

JPMorgan Investment Funds – Global Income Fund

For available share classes, please check the prospectus.

Topline

Markets – Resilient economic data and strong earnings reports in February boosted equities, while government bonds struggled as investors pushed out rate cuts further into 2024. The MSCI World Index (local currency) returned 4.6% and JPM GBI (USD Hedged) returned -0.8% over February.

Helped – Global equities, emerging market equities, and European equities.

Hurt – US government bonds futures positioning for duration management purposes.

Outlook – The combination of slower growth, cooling inflation, easing monetary policy and supportive valuations continues to support our growing preference for equities and maintains our constructive view on duration and credit. While our base case remains a soft-landing environment, where growth moderates to around trend, strong US earnings reports continue to serve as reassurance for our pro-growth, pro-quality stance on risk.

Fund Overview

Investment objective

To provide regular income by investing primarily in a portfolio of income generating securities, globally, and through the use of derivatives.

Month in Review

- **Within equities**, we maintained our overall exposure over the month but have made some tactical changes. We reduced our allocation to emerging markets equities. The proceeds were used to add further to our US growth exposure via Nasdaq Futures on the back of better-than-expected economic growth, resilient consumer demand and the US Federal Reserve remaining on hold as the US labour market continues to rebalance gradually; meanwhile recent upside risks to inflation should lend support to quality markets. The Information Technology sector has high-quality growth companies, with robust balance sheets.
- **The equity portion of the portfolio contributed** to overall performance in February, largely driven by our allocation to global equities with resilient economic data and relatively strong earnings reports contributing to gains. Our allocations to emerging markets and European equities also contributed to performance, while our allocation to global infrastructure equity detracted from overall performance.
- **The fixed income portion of the portfolio detracted** over the month, primarily driven by our duration positioning expressed via 10-year US government bond futures. Fixed income lagged in February, given the moderation in disinflationary pressures and central bankers finding enough reason to wait to ease policy, leading investors to push out pricing rate cuts further into 2024.
- **In credit**, our allocation to high yield was contributed whereas our allocation to investment grade credit delivered a neutral contribution as less rate sensitive high yield indices outperformed investment grade bonds over the month. Our allocation to emerging market debt delivered a contribution as positioning and flows have remained supportive.
- **Within hybrids**, our allocations to preferred equities and convertibles both delivered a broadly neutral contribution to overall performance.

Looking Ahead

- **Our base case remains a soft-landing environment** where growth moderates to around trend, and strong US earnings reports continue to serve as reassurance for our pro-growth, pro-quality stance on risk.
- **Positive numbers and an upbeat outlook** support our preference for equities with a focus on quality companies with strong balance sheets.
- **We also believe Japanese equities look attractive** given the prospects for reflation and corporate governance reforms.
- **We maintain our preference for shorter duration and higher quality credit.** However, we remain mindful of the negative carry, given the inverted yield curve, and remain patient on long-duration positions as central banks push back on expectations of imminent rate cuts.

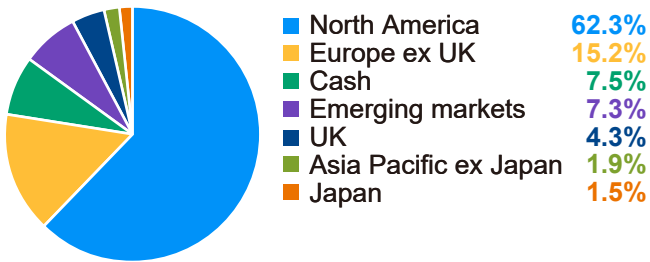
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Source: Fund related information and market commentary – J.P. Morgan Asset Management, other market data – various public sources. Data is as of date of the commentary unless stated otherwise.

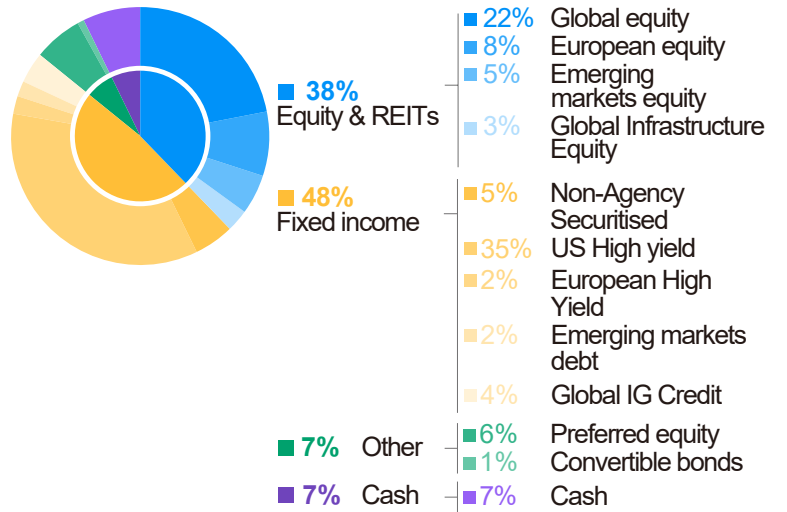
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Regional breakdown (%)



Asset class breakdown (%)



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Source: J.P. Morgan Asset Management. Data as at 29.02.2024. 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. REITS refer to Real Estate Investment Trusts. The companies/securities, asset classes mentioned above for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. 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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