocks delivering positive returns.

**Helped** – Stock selection in media and not holding a position in automobiles & auto parts.

**Hurt** – Stock selection in technology, particularly software, and retail.

**Outlook** – The global growth environment is becoming more benign. As we look to the next 12 months, we expect global growth to remain robust, although its geographical composition is changing. In the US, recession fears appear exaggerated given the resilience of the labour market and consumption.

## 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 Uber**, a US-based global ride-hailing and food delivery services provider, contributed to returns over the period. Shares rose as the company reported a 16% year-over-year increase in revenue, with net profit up 158%. Gross bookings rose 19%, reflecting robust demand across its services.
- **Not holding** a US-based multinational technology company and the parent company of an Internet company, also contributed to performance over the month. Shares came under pressure alongside other 'big tech' companies as investors reassessed valuations and earnings expectations against a changing economic backdrop and a strong run of performance this year. In addition, investors were assessing the implications of the ongoing US Department of Justice case looking at the subsidiary's search engine service.
- **Our overweight position in Amazon.com**, a US multinational technology company and e-commerce leader, detracted from returns over the month. Shares fell after the company reported results that were below expectations, driven mainly by the retail business where revenue came in lower than expected. This was despite strong results in AWS and forward guidance that was in line with consensus forecasts.
- **Not holding** a US-based multinational pharmaceutical company, also detracted from returns over the period. The share price rose on the back of strong second-quarter results, with a 36% revenue increase to USD11.3 billion and full-year guidance on revenues increased by USD3 billion. In addition, positive clinical trial results for an antidiabetic medication and strategic pricing adjustments further solidified its market position.

## Looking Ahead

- **An improved nominal growth outlook** has historically translated to stronger corporate earnings. Earnings growth expectations for 2024 have seen steady improvement since late 2023.
- **Stock-market concentration is increasingly under scrutiny**. While US concentration within global equities is extreme, other markets have begun to catch up.
- **An improving growth outlook in Europe and Japan**, as well as equity markets that trade at lower multiples closer to long-run averages, opens the door to broader diversification opportunities in global equity markets.
- **We see several reasons why stock-market returns are likely to broaden** out going forward. At a regional level, the supportive economic outlook we anticipate is much less obviously priced into equity markets outside the US.

**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.

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**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.

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