JPMorgan Investment Funds – Global Macro Opportunities Fund

For available share classes, please check the prospectus.

Topline

Markets – Global equity and bond markets delivered contributions, fuelled by a 50 basis-point (bp) interest rate cut in the US amid healthy activity data and the announcement of significant Chinese stimulus. The MSCI World Index and the JPM Global Government Bond Index rose 1.4% and 1.0%, respectively (hedged to euro).

Helped – Long emerging market financial penetration and cloud computing equity strategies.

Hurt – Long healthcare innovation and global semiconductor equity strategies and long US dollar exposure.

Outlook – The market appears to be moving towards our more sanguine view of the US after growth scares. In China, the stimulus measures reduce our concerns about left-tail growth outcomes, but we believe more is needed for growth to meet current 2025 expectations. We believe that the potential for a Republican sweep in the US election may be underpriced by markets. A move in that direction should assist our long US dollar exposure.

Fund Overview

Investment objective

The Fund aims to achieve capital appreciation in excess of its cash benchmark[1] by investing primarily in securities, globally, using derivatives where appropriate.

Month in Review

- **Global equity and bond markets delivered contributions,** fuelled by a 50bp interest rate cut in the US amid healthy activity data and the announcement of significant Chinese stimulus. The MSCI World Index and the JPM Global Government Bond Index rose 1.4% and 1.0%, respectively (hedged to euro).
- **The US Federal Reserve (Fed) cut interest rates by 50bps** as the risks between the employment and inflation sides of its mandate came into balance. With US activity tracking well and the summer growth scares behind us, the Fed's decision to pre-emptively cut rates increased our conviction in a soft-landing outcome. We anticipated this and increased our net equity exposure ahead of the event. Our long equity exposure was contributed in aggregate, with cloud computing names adding most value, while more defensive areas such as healthcare delivered detractions. Our short equity option strategies and long US dollar exposure also detracted.
- **Chinese authorities announced significant policy stimulus.** While the measures provide a contributed liquidity impulse, we remain sceptical about economic outcomes being materially better. As a result, we are still short China-centric currencies, but we did trim our short Australian dollar exposure and switched some of the remaining exposure into options. The liquidity measures coupled with low valuations and positioning support China-exposed equity, and we added long Chinese equity exposure via futures. Earlier in the month, we added back to select luxury consumer names as we felt downside risk in China was sufficiently priced. We also took some profit on our Indian private banks that had performed contributively, with the expectation that investors may shift exposure back to China.
- **European growth remained sluggish,** but the improved US and Chinese backdrops provide some near-term support to the region. We added a short euro versus long US dollar strategy via options to reflect the relative growth profile, and we removed our long German Bund versus short US Treasury strategy, which was more fully priced. Improvements in China and a weaker euro may benefit European equities, and we added long exposure via options.

Looking Ahead

- **We believe that volatility may increase as a result of the US election.** The potential for a Trump victory and higher tariffs being imposed appears underpriced and is a driver for our long US dollar exposure. This view also led us to reduce exposure in Latin American currency.
- **Despite the significant stimulus announced in China we believe more fiscal support is needed** to address the economic structural issues. Nevertheless, we can position for positive short-term sentiment, and the likelihood of the authorities delivering further stimulus has moved higher.

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.

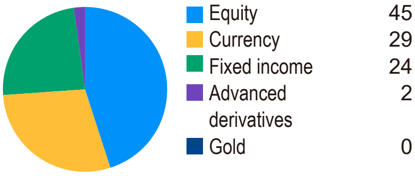
[1] ICE 1 Month EUR LIBOR

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. Diversification does not guarantee positive returns or eliminate risks of loss.

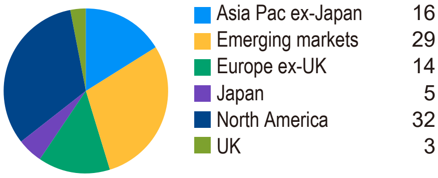
The Fund seeks to achieve its investment objectives stated in the offering document, there is no guarantee the objectives will be met.

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

Asset class risk (%)



Regional risk (%)



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Source for all charts: J.P. Morgan Asset Management, as at 30.09.2024. The pie charts represent the standalone volatility of each category as a proportion of the sum of standalone volatilities using two years of data. 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. Investments involve risks, not all investments are suitable for all investors. Provided for information only, not to be construed as investment recommendation.

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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