

JPMorgan Investment Funds – Global Convertibles Conservative Fund

INVESTMENT OBJECTIVE

To provide a return by investing primarily in a diversified portfolio of convertible securities, globally.

Monthly update | As at 30 Sep 2024

Fund Update

The Global Convertibles Conservative Fund posted a positive performance in September, returning 0.9% net of C share class fees, though it underperformed the benchmark, which posted 3.3%.

At a regional level, overall performance was largely positive with Pacific ex-Japan being the largest contributor, followed by North America and Europe. On the other hand, Japan was the only marginal detractor from a regional perspective.

At a sector level, overall contribution was largely positive, with communications being the largest contributor, followed by consumer, cyclical and industrials. On the other hand, exposure in consumer, non-cyclical was the only marginal sectoral detractor on an absolute basis.

On a relative basis, security selection in industrials and energy modestly contributed to alpha. Conversely, security selection in financials and communications detracted from relative performance.

At a security-specific level, not holding Zscaler and Rivian Automotive contributed to performance. On the other hand, key detractors stemmed from not holding Ping An and Alibaba Group.

Market Update

Global equities gained over the month, buoyed by the long-anticipated start of the Federal Reserve's (Fed) rate cutting cycle in September along with a new stimulus in China that helped soothe investor concerns. On a regional basis, emerging market equities outperformed their developed market counterparts. In terms of style, growth stocks outperformed their value peers. Asia ex-Japan was the top performing major region over the month. Asian stocks rallied strongly towards the end of September after Chinese policymakers announced a raft of new stimulus measures. While many of these measures have been seen in isolation over the last year, such as cuts to interest rates or reduced downpayment requirements for home purchases, the coordinated nature of September's announcement was the clearest signal yet that Beijing stands ready to support the Chinese economy and markets. Elsewhere in Asia, Japanese equities delivered a lackluster performance over the month. In its September meeting, the Bank of Japan kept the policy rate unchanged at 0.25%. While Governor Ueda signaled that hikes are on the way, he did however suggest that the central bank could take its time to monitor the effects of global economic uncertainties, and it is in no rush to raise borrowing costs further. In the US, 14 months on from its last interest rate hike, the Fed kicked started its cutting cycle with a 50 basis points (bps) move in September. With the unemployment rate having drifted up from a low of 3.4% in April 2023 to 4.2% in August 2024, Fed officials have now made it clear that they do not welcome any further weakening in the economy and are keen to quickly move interest rates back to less restrictive levels. Later in the month, the Fed's more circumspect view on the economy was vindicated by the largest monthly decline in consumer confidence in over three years. Europe ex-UK and the UK saw tepid performance in September. The eurozone inflation fell to a three-year low to 2.2% in August. However, the manufacturing sector remained an area of concern as eurozone business surveys provided further evidence of the divergence between expansionary output in services and much weaker activity in manufacturing. With inflation cooling and activity relatively muted, the European Central Bank also deemed it appropriate to lower rates and delivered its second rate cut in September taking interest rates to 3.50%. On the other hand, the Bank of England held rates steady at 5%. While the UK July GDP print came in softer than expected – though not necessarily indicative of a trend yet – other measures of economic activity, such as the Purchasing Managers' Indices, pointed to an economy that is still firmly in expansionary territory.

All of this considered, global convertible bonds (CBs) (represented by the Refinitiv Global Focus Convertible Bond Index) posted positive returns over the month. From a regional perspective, all regions posted in the positive territory with Asia ex-Japan being a standout performer driven by the asset rally on the stimulus unveiled by the Chinese government, followed by the US, Europe and Japan.

Global issuance primary volumes for the month totalled USD 9.4bn, despite the heightened rates and equity volatility in the first half of the month leading up to the Federal Open Market Committee (FOMC) rates decision. Volumes were led by the US, which priced USD 6.9bn, followed by Asia and Europe (USD 1.7bn and USD 834mio respectively). Year to date, the issuance volume now stands at around USD 82bn, however, potential headwinds to primary market issuance include US election-related volatility and a faster pace of rate cuts.

