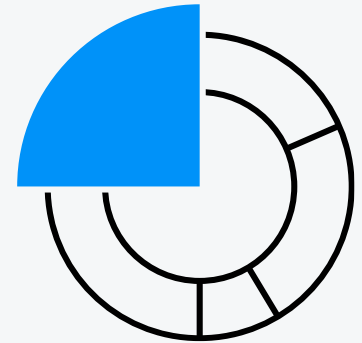


# Hong Kong Baptist University 1998 Superannuation Fund Quarterly Investment Report

Q4 2024



# Important note

JPMorgan SAR Hong Kong Fund	<ul style="list-style-type: none"> <li>■ The Fund invests primarily in securities of companies either listed, based, or operating principally in Hong Kong.</li> <li>■ The Fund is therefore exposed to diversification, currency and equity risks.</li> <li>■ Investors may be subject to substantial losses.</li> <li>■ Investors should not solely rely on this document to make any investment decision.</li> </ul>
JPMorgan Provident High Growth Fund	<ul style="list-style-type: none"> <li>■ The Fund invests primarily (at least 70%) in a professionally managed portfolio of interests in collective investment schemes (including exchange-traded funds). The underlying assets of the Fund will primarily be invested in global equities markets although the Fund may be weighted towards Hong Kong and Asian markets at the discretion of the Manager.</li> <li>■ The Fund is therefore exposed to risks related to investment, equity, emerging markets, concentration, small and medium-sized companies, currency, hedging and derivatives, risks of investing in other collective investment schemes and risks associated with high volatility of the emerging market equities.</li> </ul>
JPMorgan Provident Growth Fund	<ul style="list-style-type: none"> <li>■ The Fund invests primarily (at least 70%) in a professionally managed portfolio of interests in collective investment schemes (including exchange-traded funds). The underlying assets of the Fund will have a majority investment in global equity markets to seek potential higher returns although the Fund may be weighted towards Hong Kong and Asian markets at the discretion of the Manager, whilst balancing this with a minority exposure to fixed income securities to maintain capital value and income stability.</li> <li>■ The Fund is therefore exposed to risks related to investment, equity, emerging markets, concentration, small and medium-sized companies, currency, hedging and derivatives, risks of investing in other collective investment schemes and risks associated with debt securities (including investment grade bond, credit, interest rates, valuation and sovereign debt and high volatility of the emerging market equities.</li> <li>■ Where the income generated by the Fund is insufficient to pay a distribution as the Fund declares, the Manager may in its discretion determine such distributions may be paid from capital. Investors should note that the payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that original investment. As a result, the capital that the Fund has available for investment in the future and capital growth may be reduced. Any payments of distributions by the Fund may result in an immediate decrease in the net asset value of units. Also, a high distribution yield does not imply a positive or high return on the total investment.</li> </ul>
JPMorgan Provident Balanced Fund	<ul style="list-style-type: none"> <li>■ The Fund invests primarily (at least 70%) in a professionally managed portfolio of interests in collective investment schemes (including exchange-traded funds). The underlying assets of the Fund will have an exposure in both global equities markets, where the growth opportunities and higher returns are normally available, and bond markets, where capital and income stability are normally found.</li> <li>■ The Fund is therefore exposed to risks related to investment, equity, emerging markets, currency, hedging and derivatives risk, risks of investing in other collective investment schemes and risks associated with debt securities (including below investment grade/unrated investment, investment grade bond, credit, interest rates, valuation and sovereign debt).</li> <li>■ Where the income generated by the Fund is insufficient to pay a distribution as the Fund declares, the Manager may in its discretion determine such distributions may be paid from capital. Investors should note that the payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that original investment. As a result, the capital that the Fund has available for investment in the future and capital growth may be reduced. Any payments of distributions by the Fund may result in an immediate decrease in the net asset value of units. Also, a high distribution yield does not imply a positive or high return on the total investment.</li> </ul>

# Important note

JPMorgan Provident Capital Fund
JPMorgan SAR American Fund

- The Fund invests primarily (at least 70%) in a professionally managed portfolio of interests in collective investment schemes (including exchange-traded funds). The underlying assets of the Fund will have a majority investment in fixed income securities to ensure that the capital value and income stability of the portfolio is maintained whilst balancing this with a minority exposure to global equities to provide the potential for some capital appreciation for the portfolio.
  - The Fund is therefore exposed to risks related to investment, equity, emerging markets, currency, hedging and derivatives, risks of investing in other collective investment schemes and risks associated with debt securities (including below investment grade/unrated investment, investment grade bond, credit, interest rates, valuation and sovereign debt).
  - Where the income generated by the Fund is insufficient to pay a distribution as the Fund declares, the Manager may in its discretion determine such distributions may be paid from capital. Investors should note that the payment of distributions out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to that original investment. As a result, the capital that the Fund has available for investment in the future and capital growth may be reduced. Any payments of distributions by the Fund may result in an immediate decrease in the net asset value of units. Also, a high distribution yield does not imply a positive or high return on the total investment.
- 
- The Fund invests primarily in securities of companies based or operating principally in the United States of America.
  - The Fund is therefore exposed to diversification, currency and equity risks.
  - Investors may be subject to substantial losses.
  - Investors should not solely rely on this document to make any investment decision.

# Summary of portfolio size

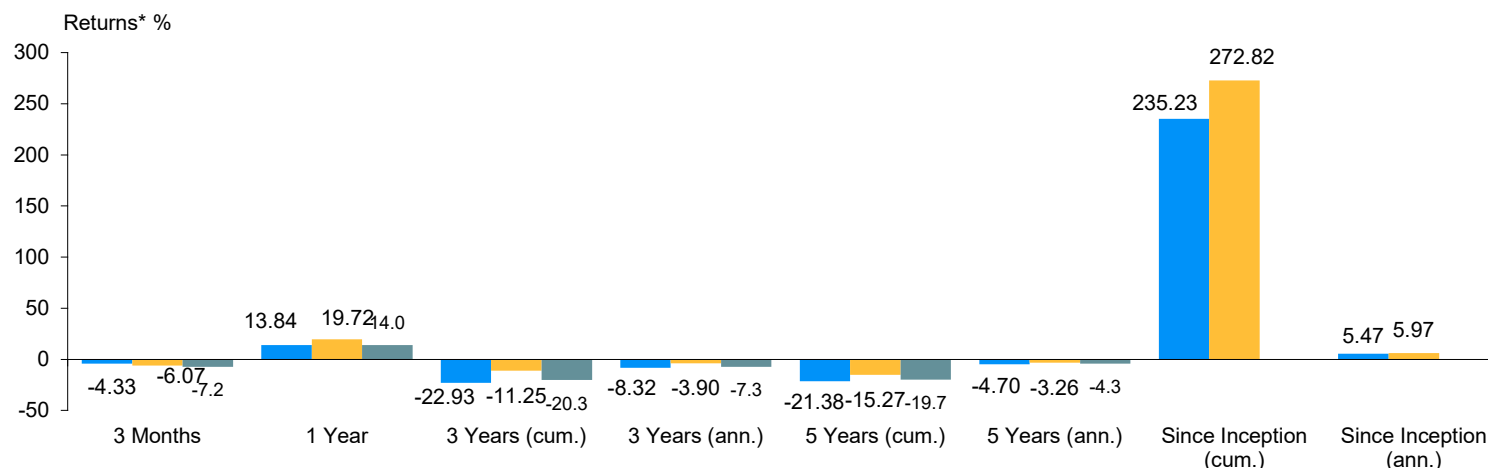
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Fund	Currency	31/12/24	30/9/24
JPMorgan SAR Hong Kong Fund - Class A	HKD	111,341,459.37	114,700,895.72
JPMorgan SAR American Fund - Class A	HKD	9,383,034.46	890,442.66
JPMorgan Provident High Growth Fund	HKD	110,044,499.36	110,663,743.89
JPMorgan Provident Growth Fund	HKD	40,505,959.63	43,419,790.74
JPMorgan Provident Balanced Fund	HKD	52,656,614.06	55,408,882.66
JPMorgan Provident Capital Fund	HKD	25,677,809.53	25,808,774.14

