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 April 2024

Fund Update

The Global Convertibles Conservative Fund posted a negative performance in April, returning -0.9% net of C share class fees, outperforming the benchmark which posted -2.4%.

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

At a sector level, overall contribution was negative with consumer, cyclical being the largest detractor, followed by consumer, non-cyclical and technology. On the other hand, there were no absolute sectoral contributors.

On a relative basis, an overweight position and security selection in consumer, cyclical and an underweight and security selection in technology contributed to alpha. Conversely, we faced marginal detraction from security selection in basic materials and broad underweight to utilities detracted from relative performance.

At a security specific level, not holding MicroStrategy and Uber Technologies contributed to performance. On the other hand, key detractors stemmed from off-benchmark positions in Visa/Barclays and Celnex.

Market Update

Global equity markets declined in April as a combination of stronger-than-expected US inflation data and the first quarter US GDP print, while weak on first-glance, showed resilient private demand, fueled market fears that the central banks may not ease monetary policy as quickly as previously hoped. Conversely, higher commodity exposure and increased investor interest in lower valued Chinese equities helped emerging market equities deliver positive returns of 0.5% over the month. The changing interest rate expectations were particularly visible in interest rate-sensitive sectors, such as small caps and REITS. In April, small caps ended the month down 5.1% and REITS down 6.3%, both significantly behind the overall large-cap market return. A resilient economic environment and the danger of escalation in the Middle East boosted commodity prices. A combination of rising energy prices, and lower interest rate sensitivity also supported the value segment of the equity market, which outperformed the growth segment on a relative basis. On a regional basis, European equities outperformed their US counterparts. The eurozone's flash composite PMI (Purchasing Managers' Index) rose to 51.4 in April, significantly above the December recessionary level of 47.6, while the UK's composite PMI rose to an expansive 54.0. Unlike the stubborn inflation readings in the US, the eurozone inflation in April remained flat at 2.4% year-on-year, and the important services component fell 30 basis points to 3.7%. The UK headline inflation also receded, although there are still concerns about the stickiness of some core components. Improved growth prospects and inflation dynamics in the region were able to partially compensate for the headwinds of higher for longer interest rates and geopolitical risks. In local currency terms, the MSCI Europe ex-UK Index fell by only 1.5% in April, while UK equities, supported by the high share of energy and commodity companies, delivered positive total returns of 2.5% and ended the month as the top performing equity market. A less inflationary environment, combined with the prospect of stable but slow growth in the euro area and the UK, means that markets are more confident in the prospects for rate cuts from the European Central Bank (ECB) and the Bank of England (BoE) than from the Federal Reserve. The first cut from the ECB is still expected over the summer though there are now only two cuts fully priced by year-end. The BoE is expected to cut a little later with the first cut now priced for September. The S&P 500 Index fell 4.1% over the month as valuations came under pressure from rising bond yields. The economic backdrop remains supportive to corporate earnings and the first quarter earnings season has seen companies broadly beat expectations, albeit against a low bar. Markets were, however, more willing than usual to punish companies that missed estimates as investors looked to see if earnings justified the last six months of valuation expansion. Japanese equities gave up some of the gains that they had made over the last five months. Widening interest rate differentials between Japan and other developed market countries put downward pressure on the yen and increased investor concerns about the risk of imported inflation weakening domestic demand.

All of this considered, global convertible bonds (CBs) (represented by the Refinitiv Global Focus Convertible Bond Index) posted negative returns over the month. From a regional perspective, all regions posted performance in the negative territory with US being the worst performer, followed by Japan and marginal detraction from Europe & Asia ex-Japan.

Global issuance year to date stands at around USD 30bn primarily led by the US. The top 3 reasons for the pickup in US primary activity are a) realization that rates are likely to remain higher-for-longer, b) upcoming maturity hurdle brought about by high issuance levels during the pandemic years coming due in 2025 and 2026 and c) the recent equity rally in the US allowing issuers to lock in relatively attractive pricing terms.

