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 29 February 2024

Fund Update

The Global Convertibles Conservative Fund posted a positive performance in February, returning +0.6% net of C share class fees, marginally underperforming the benchmark which posted +0.7%.

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

At a sector level, overall contribution was mixed with industrials being the largest contributor, followed by consumer, cyclical and communications. On the other hand, we faced detraction from technology.

On a relative basis, security selection in consumer, cyclical and consumer, non-cyclical contributed to alpha. Conversely, security selection in technology and an overweight position in communications detracted from relative performance.

At a security specific level, not holding Rivian Automotive and an overweight position in Safran contributed to performance. On the other hand, key detractors stemmed from not holding SK Hynix and Uber Technologies.

Market Update

February was a strong month for global stock markets, as resilient economic data, a rebound in China and relatively strong earnings reports contributed to year-to-date gains. Within equities, emerging markets outperformed developed markets, primarily due to a rebound in Chinese stocks which was the best performing major equity market over the month. Even though Chinese stocks had hit five-year lows coming into the month, the market was boosted by strengthening economic activity over the Lunar New Year holiday period. Moreover, the Chinese government announced several supportive interventions, including a cut to the 5-year loan prime rate (a benchmark for mortgage rates), curbs on short selling, as well as stock purchases by state-owned investment firms. Among developed markets, Japan continued its positive run, with the Nikkei 225 Index reaching a new all-time high in over 30 years. Further currency weakness likely helped, given the export-oriented nature of the Japanese stock market, with the Yen falling 2.3% versus the US dollar in February. However, a weaker-than-expected fourth quarter GDP print (-0.1% quarter-on-quarter) put the Japanese economy into a technical recession over the second half of 2023. In the US, earnings season continued. With over 90% of the S&P 500 firms having reported, nearly 75% of them have beaten analysts' earnings forecasts. Economic data also proved resilient, with the US composite Purchasing Managers' Index (PMI) suggesting activity continued to expand over February and the US economy adding 353,000 jobs in January. However, stubbornly high shelter prices resulted in a hotter-than-expected January Consumer Price Index (CPI) print. Headline inflation rose 0.3% month-on-month and 3.1% year-on-year, dampening hopes for rate cuts in the spring. European markets also delivered positive returns but underperformed the broader equity market. This was despite a larger-than-expected rise in the Eurozone composite PMI in February to 48.9 which suggested that the worst of the continent's growth weakness is likely over. Inflation in the region eased marginally in January, falling from a 2.9% year-on-year rise in December to a 2.8% rise in January. UK stocks were flat over the month, following a -0.3% (quarter-on-quarter) fourth quarter GDP print that showed the region falling into a technical recession last year. Recent earnings data from UK companies also somewhat disappointed, leading analysts to downgrade estimates for 2024 profit growth to 4.7% year-on-year.

All of this considered, global convertible bonds (CBs) (represented by the Refinitiv Global Focus Convertible Bond Index) posted positive returns over the month, trailing broad market stocks amid the market's repricing of rates expectations and the surge in mega cap tech. We saw a bit of divergence regionally with all regions except US posting performance in the positive territory with Asia ex-Japan being the largest contributor, followed by Japan and Europe.

Global issuance remained sluggish at the start of February, though deal flow returned later in the month as issuers came to terms with higher for longer rates and capitalized on the recent stock rally. February's volumes totaled USD 9.1bn with over USD 7.9bn coming from the US. Year-to-date, global issuance now totals USD 14.3bn globally led by the US (USD 10.2bn) and Japan (USD 2.5bn).deal.

Performance Update

%	3M	YTD	1y	3y	Since Jan 18*	Since inception**
JPM Global Convertibles Conservative C (acc) – USD	3.1	1.3	6.8	-1.8	2.1	5.6
Benchmark	4.0	-0.7	6.3	-4.3	3.0	5.9
Excess Return (geometric)	-0.9	2.0	0.5	2.6	-0.9	-0.2

%	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.