Source: J.P. Morgan Asset Management

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# JPMorgan SAR Hong Kong Fund – Performance as at 31 December 2024



	3 Months (%)	1 Year (%)	3 Years (% cum.)	3 Years (% ann.)	5 Years (% cum.)	5 Years (% ann.)	Since Inception** (% cum.)	Since Inception** (% ann.)
<span style="color: blue;">■</span> Fund Performance*	-4.33	13.84	-22.93	-8.32	-21.38	-4.70	235.23	5.47
<span style="color: orange;">■</span> Benchmark^	-6.07	19.72	-11.25	-3.90	-15.27	-3.26	272.82	5.97
<span style="color: green;">■</span> Industry Median#	-7.20	14.00	-20.34	-7.30	-19.73	-4.30	N/A	N/A
Ranking / No. of funds compared*	1/12	7/12	N/A	9/12	N/A	10/12	N/A	N/A

Source: J.P. Morgan Asset Management, Thomson Reuters Datastream, Towers Watson Managed Fund Report.

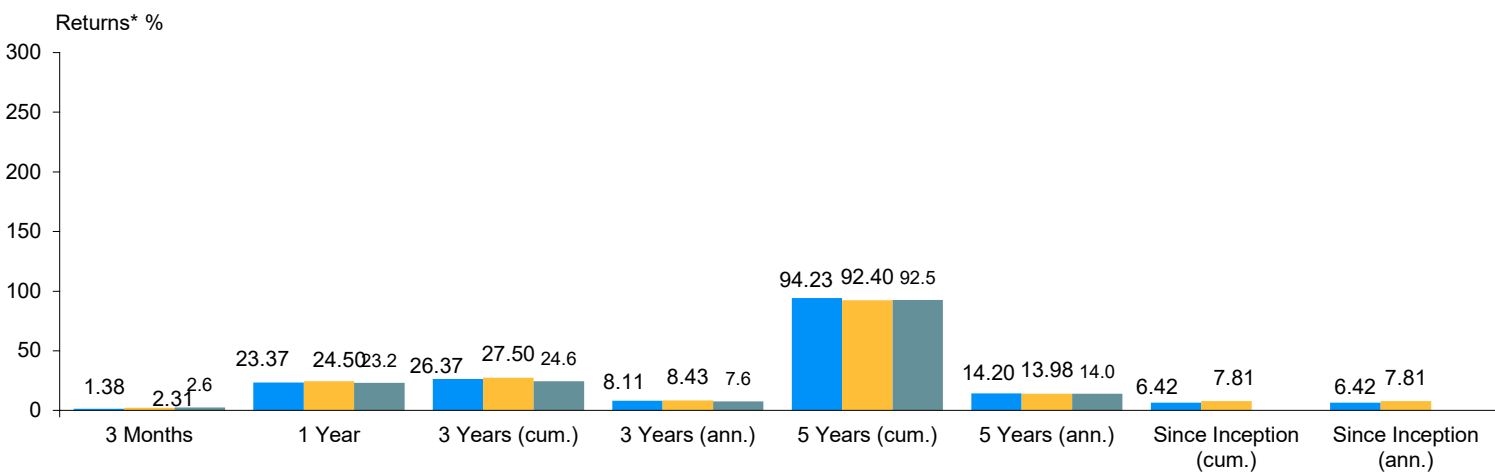
\* Net of fee performance in Hong Kong Dollar terms. The fund ranking is sourced directly from the Towers Watson Managed Fund Report based on net of all fees returns (not the rebate-adjusted return shown on this page).

\*\* Inception on 26 Apr 2002 and switching of JPMorgan SAR Funds from Class B to Class A on 15 Nov 2004.

^ FTSE MPF Hong Kong (Total Net).

# Towers Watson does not provide cumulative median returns in its quarterly managed fund report. The median cumulative returns shown here are calculated as  $[(1 + \text{annualized return})^{\text{years}} - 1]$ . Investment involves risk. Past performance is not indicative of future performance. Please refer to the offering document(s) for details, including the risk factors.

# JPMorgan SAR American Fund – Performance as at 31 December 2024



	3 Months (%)	1 Year (%)	3 Years (% cum.)	3 Years (% ann.)	5 Years (% cum.)	5 Years (% ann.)	Since Inception** (% cum.)	Since Inception** (% ann.)
Fund Performance*	1.38	23.37	26.37	8.11	94.23	14.20	6.42	6.42
Benchmark^	2.31	24.50	27.50	8.43	92.40	13.98	7.81	7.81
Industry Median#	2.60	23.20	24.58	7.60	92.54	14.00	N/A	N/A
Ranking / No. of funds compared*	7/8	5/8	N/A	4/8	N/A	3/7	N/A	N/A

Source: J.P. Morgan Asset Management, Thomson Reuters Datastream, Towers Watson Managed Fund Report.