Performance Update

%	3M	YTD	1y	3y	Since Jan 18*	Since inception**
JPM Global Convertibles Conservative C (acc) – USD	3.1	4.9	8.5	-0.9	2.4	5.6
Benchmark	5.8	6.4	12.9	-1.2	3.8	6.1
Excess Return (geometric)	-2.6	-1.5	-3.9	0.4	-1.3	-0.5

%	2011	2012	2013	2014	2015	2016	2017	2018*	2019	2020	2021	2022	2023
JPM Global Convertibles Conservative C (acc) – USD	-8.3	12.7	16.1	5.4	1.2	0.9	9.9	-3.1	8.3	15.0	-0.2	-11.3	6.9
Benchmark	-4.6	11.3	13.0	4.7	3.8	1.6	6.0	-3.0	13.1	22.8	-1.1	-16.0	9.8
Excess Return (geometric)	-3.7	1.5	3.1	0.7	-2.5	-0.6	3.7	-0.1	-4.3	-6.4	1.0	5.6	-2.7

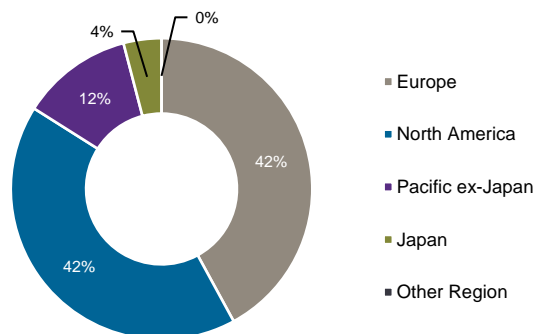
Past performance and yield are not a reliable indicator of current and future results. Source: J.P. Morgan Asset Management. Fund performance is shown based on the NAV of the share class C (acc) in USD with income (gross of shareholder tax) reinvested including ongoing actual charges excluding entry and exit fees. Performance for periods greater than 12 months is annualised. Share class inception date is 22/01/2009. Benchmark: UBS Global Convertible Index hedged to USD from inception to 31/08/05, and FTSE Global Focus Convertible Bond Index hedged to USD (Total Return Gross) thereafter. *At the end of January 2018 the investment objective of the fund changed. The fund now seeks a return by investing primarily in a conservatively constructed portfolio of convertible securities, globally. **The fund launched in 2009 under the standard balanced strategy with higher risk return profile.

JPMorgan Investment Funds – Global Convertibles Conservative Fund

Market Outlook

With inflation cooling down and central banks cutting rates, the options available for investors to build diversified portfolios are stronger than they have been for much of the post-Covid period. Despite financial market volatility, the US economy has remained on its steady path. Although some signs of stress are emerging, consumer spending accelerated in the second quarter and looks set to remain strong in the third. However, the economic activity outside of the US has been mixed. While real wages are rising in Japan, manufacturing sector weakness has been a drag in Europe and domestic demand in China remains sluggish. Nonetheless, international equities have continued to move higher, with many markets up more than 10% so far this year. Looking ahead, improving economic conditions, attractive fundamentals and structurally higher interest rates are likely to help extend this rally, presenting investors with many attractive opportunities across international markets. Stock market concentration is increasingly under scrutiny. Since the start of 2023, a select few companies have continued to drive the bulk of gains in the S&P 500. The top 10 stocks in the index now account for more than a third of the market cap. At a regional level, US companies now make up a near-record 65% of the global equity market. While the US concentration within global equities is extreme, other markets have begun to catch up. On the brighter side, the long-anticipated broadening out of US corporate earnings is finally underway, yet valuation dispersion in the stock market is still extremely wide. As earnings growth becomes more evenly distributed across sectors, this could also support a regional rotation and a reduction in the discounts of some less-loved equity markets around the world. Additionally, there are 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 of the US. Valuation discounts for the UK and Europe ex-UK relative to the US now stand close to multi-decade record levels, and cannot be explained by index composition alone, with larger-than-average discounts versus US counterparts present in almost every sector. Any euro weakness stemming from a relatively more dovish European Central Bank (ECB) is another potential catalyst for European exporters. In Japan, the structural shift in the economy away from deflation and toward improving nominal growth, coupled with corporate governance changes aimed at increasing the value of corporate businesses, is likely to continue to support equities throughout the year. With the US election approaching, geopolitical tensions still elevated and the Fed keen on normalizing policy without sending gloomy signals, risks remain that could keep markets volatile. Against this backdrop, investors may want to lean into active managers to access attractive opportunities in an environment of rich index-level valuations, while diversifying across global equity markets.

