

JPMorgan Funds – Global Select Equity Fund

For available share classes, please check the prospectus.

Topline

Markets – July proved to be a volatile month as markets digested a number of notable economic and political developments. Softer inflation and labour-market data from the US heightened expectations of rate cuts, spurring a rotation into small-cap stocks and other interest-rate-sensitive asset classes. Meanwhile, relatively poor earnings reports from high-profile technology companies weighed on developed markets.

Helped – Stock selection in basic industries and an overweight position and stock selection in utilities.

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

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. International economic data has begun to inflect upwards, with further room to run given consumption that is still below trend and lower inflation.

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 Shin-Etsu**, a Japanese diversified industrials chemical manufacturer, contributed to performance over the period. The stock price rose after the company announced first-quarter results that were better than expected, while it maintained its conservative guidance for the full year. The company also raised its dividend payout ratio, which led to further positive investor sentiment. Management also mentioned plans to repatriate cash from overseas subsidiaries, potentially boosting future shareholder returns.
 - **Not holding** a US-based multinational pharmaceutical company, also contributed to returns over the month. The share price came under pressure after the Swiss drugmaker Roche announced plans to accelerate the development of its anti-obesity drugs to challenge rivals such as the company and Novo Nordisk. More positively though, the company announced definitive plans to acquire Morphic, a biopharmaceutical company, over the month.
 - **An overweight position in LVMH**, a French luxury goods company, detracted from returns over the month. The stock fell after the company's sales in Asia fell by 14% in the second quarter due to Chinese shoppers cutting back on expensive purchases and government censoring of social media accounts of influencers who posted their luxury goods online. This led to a miss on profit expectations across multiple divisions.
 - **Our overweight position in Novo Nordisk**, a Danish healthcare company, also detracted from performance over the month. Shares of Novo Nordisk took a hit after Swiss pharmaceutical giant Roche posted positive results for its experimental weight-loss pill. Roche's weight-loss pill CT-996 helped patients lose an average of 7.3% of their weight after four weeks. This development raised concerns about increased competition for Novo Nordisk's GLP-1 drugs, leading to a detracted market reaction.
- ## 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.
 - **Taking factors such as elections, trade policies and extreme weather** events into account, investors need to acknowledge the limitations in preparing for uncertainties with a portfolio that is concentrated in a few geographical markets.
 - **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.

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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