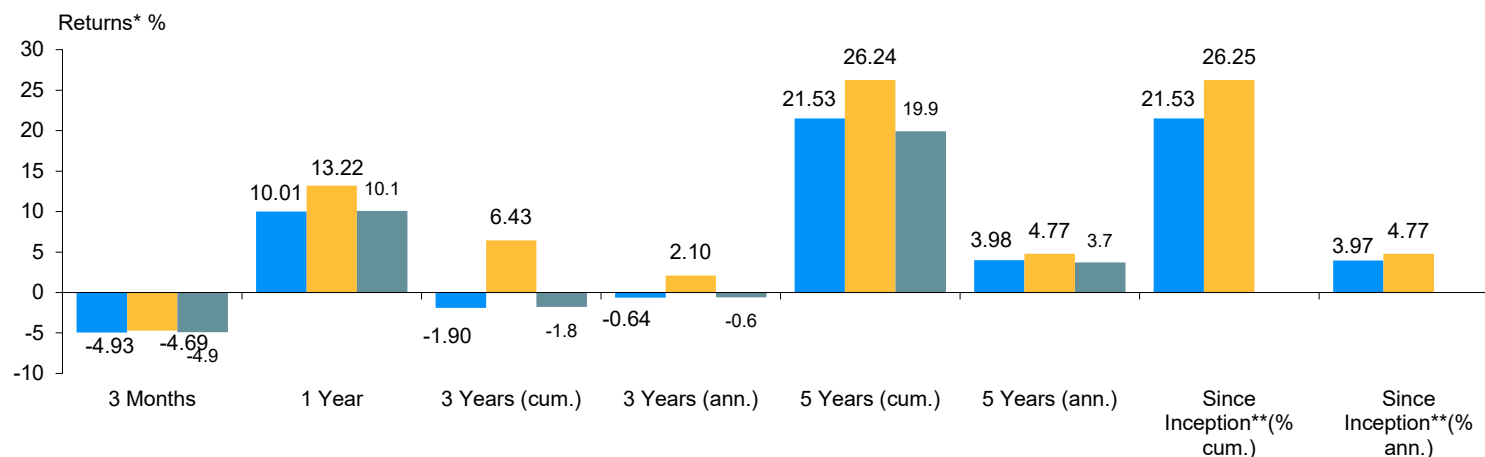
\* Net of fee performance in Hong Kong Dollar terms. The fund ranking is sourced directly from the Towers Watson Managed Fund Report based on net of all fees returns (not the rebate-adjusted return shown on this page).

^ S&P 500 (Total Net).

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# JPMorgan Provident High Growth Fund– Performance as at 31 December 2024



	3 Months (%)	1 Year (%)	3 Years (% cum.)	3 Years (% ann.)	5 Years (% cum.)	5 Years (% ann.)	Since Inception** (% cum.)	Since Inception** (% ann.)
<span style="color: blue;">■</span> Fund Performance*	-4.93	10.01	-1.90	-0.64	21.53	3.98	21.53	3.97
<span style="color: orange;">■</span> Benchmark^	-4.69	13.22	6.43	2.10	26.24	4.77	26.25	4.77
<span style="color: green;">■</span> Industry Median#	-4.90	10.10	-1.79	-0.60	19.92	3.70	N/A	N/A
Ranking / No. of funds compared*	5/9	6/9	N/A	5/9	N/A	3/9	N/A	N/A

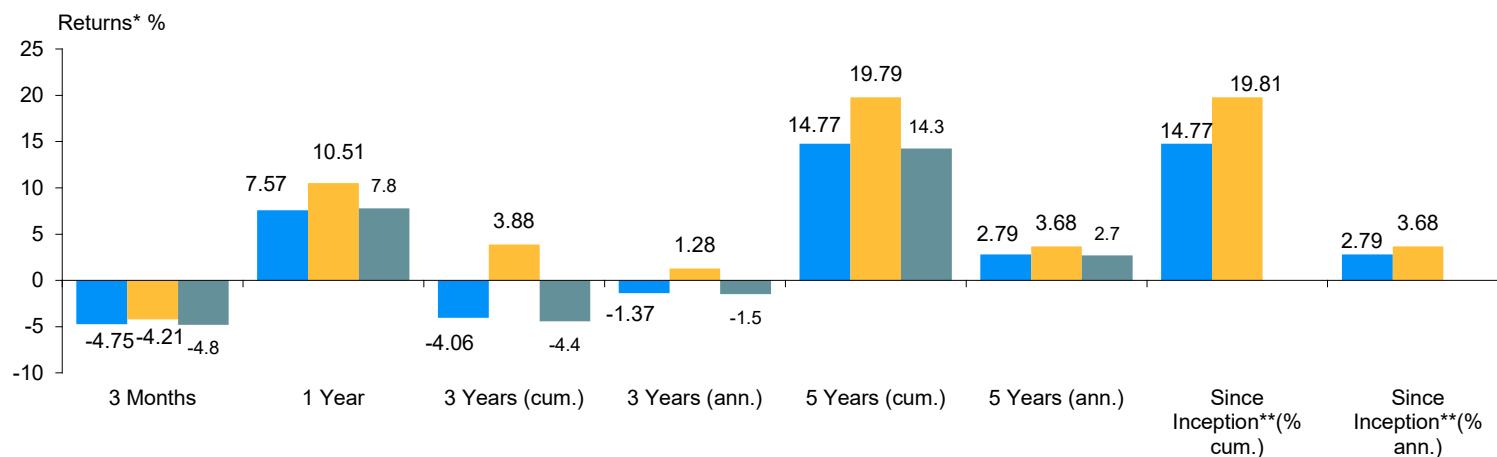
Source: J.P. Morgan Asset Management (NAV to NAV in HKD with income reinvested).

\*Net of fee performance in Hong Kong Dollar terms. The fund ranking is sourced directly from the Towers Watson Managed Fund Report based on net of all fees returns (not the rebate-adjusted return shown on this page).

. \*\*Inception on 1 Jan 2020 . ^Internal Benchmark

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# JPMorgan Provident Growth Fund – Performance as at 31 December 2024



	3 Months (%)	1 Year (%)	3 Years (% cum.)	3 Years (% ann.)	5 Years (% cum.)	5 Years (% ann.)	Since Inception** (% cum.)	Since Inception** (% ann.)
<span style="color: blue;">■</span> Fund Performance*	-4.75	7.57	-4.06	-1.37	14.77	2.79	14.77	2.79
<span style="color: orange;">■</span> Benchmark^	-4.21	10.51	3.88	1.28	19.79	3.68	19.81	3.68
<span style="color: green;">■</span> Industry Median#	-4.80	7.80	-4.43	-1.50	14.25	2.70	N/A	N/A
Ranking / No. of funds compared*	6/12	11/12	N/A	6/12	N/A	5/11	N/A	N/A

Source: J.P. Morgan Asset Management (NAV to NAV in HKD with income reinvested).

\*Net of fee performance in Hong Kong Dollar terms. The fund ranking is sourced directly from the Towers Watson Managed Fund Report based on net of all fees returns (not the rebate-adjusted return shown on this page).