REGIONAL ALLOCATION BREAKDOWN

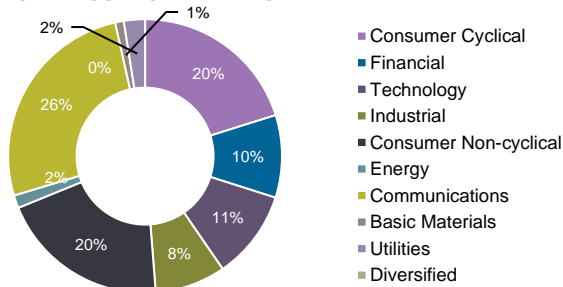


MONTHLY FUND DELTA



Source: J.P. Morgan Asset Management. Fund inception date 15/06/2004

SECTOR ALLOCATION BREAKDOWN



Source: J.P. Morgan Asset Management. The Fund is an actively managed portfolio, holdings, sector weights, allocations and leverage, as applicable are subject to change at the discretion of the Investment Manager without notice. Past performance is not a reliable indicator for current and future performance.

FUND CHARACTERISTICS

	31-Aug-24	30-Sep-24
Delta (%)	25.3	25.8
Yield to best* (%)	3.1	2.9
Current yield (%)	0.8	0.8
Premium to parity (%)	121	120
Rho (interest rate sensitivity)	X1.8	X1.7
Number of names	77	76
Average credit rating	BBB	BBB
Cash level** (%)	1.5	1.3

Source: J.P. Morgan Asset Management. * This is a prediction and is not guaranteed.
 ** Cash can include short-term positions in futures and options. Opinions, estimates, forecasts, projections and statements of financial market trends are based on market conditions at the date of the publication, constitute our judgment and are subject to change without notice. There can be no guarantee they will be met.

NEXT STEPS: For more information contact your usual J.P. Morgan Asset Management representative

Key Risks

The Sub-Fund is subject to **Investment risks** and **Other associated risks** from the techniques and securities it uses to seek to achieve its objective.

The table below explains how these risks relate to each other and the **Outcomes to the Shareholder** that could affect an investment in the Sub-Fund.

Investors should also read [Risk Descriptions](#) in the Prospectus for a full description of each risk.

INVESTMENT OBJECTIVE

To provide a return by investing primarily in a diversified portfolio of convertible securities, globally.

Summary Risk Indicator

1	2	3	4	5	6	7
---	---	---	---	---	---	---

Lower risk

Higher risk

The risk indicator assumes you keep the product for 5 year(s). The risk of the product may be significantly higher if held for less than the recommended holding period. In the UK, please refer to the synthetic risk and reward indicator in the latest available key investor information document.

MAIN RISKS

- The Sub-Fund is subject to **Investment risks** and **Other associated risks** from the techniques and securities it uses to seek to achieve its objective.
- The table on the right explains how these risks relate to each other and the **Outcomes to the Shareholder** that could affect an investment in the Sub-Fund.
- Investors should also read [Risk Descriptions](#) in the Prospectus for a full description of each risk.

Investment Risks

Risks from the Sub-Fund's techniques and securities

Techniques	Securities	
Hedging	Convertible securities	Equities
	Emerging markets	

Other Associated Risks

Further risks the Sub-Fund is exposed to from its use of the techniques and securities above

Credit	Interest rate	Market
Currency	Liquidity	

Outcomes to the Shareholder

Potential impact of the risks above

Loss Shareholders could lose some or all of their money.	Volatility Shares of the Sub-Fund will fluctuate in value.	Failure to meet the Sub-Fund's objective.
--	--	--

For Professional Clients / Qualified Investors only – not for Retail use or distribution.

