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 31 March 2024

Fund Update

The Global Convertibles Conservative Fund posted a positive performance in March, returning 1.3% net of C share class fees, though it underperformed the benchmark which posted 1.8%

At a regional level, overall performance was largely positive with Europe being the largest contributor, followed by North America, Pacific ex-Japan and Japan. On the other hand, there were no regional detractors.

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

On a relative basis, an overweight position and security selection in communications and security selection in consumer, cyclical contributed to alpha. Conversely, a broad underweight to utilities and security selection in energy detracted from relative performance.

At a security specific level, overweight positions in Safran and Xero contributed to performance. On the other hand, key detractors stemmed from not holding Western Digital and NRG Energy.

Market Update

Global equity markets gained in March, continuing their strong performance from the previous month as resilient economic data and falling inflation supported the prospect of a soft landing. The UK was the best performing major equity market in March. Investors cheered as the Bank of England (BoE) Governor, Andrew Bailey mentioned that the British economy is moving in the right direction towards possible rate cuts. Notably, the UK annual inflation slid to 3.4% in February from 4.0% in January and December, its lowest level since September 2021. Moreover, the BoE sees inflation falling below its 2% target in the second quarter, as the household energy price cap is once again lowered in April. European markets also ended the month on a brighter note, fueled by upbeat corporate earnings and expectations of rate cuts from the US Federal Reserve (Fed) and the European Central Bank (ECB) in June. Annual inflation rate in the eurozone eased to 2.6% in February, down from 2.8% in January. A year earlier, the rate was 8.5% in February 2023. Business activity in the Euro area came close to stabilizing in March, as provisional PMI survey data registered only a marginal decline in output of goods and services. A modest recovery of services sector output gained momentum, accompanied by a softening in the rate of manufacturing output decline. Looking ahead, business expectations for the coming 12 months improved for a sixth straight month in March, signaling the highest degree of optimism since February of last year. Japan averted a technical recession as revised official data showed the economy return to growth in the final quarter of 2023, helped by strong capital expenditure. Encouraged by signs of robust wage gains at this year's wage negotiations between unions and employers, Bank of Japan (BoJ) delivered its first rate hike in 17 years, ending its negative interest rate and yield curve control policies. Nikkei 225 hit a fresh record high as BoJ's welcome move signaled the end of deflationary era in Japan. In the US, the fourth quarter earnings season ended on a high note as economic activity remained resilient. Preliminary survey data from the composite Purchasing Managers' Index (PMI) remained firmly in expansionary territory, boosting investor sentiment. Strong job gains and easing wage pressures in February Jobs report should bolster confidence in the Fed's ability to manage a soft landing this year, even with a slower pace of policy easing. While the February inflation reading came in hotter-than-expected at an annual 3.2%, Fed's projections still showed three rate cuts for this year at their March policy meeting where they chose to hold the interest rates for the fifth consecutive meeting.

All of this considered, global convertible bonds (CBs) (represented by the Refinitiv Global Focus Convertible Bond Index) posted positive returns over the month, as all regions gained. From a regional perspective, Europe was the best performing region followed by Asia ex-Japan, the US and Japan.

Global issuance totalled USD 10.8bn over March, driven exclusively by the US (USD 10.4bn). The wave of new deals that began in late February persisted into March as transactions spanned from opportunistic refinance activity to large cap raises from high quality new issuers. Year-to-date, the global market has seen over USD 25bn in issuance, led by the US's nearly USD 21bn, followed by Japan (USD 3bn), with Europe and Asia making the rest.

Performance Update

%	3M	YTD	1y	3y	Since Jan 18*	Since inception**
JPM Global Convertibles Conservative C (acc) - USD	2.5	2.5	7.9	-1.0	2.3	5.7
Benchmark	1.1	1.1	7.9	-2.9	3.3	6.0
Excess Return (geometric)	1.4	1.4	0.0	2.0	-1.0	-0.3

%	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.

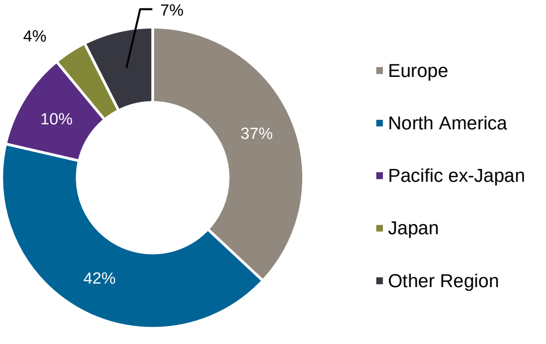
J.P.Morgan Asset Management

JPMorgan Investment Funds – Global Convertibles Conservative Fund

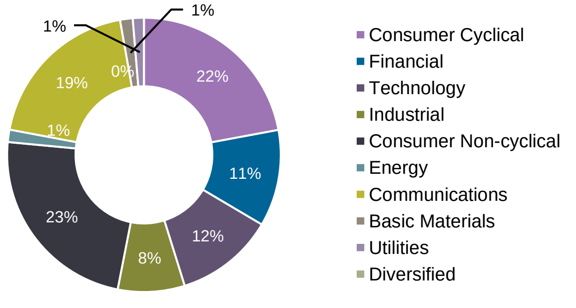
Market Outlook

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 unresolved 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. We see 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 a number of 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 positive growth, while the Eurozone and China are likely to bottom out. We expect a broadening of market leadership this year and there may be some near-term caution over the big AI winners of 2023. 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.

REGIONAL ALLOCATION BREAKDOWN

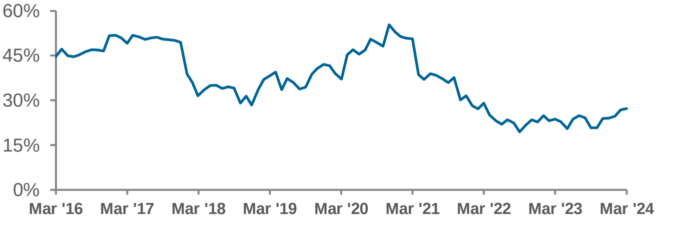


SECTOR ALLOCATION BREAKDOWN



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	29-Feb-24	31-Mar-24
Delta (%)	26.9	27.2
Yield to best* (%)	4.0	4.0
Current yield (%)	0.6	0.6
Premium to parity (%)	150.7	142
Rho (interest rate sensitivity)	X1.7	X1.7
Number of names	70	69
Average credit rating	BBB	BBB
Cash level** (%)	3.6	4.9

*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.**

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