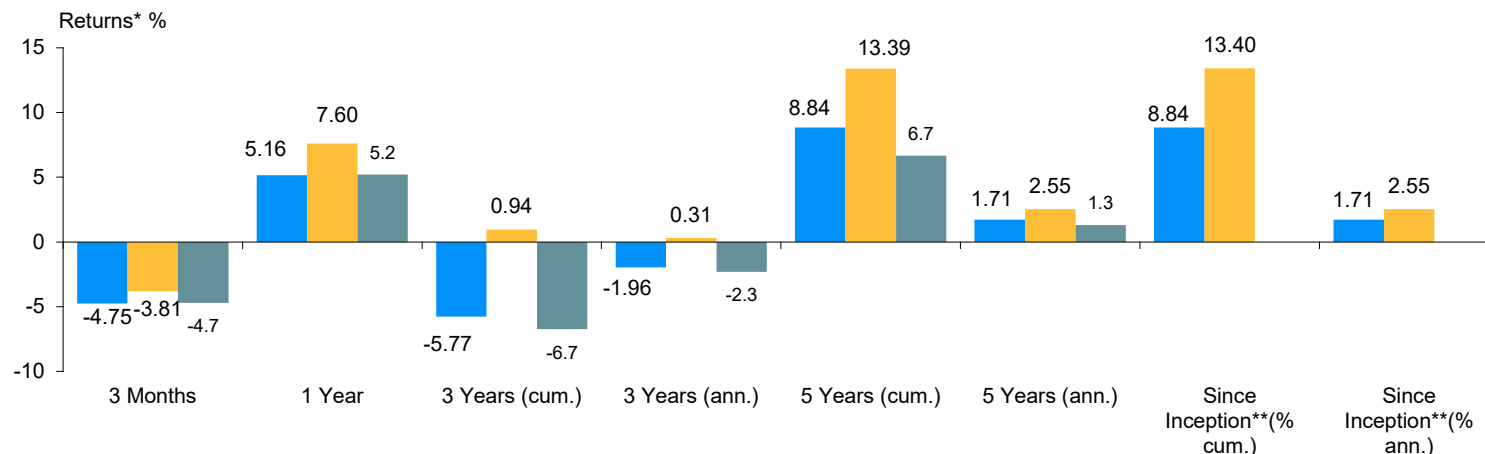
. \*\*Inception on 1 Jan 2020 . ^Internal Benchmark

# Towers Watson does not provide cumulative median returns in its quarterly managed fund report. The median cumulative returns shown here are calculated as  $[(1 + \text{annualized return})^{\text{years}} - 1]$ .

Investment involves risk. Past performance is not indicative of future performance. Please refer to the offering document(s) for details, including the risk factors..



# JPMorgan Provident Balanced Fund – Performance as at 31 December 2024



	3 Months (%)	1 Year (%)	3 Years (% cum.)	3 Years (% ann.)	5 Years (% cum.)	5 Years (% ann.)	Since Inception** (% cum.)	Since Inception** (% ann.)
<span style="color: blue;">■</span> Fund Performance*	-4.75	5.16	-5.77	-1.96	8.84	1.71	8.84	1.71
<span style="color: orange;">■</span> Benchmark^	-3.81	7.60	0.94	0.31	13.39	2.55	13.40	2.55
<span style="color: green;">■</span> Industry Median#	-4.70	5.20	-6.74	-2.30	6.67	1.30	N/A	N/A
Ranking / No. of funds compared*	5/9	5/9	N/A	4/9	N/A	3/9	N/A	N/A

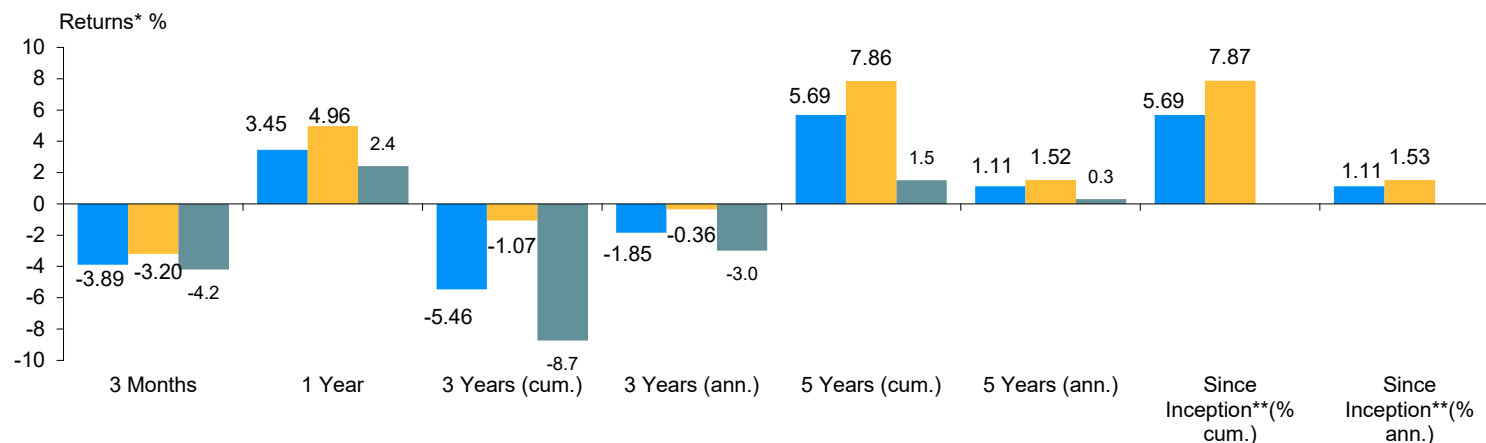
Source: J.P. Morgan Asset Management (NAV to NAV in HKD with income reinvested).

\*Net of fee performance in Hong Kong Dollar terms. The fund ranking is sourced directly from the Towers Watson Managed Fund Report based on net of all fees returns (not the rebate-adjusted return shown on this page).

. \*\*Inception on 1 Jan 2020 . ^Internal Benchmark

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# JPMorgan Provident Capital Fund – Performance as at 31 December 2024



	3 Months (%)	1 Year (%)	3 Years (% cum.)	3 Years (% ann.)	5 Years (% cum.)	5 Years (% ann.)	Since Inception** (% cum.)	Since Inception** (% ann.)
<span style="color: blue;">■</span> Fund Performance*	-3.89	3.45	-5.46	-1.85	5.69	1.11	5.69	1.11
<span style="color: orange;">■</span> Benchmark^	-3.20	4.96	-1.07	-0.36	7.86	1.52	7.87	1.53
<span style="color: green;">■</span> Industry Median#	-4.20	2.40	-8.73	-3.00	1.51	0.30	N/A	N/A
Ranking / No. of funds compared*	3/9	1/9	N/A	1/9	N/A	1/9	N/A	N/A

Source: J.P. Morgan Asset Management (NAV to NAV in HKD with income reinvested).