This is a marketing communication and as such the views contained herein do not form part of an offer, nor are they to be taken as advice or a recommendation, to buy or sell any investment or interest thereto. Reliance upon information in this material is at the sole discretion of the reader. Any research in this document has been obtained and may have been acted upon by J.P. Morgan Asset Management for its own purpose. The results of such research are being made available as additional information and do not necessarily reflect the views of J.P. Morgan Asset Management. Any forecasts, figures, opinions, statements of financial market trends or investment techniques and strategies expressed are, unless otherwise stated, J.P. Morgan Asset Management's own at the date of this document. They are considered to be reliable at the time of writing, may not necessarily be all inclusive and are not guaranteed as to accuracy. They may be subject to change without reference or notification to you. It should be noted that the value of investments and the income from them may fluctuate in accordance with market conditions and taxation agreements and investors may not get back the full amount invested. Changes in exchange rates may have an adverse effect on the value, price or income of the products or underlying overseas investments. Past performance and yield are not a reliable indicator of current and future results. There is no guarantee that any forecast made will come to pass. Furthermore, whilst it is the intention to achieve the investment objective of the investment products, there can be no assurance that those objectives will be met. J.P. Morgan Asset Management is the brand name for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide. 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 our EMEA Privacy Policy www.jpmmorgan.com/emea-privacy-policy. As the product may not be authorised or its offering may be restricted in your jurisdiction, it is the responsibility of every reader to satisfy himself as to the full observance of the laws and regulations of the relevant jurisdiction. Prior to any application investors are advised to take all necessary legal, regulatory and tax advice on the consequences of an investment in the products. Shares or other interests may not be offered to, or purchased, directly or indirectly by US persons. All transactions should be based on the latest available Prospectus, the Key Information Document (KID) and any applicable local offering document. These documents together with the annual report, semi-annual report, the articles of incorporation and sustainability-related disclosures for the Luxembourg domiciled products are available in English upon request from JPMorgan Asset Management (Europe) S.à r.l., 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg, your financial adviser, your J.P. Morgan Asset Management regional contact or at <https://am.jpmmorgan.com>. A summary of investor rights is available in English at <https://am.jpmmorgan.com/lu/investor-rights>. J.P. Morgan Asset Management may decide to terminate the arrangements made for the marketing of its collective investment undertakings.

In Switzerland, JPMorgan Asset Management Switzerland LLC (JPMAMS), Dreikönigstrasse 37, 8002 Zurich, acts as Swiss representative of the funds and J.P. Morgan (Suisse) SA, Rue du Rhône 35, 1204 Geneva, as paying agent. With respect to its distribution activities in and from Switzerland, JPMAMS receives remuneration which is paid out of the management fee as defined in the respective fund documentation. Further information regarding this remuneration, including its calculation method, may be obtained upon written request from JPMAMS.

This communication is issued in Europe (excluding UK) by JPMorgan Asset Management (Europe) S.à r.l., 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg, R.C.S. Luxembourg B27900, corporate capital EUR 10,000,000. This communication is issued in the UK by JPMorgan Asset Management (UK) Limited, which is authorised and regulated by the Financial Conduct Authority. Registered in England No. 01161446. Registered address: 25 Bank Street, Canary Wharf, London E14 5JP.

Material ID: 0903c02a81c5eea3

Confidential: Not For Retail Use or Further Distribution – This communication has been prepared exclusively for institutional, accredited, wholesale, professional clients and qualified investors only, as defined by local laws and regulations.

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. 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.

Investments involve 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 read offering documents and make their own evaluation or seek independent advice prior to making any investment. Opinions, estimates, forecasts and statements 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.

Singapore: In Singapore this material is issued by JPMorgan Asset Management (Singapore) Limited (Co. Reg. No. 197601586K). This advertisement or publication has not been reviewed by the Monetary Authority of Singapore. The fund(s) mentioned herein is/are not authorised or recognised by the Monetary Authority of Singapore (the "MAS") and units are not allowed to be offered to the retail public. The fund(s) is/are currently on the MAS list of Restricted Schemes for offers to accredited investors and any other relevant persons as permitted under applicable legislations. Please refer to the relevant offering documents (including the risk factors set out therein), a copy of which will be made available upon your request, before making any investment.