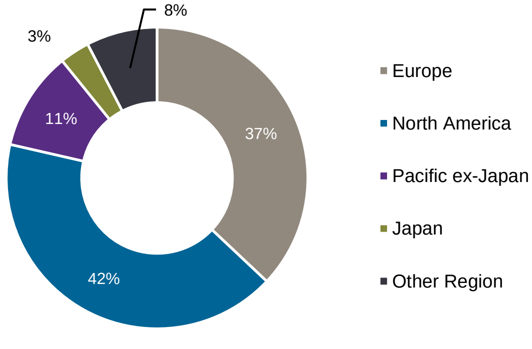
J.P.Morgan Asset Management

JPMorgan Investment Funds – Global Convertibles Conservative Fund

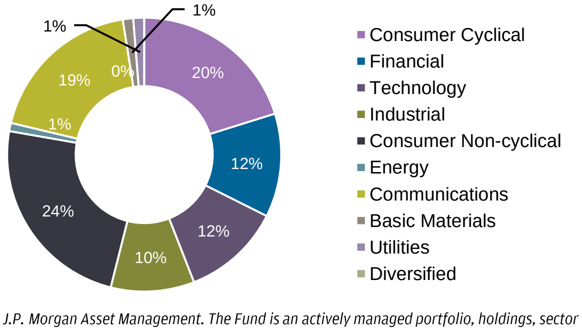
Market Outlook

Equity markets were supported in February by continued strength in the US economy, combined with signs of an uptick in European activity. This economic resilience, alongside signs that inflationary pressures have not yet entirely dissipated, suggests that central banks will likely be on hold for a little while longer. Wars are still ongoing on multiple frontiers that have the potential to deliver further commodity price shocks through the global economy. 2024 is also big year for national elections, with 40 nations scheduled to go to the polls, including four of the world's five most populous countries. This implies that the risks to the global economy have certainly not disappeared and on top of the macro uncertainties, there are numerous political and geopolitical uncertainties. However, from a fundamental perspective, 2024 does look like a better year than 2023. Our research team sees global corporate earnings growing around 10% after two years of little or no growth in most regions. While this may feel high in the context of weaker GDP, there are several robust bottom-up drivers of this growth and cause for excitement for fundamental stock pickers. In addition, valuations look reasonable on our long-term forecasts and are in line with historic averages. Regions outside of the US equities are likely to benefit this year from positive structural changes, a weaker dollar, and exciting governance changes. In the US, mega cap tech will need to continue to beat an ever-higher bar when it comes to high earnings expectations. A softer landing for the economy is likely to benefit more cyclical regions such as Europe and emerging markets, while in the event of a deeper downturn, the more defensive characteristics of the UK market may come to the fore. Additionally, expectations of corporate reform in Japan and a less conservative approach to balance sheet management and shareholder returns have revived enthusiasm for Japanese stocks, further supporting the case for international diversification. Another positive driver for international markets is the narrowing growth differentials between the US and other countries as emerging markets excluding China are set to deliver growth, and the Eurozone and China are likely to bottom out. We expect a broadening of market leadership this year and there is some near-term caution over the big AI winners of 2023. Our highest conviction view across equity markets continue to be higher quality stocks – those with robust balance sheets, proven management teams and a stronger ability to defend margins. Naturally some of these will be found in the technology sector, but there are also good examples in more cyclical sectors such as industrials and financials, as well as more traditionally defensive sectors such as healthcare.

REGIONAL ALLOCATION BREAKDOWN

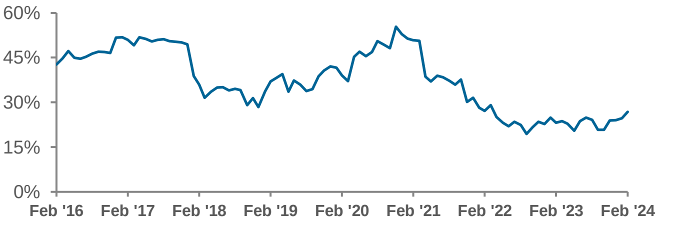


SECTOR ALLOCATION BREAKDOWN



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.

MONTHLY FUND DELTA



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

FUND CHARACTERISTICS	31-Jan-24	29-Feb-24
Delta (%)	24.7	26.9
Yield to best* (%)	3.9	4.0
Current yield (%)	0.6	0.6
Premium to parity (%)	147.4	150.7
Rho (interest rate sensitivity)	X1.7	X1.7
Number of names	66	70
Average credit rating	BBB	BBB
Cash level** (%)	5.5	3.6

*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.

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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 Emerging markets	Equities

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

Credit Currency	Interest rate Liquidity	Market

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.**