\*Net of fee performance in Hong Kong Dollar terms. The fund ranking is sourced directly from the Towers Watson Managed Fund Report based on net of all fees returns (not the rebate-adjusted return shown on this page).

. \*\*Inception on 1 Jan 2020 . ^Internal Benchmark

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# JPMorgan SAR Hong Kong Fund – Attribution analysis for 4Q 2024

Region	Fund Return %	Benchmark <sup>^</sup> Return %	Asset Allocation Effect % (a)	Stock Selection Effect % (b)	Total % (c) = (a) + (b)
<b>Basic Materials</b>	-20.25	-18.82	-0.04	-0.03	-0.06
<b>Consumer Discretionary</b>	-11.24	-13.94	-0.05	0.72	0.66
<b>Consumer Staples</b>	-6.35	-9.10	0.00	0.08	0.08
<b>Energy</b>	-3.92	-6.80	0.02	0.07	0.09
<b>Financials</b>	-3.10	1.58	-0.15	-1.18	-1.34
<b>Health Care</b>	-30.38	-16.06	0.18	-0.21	-0.03
<b>Industrials</b>	-6.65	-4.56	0.04	-0.15	-0.13
<b>Real Estate</b>	-13.65	-13.29	0.02	-0.05	-0.02
<b>Technology</b>	-9.61	-9.44	0.03	-0.05	-0.01
<b>Telecommunications</b>	47.92	42.39	0.28	0.13	0.41
<b>Utilities</b>	-5.79	-2.10	0.01	-0.13	-0.12
<b>Cash</b>	0.55	0.00	0.02	0.00	0.02
<b>Total</b>	<b>-6.52</b>	<b>-6.07</b>	<b>0.36</b>	<b>-0.79</b>	<b>-0.45</b>

Source: J.P. Morgan Asset Management. As at 31 December 2024. <sup>^</sup> FTSE MPF Hong Kong (Total Net).

Gross of management fee return in HK Dollar.

Investment involves risk. Past performance is not indicative of future performance. Please refer to the offering document(s) for details, including the risk factors.

## Commentaries

### Contributor:

- Stock selection in Consumer Discretionary and Telecommunications, along with an overweight position in the latter contributed.
- In the Consumer Discretionary sector, Pop Mart rose as the company provided an optimistic outlook for 4Q demand following strong 3Q results, while Trip.com benefited from robust travel data. Xiaomi saw earnings upgrades after delivering a record 3Q24, with historically high earnings in its core businesses (smartphones, IoT & Lifestyle, and internet services) driven by its premiumization strategy. Additionally, the anticipated launch of the new SUV EV model, YU7, is expected in June or July 2025.
- Other notable contributors included Fuyao Glass, which outperformed by delivering an earnings beat through margin expansion, and BYD Electronics, which rebounded from the previous quarter's sell-off.

### Detractor:

- Stock selection and an underweight position in the Financials sector was the most significant detractor. Stock selection in Industrials and Utilities also negatively impacted performance.
- At the stock level, the absence of positions in Industrial & Commercial Bank of China and Bank of China, as well as an underweight position in HSBC, were the most significant detractors. In China, investors continue to favor high dividend-yielding stocks amidst falling domestic rates, while HSBC benefited from the narrative of prolonged higher U.S. rates.
- Zijin Mining's performance was hindered by declining copper prices and weaker copper production volume guidance from management, although gold production volumes remained stable.
- Baidu faced challenges due to concerns over rising competition and a trend of weak earnings.
- COSCO Energy experienced a decline following an earnings miss, attributed to lower-than-expected 3Q tanker freight rates. Additionally, there has been little indication of improvement in 4Q, as oil demand has remained subdued.

# JPMorgan SAR American Fund – Attribution analysis for 4Q 2024

Region	Fund Return %	Benchmark^ Return %	Asset Allocation Effect % (a)	Stock Selection Effect % (b)	Total % (c) = (a) + (b)
Utilities	-7.42	-5.71	-0.00	-0.05	-0.05
Industrial Cyclical	-3.07	-0.70	-0.00	-0.23	-0.23
Health Services & Systems	-15.90	-14.65	-0.00	-0.03	-0.03
Basic Materials	-15.82	-12.67	0.01	-0.07	-0.06
Insurance	0.30	-1.16	-0.00	0.04	0.03
Financial Services	7.87	6.08	-0.00	0.10	0.09
Pharm/MedTech	-9.88	-9.23	-0.00	-0.06	-0.06
Energy	-3.63	-2.67	0.00	-0.04	-0.04
Media	10.42	12.01	-0.00	-0.17	-0.17
Hardware & Semiconductors	4.98	6.30	-0.00	-0.26	-0.26
Telecommunications	-1.11	-2.85	0.00	0.03	0.03
Consumer Cyclical	27.44	24.30	-0.01	0.09	0.08
REITs	-7.21	-8.75	-0.00	0.03	0.03
Banks & Brokers	12.64	13.70	-0.00	-0.05	-0.05
Retail	-1.74	0.44	-0.00	-0.11	-0.12
Consumer Staples	-9.55	-7.34	-0.00	-0.09	-0.09
Software & Services	1.74	0.67	-0.00	0.11	0.11
Cash & Equivalents	0.00		0.01		0.01
Unclassified	0.00		0.00		0.00
<b>Total</b>	<b>1.55</b>	<b>2.31</b>	<b>-0.00</b>	<b>-0.76</b>	<b>-0.76</b>

Source: J.P. Morgan Asset Management. As at 31 December 2024. ^ S&P 500 (Total Net).

Gross of management fee return in HK Dollar.

Investment involves risk. Past performance is not indicative of future performance. Please refer to the offering document(s) for details, including the risk factors.

## Commentaries

### Contributor:

■ Within software & services, our overweight in ServiceNow (NOW) contributed to performance during the quarter. ServiceNow's stock performance has been robust, driven by consistent beat-and-raise earnings reports. The company demonstrated strong execution, with significant growth in subscription revenue. The adoption of GenAI offerings further contributed to the positive results. Additionally, the company announced strategic partnerships and new product innovations, further enhancing its market position and growth prospects. Within hardware & semiconductors, our underweight in Applied Materials (AMAT) contributed to performance during the quarter. Applied Materials experienced a decline in stock performance despite reporting record revenue and earnings, driven by strong growth in leading-edge Foundry/Logic and services. The company saw improvements in gross margins due to favorable mix and operational enhancements. However, the stock was impacted by concerns over mixed guidance for the upcoming quarter and potential risks related to China and ICAPS device market sustainability. Within pharma/medical technology, our overweight in Bristol-Myers Squibb (BMY) contributed to performance during the quarter. Bristol-Myers Squibb experienced a positive stock performance, bolstered by strong quarterly results with revenues and earnings surpassing expectations. The company saw significant contributions from products like Reblozyl and Camzyos, which showed strong sales. The FDA approval of Cobenfy for schizophrenia and Opdivo for lung cancer further enhanced investor confidence. The company raised its full-year revenue and earnings guidance, reflecting solid commercial execution and financial discipline.