Malaysia: This document is provided in response to your request. This document is for informational purposes only and does not constitute an invitation or offer to the public. AS THE RECOGNITION BY THE MALAYSIAN SECURITIES COMMISSION PURSUANT TO SECTION 212 OF THE MALAYSIAN CAPITAL MARKETS AND SERVICES ACT 2007 HAS NOT BEEN / WILL NOT BE OBTAINED NOR WILL THIS DOCUMENT BE LODGED OR REGISTERED WITH THE MALAYSIAN SECURITIES COMMISSION, the funds mentioned are not being and will not be deemed to be issued, made available, offered for subscription or purchase in Malaysia and neither this document or other material in connection therewith should be distributed, caused to be distributed or circulated in Malaysia.

Philippines: THIS MATERIAL IS PROVIDED IN RESPONSE TO YOUR REQUEST. Under Republic Act No. 8799, known as the Securities Regulation Code of the Philippines (the "Code"), and its implementing rules, securities, such as the Securities, are not permitted to be sold or offered for sale or distribution within the Philippines unless such securities are approved for registration by the Securities and Exchange Commission of the Philippines ("SEC") or are otherwise exempt securities or sold pursuant to an exempt transaction. To the extent that the Code is deemed applicable to any offering of Securities to Philippine investors, the Securities are being offered pursuant to an exempt transaction under Section 10.1(l) of the Code. **THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE OF THE PHILIPPINES. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO THE REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.**

Brunei: The material is provided in response to your request. It relates to a private collective investment scheme which is not subject to any form of domestic regulations by the Autoriti Monetari Brunei Darussalam ("Authority"). The material or a prospectus is intended for distribution only to specific classes of investors as specified in section 20 of the Securities Market Order, 2013, and must not, therefore, be delivered to, or relied on by, a retail client. The Authority is not responsible for reviewing or verifying any prospectus or other documents in connection with this collective investment scheme. The Authority has not approved this material / prospectus or any other associated documents nor taken any steps to verify the information set out herein and has no responsibility for it. The units to which this material or prospectus relates to may be illiquid or subject to restrictions on their resale. Prospective purchasers of the units offered should conduct their own due diligence on the units.

Thailand: The document is provided in response to your request. The document has not been approved by the Securities and Exchange Commission which takes no responsibility for its contents. No offer to the public to purchase the Funds will be made in Thailand and this document is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

Indonesia: The document is provided in response to your request. This material does not constitute an offer to sell nor a solicitation to buy securities in Indonesia.

India: This material is provided in response to your request. The interests in the Fund(s) mentioned in this document is/are not being offered to the Indian public for sale or subscription but are being privately placed with a limited number of Sophisticated Private and Institutional investors. The interests in the Fund(s) is/are not registered or approved by the Securities and Exchange Board of India, the Reserve Bank of India or any other governmental/ regulatory authority in India. This document is not and should not be deemed to be a 'prospectus' as defined under the provisions of the Companies Act, 2013 (18 of 2013) and it will not be filed with any regulatory authority in India. Pursuant to the Foreign Exchange Management Act, 1999 and the regulations issued there under, any investor resident in India may be required to obtain prior special permission of the Reserve Bank of India before making investments outside of India, including any investment in the Fund. The Fund(s) mentioned in this document, have/ has neither obtained any approval from the Reserve Bank of India or any other regulatory authority in India nor intends to do so, hence any eligible investor who is resident of India will be entirely responsible for determining their eligibility to invest in the interests in the Fund(s).

Hong Kong: This document is issued by JPMorgan Asset Management (Asia Pacific) Limited and/or JPMorgan Funds (Asia) Limited regulated by the Hong Kong Securities and Futures Commission (SFC) (each, a "JPMorgan Affiliate"). **EXCLUSIVE USE BY INTERMEDIARIES OR PROFESSIONAL INVESTORS WITHIN THE MEANING OF THE SECURITIES AND FUTURES ORDINANCE – NOT FOR FURTHER DISTRIBUTION.** Investment involves risk. Offering document should be read for further details including the risk factors. Past performance information presented is not indicative of future performance. Investments in emerging markets, if relevant, may be more volatile than other markets and the risk to your capital is therefore greater. This material and funds mentioned may or may not be authorized by the Securities and Futures Commission in Hong Kong and may not be available to the public of Hong Kong. This material has not been reviewed by the Securities and Futures Commission.

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 our privacy policies at <https://am.jpmorgan.com/global/privacy>.

J.P. Morgan Asset Management is the brand for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide. JPMorgan Chase & Co. All rights reserved.
