

# JPMorgan Small Cap Equity Fund

A Shares: VSEAX

C Shares: JSECX

I Shares: VSEIX

## Topline I Shares

Fund	Benchmark
▼ -0.93%	▲ 0.33%
<b>Benchmark</b> Russell 2000 Index	
<p><b>Markets</b> After a November rally, small caps gave back much of those gains in December, finishing the quarter up 0.3%, lagging large caps. For the full year, small caps rose 11.5%, trailing large caps, which were driven mostly by mega cap stocks.</p> <p><b>Helped</b> Stock selection in health care and energy.</p> <p><b>Hurt</b> Stock selection in industrials and information technology.</p> <p><b>Outlook</b> Industrials is the biggest overweight, followed by consumer staples. Health care and communication services are top underweights.</p>	

*Performance quoted is past performance and is no guarantee of future results. Investment returns and principal value will fluctuate, so shares, when sold, may be worth more or less than original cost. Current performance may be higher or lower than returns shown. Call 1-800-480-4111 for most recent month-end performance.*

## Ratings I Shares

<b>Morningstar Medalist Rating™</b>	SILVER - 5/31/2024
<b>Analyst-Driven %</b>	100
<b>Data Coverage %</b>	100
<b>Morningstar Star Rating</b>	12/31/24
<b>Overall Morningstar Rating™</b>	★ ★ ★ ★
<b>Morningstar Category™</b>	Small Blend

Overall Morningstar ratings 4 stars; 596 funds. Three year rating 3 stars; 596 funds. Five year rating 3 stars; 571 funds. Ten year rating 4 stars; 413 funds. Ratings reflect risk-adjusted performance. Different share classes may have different ratings.

Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics.

## Fund Overview

Designed to provide long-term capital growth primarily through a portfolio of U.S. small cap equity securities.

## Approach

- Employs a fundamental bottom-up investment process to invest in a diversified portfolio of small cap stocks
- Seeks to invest in companies with leading competitive advantages, predictable and durable business models and a sustainable free cash flow
- Invests in stocks with market capitalizations similar to the Russell 2000 Index

## Quarter in Review

- **The JPMorgan Small Cap Equity Fund (I Class Shares) underperformed** the benchmark, the Russell 2000 Index, for the quarter ending December 31, 2024.
- **An overweight position in Brunswick Corp (1.14% portfolio weighting) was the top detractor.** Brunswick manufactures recreational marine products, including engines, boats and parts. The company faced a challenging macro backdrop, with weaker demand. We've maintained our position as valuation looks more attractive, and we expect an eventual cyclical recovery.
- **An overweight position in Janus International (0.84% portfolio weighting) also detracted.** Janus International is a manufacturer and supplier of self-storage and building solutions. The company struggled with macroeconomic challenges, including tighter borrowing standards and interest-rate uncertainties. We've added to our position on weakness, as we don't view any of these issues as company-specific and anticipate a recovery as conditions improve.
- **An overweight position in DT Midstream Inc (1.07% portfolio weighting) was a top contributor.** DT Midstream owns and operates natural gas midstream pipelines. The company reported solid earnings, supported by strong industry tailwinds such as increased power demand from data centers. The stock was also up on higher natural gas prices. We've trimmed our position on strength, but still view DT Midstream as a quality, defensive energy company.
- **An overweight position in Planet Fitness Inc (1.29% portfolio weighting) also contributed.** Planet Fitness is the largest gym franchise in the U.S., known for its affordable and accessible fitness centers. The stock benefited from better-than-expected, third-quarter results and successful initiatives launched by the new CEO. We continue to like the new leadership and see further stock upside potential.

## Looking Ahead

- **The team has continued to actively add high-quality cyclicals** on weakness where there is long-term conviction. The adds have been across positions in industrials, consumer, and financials and have been funded by selling several larger names due to market cap as well as outperformance.
- **Industrials remains the top overweight.** The consumer and financial sector weightings increased due to the initiation of several new positions and outperformance. Health care remains the top underweight.

## Performance

### Return (%)

	Total Return			Average Annual Return			
	1mo.	3mos	YTD	1yr	3yrs	5yrs	10yrs
A Shares at NAV	-7.45	-1.00	9.75	9.75	0.83	6.98	8.42
With 5.25% max sales charge	-12.30	-6.20	3.98	3.98	-0.97	5.83	7.84
I Shares at NAV	-7.43	-0.93	10.01	10.01	1.09	7.27	8.72
Benchmark	-8.26	0.33	11.54	11.54	1.24	7.40	7.82

Benchmark: Russell 2000 Index

### Annual Expenses (%)

Shares	Gross expenses	Net expenses
A	1.250	1.250
I	1.010	0.990

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## Portfolio Analysis

Approximate number of holdings	99
Beta (3-year)	0.88
P/E ratio (1 yr. forecast)	20.51
Wtd. avg. market cap (in billions)	\$6.42
Sharpe ratio (3-year)	0.00
Fund assets	\$4.38 bn

**Beta** measures a fund's volatility in comparison to the market as a whole. A beta of 1.00 indicates a fund has been exactly as volatile as the market.