### Detractor:

■ Within hardware & semiconductors, our underweight in Broadcom (AVGO) detracted from performance during the quarter. Broadcom experienced significant growth in its stock performance, driven by a transformative year marked by a substantial increase in revenue and profit. The acquisition of VMware and a robust expansion in AI revenue contributed to this growth. The company reported strong year-over-year and quarter-over-quarter improvements in key financial metrics, including gross margins and free cash flow. Within industrial cyclical, our underweight in Palantir Technologies (PLTR) detracted from performance during the quarter. Palantir Technologies reported significant year-over-year revenue growth and a substantial increase in earnings. The growth was primarily fueled by the success of its Artificial Intelligence Platform, which leverages company-specific data to address real-world business challenges. The company's U.S. government and commercial segments both showed impressive growth, contributing to the overall positive financial performance. Within hardware & semiconductors, our overweight in Seagate Technologies (STX) detracted from performance during the quarter. The company reported robust demand for high-capacity hard disk drives, particularly from cloud and enterprise markets. The company also made notable progress in qualifying its HAMR (Heat-Assisted Magnetic Recording) technology during the quarter, which is expected to further enhance margins. However, the stock came under pressure in December after announcing that Q1 2025 was tracking below plan due to challenges in turning on previously idled capacity.

# JPMorgan Provident High Growth Fund– Attribution analysis for 4Q 2024

Region	Fund Return %	Benchmark^ Return %	Asset Allocation Effect % (a)	Stock Selection Effect % (b)	Total % (c) = (a) + (b)
Equity	-4.73	-5.02	-0.02	0.18	0.16
Asia Pacific Ex Jp	-6.87	-8.55	0.00	0.20	0.20
Europe	-9.55	-9.25	0.00	-0.15	-0.15
Global	-3.50	0.00	0.01	0.00	0.01
Hong Kong / China	-5.21	-6.07	-0.08	0.29	0.21
Japan	-5.24	-4.05	0.00	-0.26	-0.26
North America	2.77	2.60	0.18	-0.02	0.16
Fixed Income	0.19	-3.03	-0.14	0.08	-0.06
Corporate	0.20	0.00	0.38	0.00	0.38
Emerging Markets	-1.86	0.00	0.03	0.00	0.03
Europe	0.40	0.00	-0.02	0.00	-0.02
Global Aggregate	-3.42	-3.03	-0.06	-0.01	-0.07
Government	1.46	0.00	-0.39	0.00	-0.39
[Cash]	-0.04	1.23	-0.05	-0.03	-0.08
<b>Total</b>	<b>-4.68</b>	<b>-4.69</b>	<b>-0.21</b>	<b>0.22</b>	<b>0.02</b>

Source: J.P. Morgan Asset Management. As at 31 December 2024. ^ Customised reference index (Based on TW Group Avg. Asset Allocation)

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# JPMorgan Provident Growth Fund– Attribution analysis for 4Q 2024

Region	Fund Return %	Benchmark^ Return %	Asset Allocation Effect % (a)	Stock Selection Effect % (b)	Total % (c) = (a) + (b)
Equity	-3.94	-5.01	-0.07	0.23	0.17
Asia Pacific Ex Jp	-6.87	-8.55	0.00	0.15	0.15
Europe	-8.34	-9.25	-0.01	-0.06	-0.07
Global	-0.52	0.00	-0.04	0.00	-0.04
Hong Kong / China	-5.25	-6.07	-0.10	0.22	0.13
Japan	-4.99	-4.05	-0.01	-0.22	-0.23
North America	3.03	2.60	0.21	0.01	0.22
Fixed Income	-1.56	-3.03	-0.10	-0.07	-0.17
Corporate	0.12	0.00	0.32	0.00	0.32
Emerging Markets	-1.86	0.00	0.02	0.00	0.02
Global Aggregate	-3.42	-3.03	-0.09	-0.08	-0.17
Government	-0.06	0.00	-0.34	0.00	-0.34
[Cash]	-0.37	1.23	-0.10	-0.18	-0.28
<b>Total</b>	<b>-4.50</b>	<b>-4.21</b>	<b>-0.27</b>	<b>-0.02</b>	<b>-0.29</b>

Source: J.P. Morgan Asset Management. As at 31 December 2024. ^ Customised reference index (Based on TW Group Avg. Asset Allocation)  
Investment involves risk. Past performance is not indicative of future performance. Please refer to the offering document(s) for details, including the risk factors.

# JPMorgan Provident Balanced Fund– Attribution analysis for 4Q 2024

Region	Fund Return %	Benchmark^ Return %	Asset Allocation Effect % (a)	Stock Selection Effect % (b)	Total % (c) = (a) + (b)
Equity	-3.79	-5.01	-0.10	0.09	-0.02
Asia Pacific Ex Jp	-6.87	-8.55	-0.01	0.12	0.11
Europe	-7.01	-9.25	-0.03	0.00	-0.02
Global	-0.53	0.00	-0.05	0.00	-0.05
Hong Kong / China	-5.83	-6.07	-0.07	0.06	-0.02
Japan	-4.78	-4.05	-0.03	-0.18	-0.21
North America	2.99	2.60	0.18	0.00	0.18
Fixed Income	-2.33	-3.03	-0.06	-0.18	-0.25
Asian Bond	0.20	0.00	0.36	0.00	0.36
Corporate	-1.86	0.00	0.02	0.00	0.02
Global Aggregate	-3.63	-3.03	-0.08	-0.22	-0.30
Government	-3.10	0.00	-0.33	0.00	-0.33
Cash	-0.36	1.23	-0.19	-0.24	-0.42
<b>Total</b>	<b>-4.49</b>	<b>-3.81</b>	<b>-0.35</b>	<b>-0.33</b>	<b>-0.68</b>

Source: J.P. Morgan Asset Management. As at 31 December 2024. ^ Customised reference index (Based on TW Group Avg. Asset Allocation)  
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# JPMorgan Provident Capital Fund– Attribution analysis for 4Q 2024