Performance Update

%	3M	YTD	1y	3y	Since Jan 18*	Since inception**
JPM Global Convertibles Conservative C (acc) – USD	1.0	1.7	6.4	-1.9	2.1	5.6
Benchmark	0.1	-1.3	6.4	-4.1	2.8	5.8
Excess Return (geometric)	1.0	3.0	0.0	2.4	-0.7	-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.

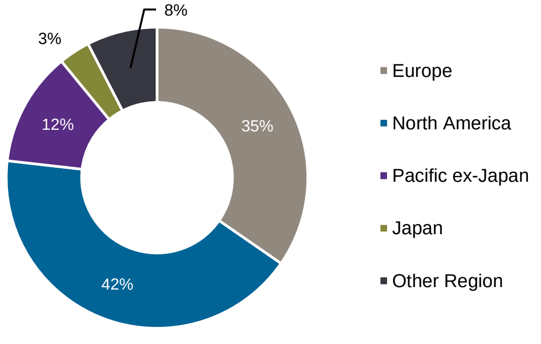
J.P.Morgan Asset Management

JPMorgan Investment Funds – Global Convertibles Conservative Fund

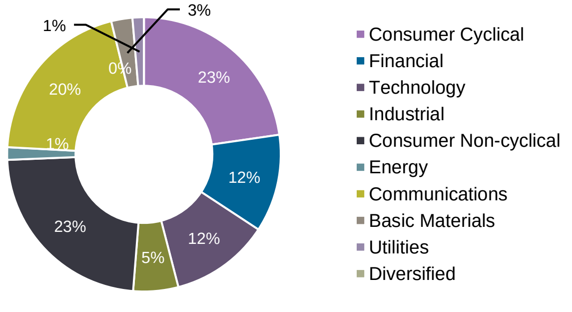
Market Outlook

Equities, so far in 2024, have continued their upward trend despite stronger-than-expected economic data reining in expectations for aggressive Fed easing and pushing long-term interest rates higher. Looking ahead, equity returns will likely hinge on whether the economy can continue to deliver steady growth and slowly declining inflation. In addition to questions about the precise timing and extent of potential 2024 rate cuts, there are a number of other questions that remain unanswered as we move further through the year. 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 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 and we see global corporate earnings growing after two years of little or no growth in most regions. We expect a broadening of market leadership this year and are closely watching the big AI winners of 2023. Particularly in the US, where mega cap tech will need to continue to beat an ever-higher bar when it comes to high earnings expectations. Our highest conviction view across equity markets continues to be higher quality stocks – those with robust balance sheets, proven management teams and a stronger ability to defend margins through different market cycles. 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. Outside of the US, equities are likely to benefit this year from positive structural changes, a weaker dollar, and exciting governance changes. 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 positive growth, while the eurozone and China are likely to bottom out.

REGIONAL ALLOCATION BREAKDOWN



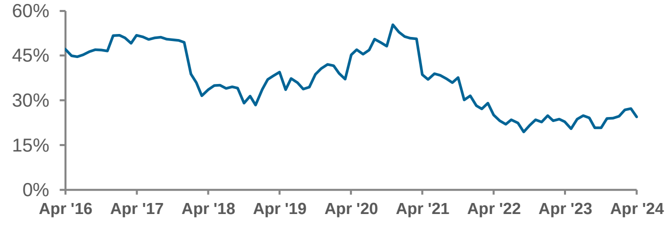
SECTOR ALLOCATION BREAKDOWN



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.

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

MONTHLY FUND DELTA



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

FUND CHARACTERISTICS	31-Mar-24	30-Apr-24
Delta (%)	27.2	24.5
Yield to best* (%)	4.0	4.0
Current yield (%)	0.6	0.7
Premium to parity (%)	142	150
Rho (interest rate sensitivity)	X1.7	X1.7
Number of names	69	71
Average credit rating	BBB	BBB
Cash level** (%)	4.9	5.0

*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.*

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.**

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