**P/E ratio** is the number by which earnings per share is multiplied to estimate a stock's value.

**Sharpe ratio** measures the fund's excess return compared to a risk-free investment. The higher the Sharpe ratio, the better the returns relative to the risk taken.

## Holdings

### Equity Sectors (%)

Sector	Weighting	Compared to Benchmark
Communication Services	0.0	-2.7
Consumer Discretionary	9.9	0.2
Consumer Staples	6.8	4.0
Energy	3.5	-1.6
Financials	19.2	0.5
Health Care	8.3	-8.0
Industrials	25.3	7.3
Information Technology	11.0	-2.8
Materials	7.1	3.1
Real Estate	5.8	-0.3
Short-Term Investments	1.9	1.9
Utilities	1.2	-1.5

### Top 10 (%)

WillScot Holdings Corp.	2.2
MSA Safety, Inc.	1.8
Performance Food Group Co.	1.8
Cushman & Wakefield plc	1.7
Encompass Health Corp.	1.6
Casella Waste Systems, Inc., Class A	1.5
Core & Main, Inc., Class A	1.5
Bright Horizons Family Solutions, Inc.	1.4
MACOM Technology Solutions Holdings, Inc.	1.4
SM Energy Co.	1.4

**Contact JPMorgan Distribution Services, Inc. at 1-800-480-4111 for a prospectus. Carefully consider the fund's objectives, risks, charges and expenses before investing. The prospectus contains this and other fund information. Read it carefully before investing.**

Total return figures (for the fund and any index quoted) assume payment of fees and reinvestment of dividends (after the highest applicable foreign withholding tax) and distributions. Without fee waivers, fund returns would have been lower. Due to rounding, some values may not total 100%.

### Risk Summary

Investments in smaller companies may be riskier, less liquid, more volatile and more vulnerable to economic, market and industry changes than investment in larger, more established companies. Changes in the price of debt or equity issued by such companies may be more sudden or erratic than the prices of other securities, especially over the short term.

### Annual Operating Expenses

The Fund's adviser and/or its affiliates have contractually agreed to waive fees and/or reimburse expenses to the extent Total Annual Fund Operating Expenses (excluding acquired fund fees and expenses, dividend and interest expenses related to short sales, interest, taxes, expenses related to litigation and potential litigation and extraordinary expenses) exceed 0.99% of the average daily net assets. The Fund may invest in one or more money market funds advised by the adviser or its affiliates (affiliated money market funds). The Fund's adviser has contractually agreed to waive fees and/or reimburse expenses in an amount sufficient to offset the fees and expenses of the affiliated money market funds incurred by the Fund because of the Fund's investment in such money market funds. This waiver is in effect through 10/31/2025, at which time the adviser and/or its affiliates will determine whether to renew or revise it. The difference between net and gross fees includes all applicable fee waivers and expense reimbursements.

### Indexes

Mutual funds have fees that reduce their performance: indexes do not. You cannot invest directly in an index.

The Russell 2000 Index is an unmanaged index, measuring performance of the 2000 smallest stocks (on the basis of capitalization) in the Russell 3000 Index.

The benchmark shown represents the Fund's performance benchmark, which is different from the Fund's regulatory benchmark. The Fund's regulatory benchmark is the Russell 3000 Index and is included in the Fund's prospectus and/or shareholder report. This document can be obtained at [www.jpmorganfunds.com](http://www.jpmorganfunds.com).

### Top Holdings

The top 10 holdings listed exclude cash and money markets. Holdings are subject to change. The holdings listed should not be considered a recommendation to purchase or sell a particular security. Each individual security is calculated as a percentage of the aggregate market value of the securities held in the Fund and does not include the use of derivative positions, where applicable.

### Entities

This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be a recommendation for any specific investment product, strategy, plan feature or other purpose. Any examples used are generic, hypothetical and for illustration purposes only. Prior to making any investment or financial decisions, an investor should seek individualized advice from personal financial,

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The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Rankings do not take sales loads into account.

The Morningstar Medalist Rating™ is a summary expression of Morningstar's forward-looking analysis of investment strategies using a rating scale of Gold, Silver, Bronze, Neutral and Negative. Medalist Ratings indicate which investments Morningstar believes are likely to outperform a relevant index or peer group average on a risk-adjusted basis over time. Products are evaluated on three key pillars (People, Parent, and Process) which, when coupled with fees, forms the basis for Morningstar's conviction in those products' investment merits and determines the Medalist Rating assigned. Products are sorted by expected performance into rating groups defined by their Morningstar Category and their active or passive status. Analyst-covered products are assigned the three pillar ratings based on the analyst's qualitative assessment, subject to the Analyst Rating Committee's oversight, monitored and reevaluated at least every 14 months. Ratings are assigned monthly for vehicles covered either indirectly by analysts or by algorithm. For more detailed information including methodology, please go to [global.morningstar.com/managerdisclosures](http://global.morningstar.com/managerdisclosures). Ratings and rankings should not be used as the sole basis in evaluating an investment product and should not be considered an offer or solicitation to buy or sell the investment product.

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