Region	Fund Return %	Benchmark^ Return %	Asset Allocation Effect % (a)	Stock Selection Effect % (b)	Total % (c) = (a) + (b)
Equity	-3.63	-5.02	-0.13	0.04	-0.09
Asia Pacific Ex Jp	-6.87	-8.55	0.00	0.07	0.07
Europe	-10.26	-9.25	-0.02	-0.05	-0.06
Global	-0.62	0.00	-0.05	0.00	-0.05
Hong Kong / China	-5.89	-6.07	-0.09	0.04	-0.05
Japan	-3.93	-4.05	-0.03	-0.11	-0.14
North America	3.22	2.60	0.14	0.00	0.14
Fixed Income	-2.27	-3.03	-0.03	0.01	-0.02
Asian Bond	0.10	0.00	0.30	0.00	0.30
Corporate	-1.86	0.00	0.01	0.00	0.01
Global Aggregate	-3.21	-3.03	-0.02	-0.09	-0.11
Government	-0.35	0.00	-0.23	0.00	-0.23
Cash	-0.22	1.23	-0.24	-0.13	-0.37
<b>Total</b>	<b>-3.68</b>	<b>-3.20</b>	<b>-0.39</b>	<b>-0.09</b>	<b>-0.48</b>

Source: J.P. Morgan Asset Management. As at 31 December 2024. ^ Customised reference index (Based on TW Group Avg. Asset Allocation)  
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# Investment strategy and outlook for coming quarter

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## REVIEW

- Our portfolios reflect a pro-growth outlook and a strong preference for U.S. assets.
- We expect pro-growth economic policy to extend the business cycle in 2025 and believe that the impact of tariffs will be manageable and will not deter the Federal Reserve (Fed) from further rate cuts.
- U.S. economic exceptionalism is set to continue, but we see growth and earnings broadening out across the economy, with risks mitigated by resilient private sector balance sheets.
- We continue to overweight equities and credit and are broadly neutral on global duration.
- European equities remain our preferred underweight, but even a marginal shift in sentiment could boost Europe's asset markets.
- Credit spreads are tight but given healthy distress ratios should not cause undue concern; moreover, all-in yields remain attractive.
- Asset markets could be volatile at times as the scale and sequence of policy unfolds in 2025, but we expect investors to buy on any dips.

Source: J.P. Morgan Asset Management Multi-Asset Solutions data as at 31 December 2024.

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# Investment strategy and outlook for coming quarter

## OUTLOOK

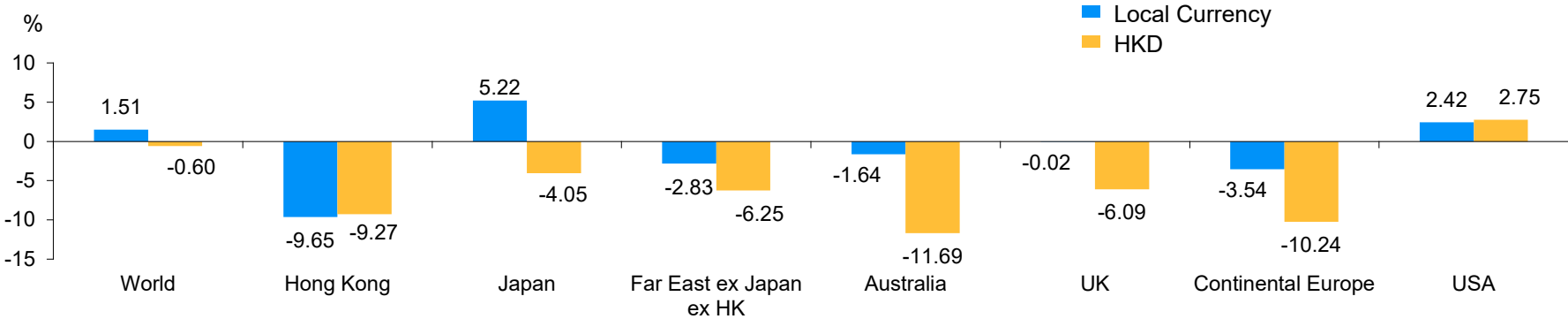
Asset class		Opportunity set	UW	N	OW	Change	Conviction	
Main asset classes		Equities	○	○	●		Moderate	Global growth close to trend supports ongoing earnings growth; valuations a headwind even with easing cycle in play
		Duration	○	●	○			Rate cutting cycle limits upside for yields, but market may be pricing more rate cuts than realistic given solid pace of growth
		Credit	○	○	●		Low	Trend-like growth and attractive all-in yields supportive to credit despite tight levels of credit spreads
Preference by asset class	Equities	U.S. large cap	○	○	●		High	High quality and strong EPS but valuations, esp. in tech, are a headwind; concentration risks mitigated by cash flow generation
		U.S. small cap	○	○	●	▲		Outlook improving as recession risk is contained, but favor profitable firms with low leverage given elevated financing rates
		Europe	●	○	○		Moderate	Ongoing weakness in global goods cycle and evidence of inventory overhang in key industries hold back EU equities
		Japan	○	○	●		Low	Improving earnings yield and bottom up profitability point to upside, outflows suggest that overbought conditions from mid-year are behind us
		UK	○	●	○			Attractive valuations and higher free cash flows support UK equities, but defensive nature of UK index a near-term headwind
		Australia	●	○	○		Moderate	ERRs continue to lag peers but valuations expensive; soft demand for base metals a headwind to mining sector
		Canada	○	●	○			Economy has shown some resilience in face of higher rates, but business outlook weak and valuations unappealing
		Hong Kong	○	○	●	▲	Low	Activity in China remains weak and is a headwind to earnings, but valuations and positioning are supportive; increased policy responses could provide a boost
		EM	●	○	○	▼	Low	Earnings revisions very negative and flows not supportive in EM equities
	Fixed income	U.S. Treasuries	●	○	○	▼	Low	Scope for fiscal stimulus and deregulation could improve U.S. growth and raise the equilibrium yield for USTs
		German Bunds	○	●	○			Potentially attractive as ECB looks set to cut rates at a decent clip, but with election risks in Feb 25 and yields already low may be at risk of volatility
		JGB	●	○	○		Low	Further BoJ hikes coming in 2025 maintain upside risks to JGB yields but at current levels demand is likely to remain reasonable
		UK Gilts	○	●	○	▼		Weak UK economy with scope for BoE to cut rates to offset worst impact of mortgage resets for UK consumers
		Australia bonds	○	○	●			Least priced in for rate cuts of the major bond markets, also positive carry is an attractive feature
		Canada bonds	○	●	○	▲		Has rallied a lot alongside the U.S. so spreads are tight and it is also the market with the most punitive carry dynamics
		Italy FI	○	○	●		Low	Lower ECB rates supportive to periphery bonds but near-term risks around election cycle in Europe could mean some volatility
		Corporate Inv. Grade	○	●	○	▼		Robust corporate health and demand for quality carry; spreads tight, but carry advantage over sovereigns persists
		Corporate High Yield	○	○	●		Low	Contained recession risks and improving quality in HY index supportive, spreads are tight but all-in yields are attractive
		EMD Sovereign	○	●	○			Favor U.S. high yield to EMD sovereign given more fragile tail credits exposure in EMD compared to U.S. HY
	Currency	USD	○	○	●		Moderate	Growth advantage of U.S. over RoW set to widen further, so even as Fed cutting cycle weighs on USD, growth differential is supportive
		EUR	●	○	○		Moderate	EUR undermined by weakness of growth in Europe and likely need for the ECB to become more aggressive in cutting rates
		JPY	○	●	○	▼		BoJ the only major central bank hiking rates, lends support to JPY as does solid domestic growth outlook
		CHF	●	○	○		Moderate	FX interventions have been reduced and SNB on clear easing path; CHF could end up as the lowest yielder of the majors

Source: J.P. Morgan Asset Management Multi-Asset Solutions; assessments are made using data and information up to December 2024. For illustrative purposes only. Diversification does not guarantee investment returns and does not eliminate the risk of loss. Diversification among investment options and asset classes may help to reduce overall volatility.

