JPMorgan Investment Funds – Global Income Fund

For available share classes, please check the prospectus.

Topline

Markets – July proved to be a volatile month as markets digested a number of notable economic and political developments. Softer inflation and labour-market data from the US heightened expectations of rate cuts, spurring a rotation into small-cap stocks and other interest-rate-sensitive asset classes. Bond markets continued to recover and outperformed equities as the JPM GBI (hedged to the US dollar) returned 1.9%, whereas equity markets returned 1.2% over the month.

Helped – European equities, global equities, US high yield bonds and US government bonds.

Hurt – Emerging market equities.

Outlook – We continue to maintain our expectation of a soft landing and for the US economy to experience a softer patch of growth. We remain constructive on equities and credit as we believe the correction will ultimately be an opportunity to add to risk assets.

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

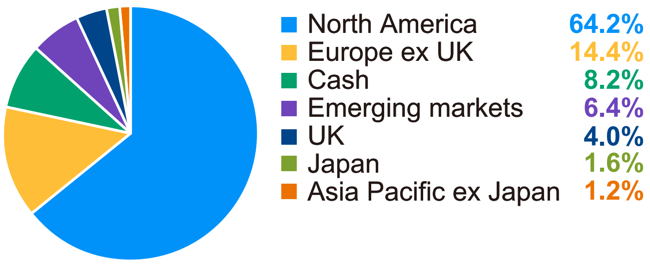
- **Within equities,** we broadly maintained our allocation over the month but made a tactical change as we liquidated our global infrastructure allocation as the economic backdrop remains less supportive for the asset class. We moved the proceeds to global equities where corporates and consumers remain largely in solid shape.
- Our allocation to global equities contributed the most to overall performance. We believe stronger earnings coupled with healthy cash balances could lead to increased capital investments that could potentially enhance future returns, but seasonal factors, positioning and historical patterns suggest that weakness could persist in the near term. European equities also contributed to overall performance as ongoing investor optimism about the economic outlook was supportive. Elsewhere, our allocation to emerging market equities marginally detracted.
- **Our dividend focus was a tailwind.** The broadening of market leadership away from the mega technology names has been encouraging. In our view, solid earnings growth should continue to drive broader equity-market participation.
- **Our fixed income portion** of the portfolio also contributed to overall performance. Our allocation to high yield and investment grade credit contributed as balance sheets remain in good position ahead of a forecasted economic slowdown. Given our expectation that profit growth will continue at a moderately positive rate through year-end, we believe that credit metrics have the potential to remain stable. Our duration position also contributed, but volatile yields within a broad trading range suggests a cautious stance on duration for now.
- **Our allocation to emerging market debt** contributed on the back of solid fundamentals, improving ratings and resilience to US rate volatility. Elsewhere, our allocation to non-agency securitised also contributed to overall performance.
- **Within hybrids,** our allocation to preferred equities contributed to overall performance.

Looking Ahead

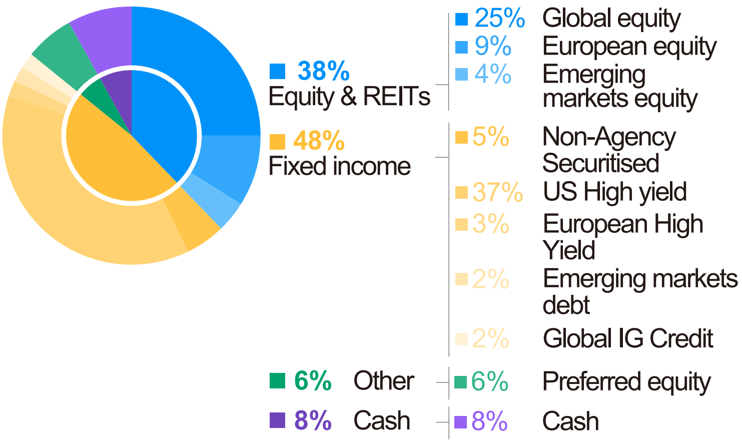
- **Markets have experienced heightened volatility recently,** after the latest labour report led to concerns around a cooling US economy.
- **However, we maintain our expectation of a soft landing** and for the US economy to experience a softer patch of growth. This should allow the US Federal Reserve (Fed) to cut rates, but we do not expect a contractionary economy.
- **Financial markets clearly want to see the Fed ease rates,** and this will help to improve confidence and reduce investor concerns about a recession. Between now and the September Fed meeting, we do expect heightened volatility to persist.
- **We remain constructive on equities and credit** as we believe the correction will ultimately be an opportunity to add to risk assets.

J.P.Morgan
ASSET MANAGEMENT

Regional breakdown (%)



Asset class breakdown (%)



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.

Source: J.P. Morgan Asset Management. Data as at to 31.07.2024. 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:
www.jpmorgan.com/sg/am/per/

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.

Refer to Risk Factors in the Prospectus for further information on risks of the product.