

JPMorgan Funds – Global Select Equity Fund

For available share classes, please check the prospectus.

Topline

Markets – The economic momentum of the first quarter of 2024 continued into the second as global equities delivered contributions to investors. Market returns were again quite concentrated in a handful of larger companies exposed to artificial intelligence and coupled with a strong earnings season for US tech companies, global growth stocks were again the top performing asset class, delivering 6.4% over the quarter.

Helped – Stock selection and an overweight position in technology, particularly semiconductors & hardware, and stock selection in pharmaceuticals/medical technology.

Hurt – Stock selection and an overweight position in retail and financial services.

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

Past performance is not a reliable indicator of current and future results. Morningstar Ratings™ and Morningstar category™: © 2024 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. All ratings as at June 2024. The methodology and calculations used by companies that provide awards and ratings are not verified by J.P. Morgan Asset Management and therefore are not warranted to be accurate or complete.

Fund Overview

Investment objective

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

Month in Review

- **Our overweight position in TSMC** contributed to relative returns over the quarter. TSMC beat revenue and profit expectations in the first quarter of 2024 due to strong chip demand related to artificial intelligence. The company reported net revenue that rose 16.5% from a year ago, which helped boost investor sentiment. Furthermore, TSMC announced plans to grow its capital expenditure next year on the heels of strong demand for its two-nanometre next-generation semiconductor technology.
- **Not holding** a US-based multinational technology company, contributed to returns over the quarter. Despite a decent quarter for the company, the stock trended down due to lower-than-expected reported revenues and revenue guidance moving forward, particularly versus its peers.
- **Not holding** the US-based parent company of a technology company, detracted from results over the quarter. Shares rose after the company delivered its first-quarter earnings report, where it showcased a 15% increase in revenues and a 32% increase in operating margins compared to the same quarter last year. Additionally, the company announced both its first-ever dividend of USD 0.20/share as well as a USD 70 billion stock buyback programme.
- **An overweight position in Vinci**, a French concessions and construction company, detracted from returns over the quarter. The stock declined as French stocks were hit after President Emmanuel Macron announced a snap election, leading to a political upheaval in the country. Investors are wary of potential higher infrastructure and corporation tax squeezing out margins, but we continue to have a positive outlook on the stock.

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.

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.jpmmorgan.com/sg/am/per/.

NEXT STEPS

For further information, please visit:

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

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.

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

This document is meant for informational purposes only and is intended solely for the person to whom it is delivered. It is confidential and may not be reproduced or distributed, in whole or in part, to any third parties and in any jurisdiction without the express prior written consent of JPMorgan Asset Management (Singapore) Limited. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore. It does not constitute investment advice and it should not be treated as an offer to sell or a solicitation of an offer to buy any fund, security, investment product or service. The information contained herein does not constitute J.P. Morgan research and should not be treated as such. Investment involves risks. Investments in funds are not deposits and are not considered as being comparable to deposits. Past performance is not a guarantee or necessarily indicative of future results and investors may not get back the full or any part of the amount invested. Dividend distributions if any are not guaranteed and are made at the manager's discretion. Fund's net asset value may likely have high volatility due to its investment policies or portfolio management techniques. Funds which are invested in emerging markets, smaller companies and financial derivative instruments may also involve higher risks and are usually more sensitive to price movements. Any applicable currency hedging process may not give a precise hedge and there is no guarantee that any hedging will be successful. Investors in a currency hedged fund or share class may have exposure to currencies other than the currency of their fund or share class. Not all investment ideas referenced are suitable for all investors. Investors should make their own investigation or evaluation or seek independent advice prior to making any investment. Opinions, estimates, forecasts, and statements of financial market trends are based on current market conditions and are subject to change without notice. The information provided herein should not be assumed to be accurate or complete and you should conduct your own verification. References to specific securities, asset classes and financial markets and any forecast contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. J.P. Morgan accepts no legal responsibility or liability for any matter or opinion expressed in this material. The fund(s) mentioned in this document has/have been approved as recognised scheme(s) under the Securities and Futures Act, Chapter 289 of Singapore. Any offer or sale, or invitation for subscription or purchase of the Fund(s) must be accompanied with the relevant valid Singapore Offering Documents (which incorporates and is not valid without the relevant Luxembourg prospectus). Please refer to the Singapore Offering Documents (including the risk factors set out therein) and the relevant Product Highlights Sheet for details before any investment. Both the Singapore Offering Documents and the Product Highlights Sheet can be found at www.jpmorgan.com/sg/am/per/. To the extent permitted by applicable law, we may record telephone calls and monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with <https://am.jpmorgan.com/sg/en/asset-management/per/privacy-statement/>. Issued by JPMorgan Asset Management (Singapore) Limited (Co. Reg. No. 197601586K). All rights reserved.