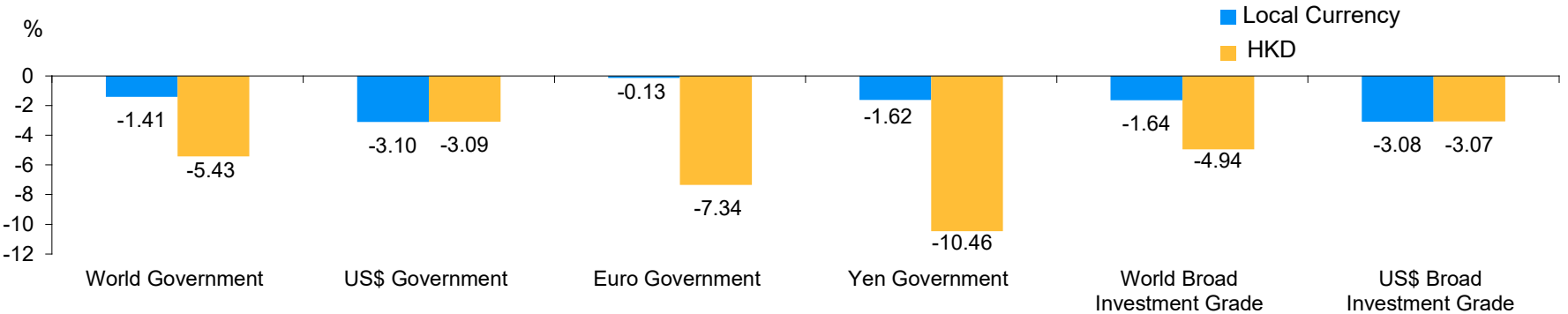
# Market returns

4Q 2024

## Equities



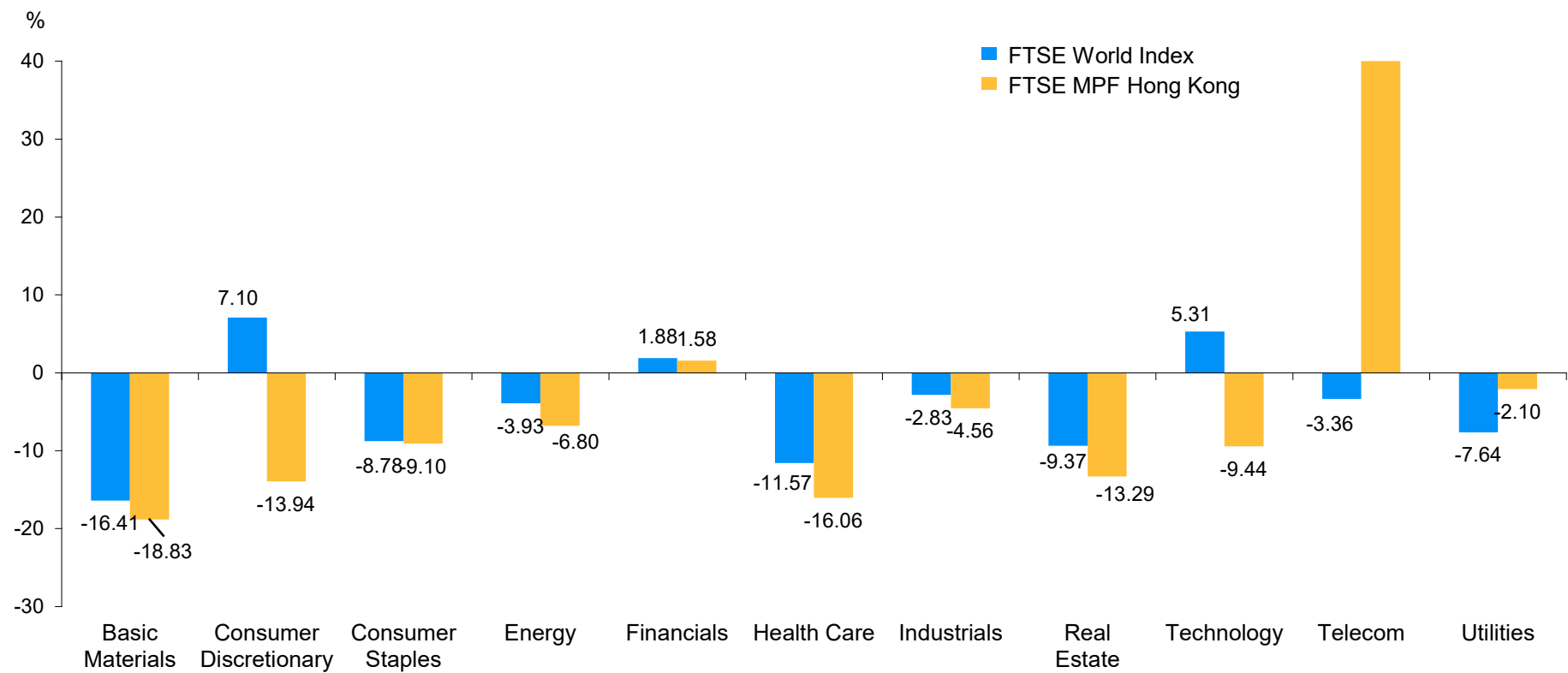
## Bonds



NB Equity indices – FTSE World series, except MSCI Far East ex Japan ex HK. Bond indices – Citigroup series.  
Source: Thomson Reuters Datastream.

# Global industry returns versus Hong Kong industry returns\*

4Q 2024



\* FTSE World Index Gross Total Returns and FTSE MPF Hong Kong Industry Net Returns in HK\$.  
Source: Thomson Reuters Datastream.

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Investment involves risk. Funds which are invested in emerging markets may also involve a higher degree of risk and are usually more sensitive to price movements. For details, please refer to the offering documents, including the risk factors.

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