JPMorgan Investment Funds – Global Income Fund

For available share classes, please check the prospectus.

Topline

Markets – In June, markets continued to post strong returns as investors remained broadly optimistic on the economic outlook despite some cracks showing in economic data releases. Equity markets extended their recovery and bond markets continued their recovery but remained at shallower levels, with the MSCI World (local currency) returning 2.3% and the JPM GBI (hedged to US dollars) returning 0.8%.

Helped – Global equities, emerging market equities, US high yield bonds and US government bonds.

Hurt – European equities and global infrastructure.

Outlook – Recent economic data reaffirms our base-case view of moderating growth and cooling inflation. We continue to expect a return to trend-like growth in the second half of 2024, which should support inflation moving towards the US Federal Reserve's (Fed's) target in 2025. As a result, we expect the Fed to deliver one to two cuts this year, starting in September.

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

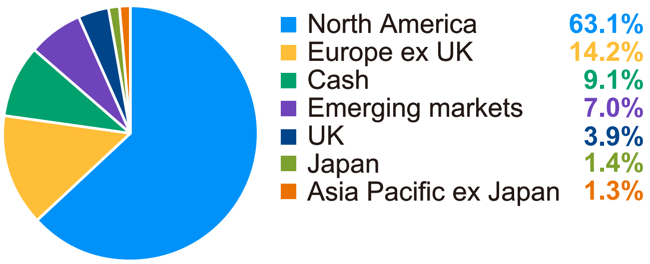
- **Within equities, we broadly maintained our allocation.** However, we made a tactical change as we reduced some of our global infrastructure allocation given that the economic backdrop remains less supportive. We moved the proceeds to cash as dry powder to deploy should an opportunity arise. We hold a moderate conviction in equities as we expect a modest Fed cutting cycle to begin by year-end, subject to a further moderation in inflation. However, reaccelerating inflation and hawkish policy remain tail risks.
- **Our allocation to global equities** contributed the most to overall performance as trend-like global growth is supportive of ongoing earnings growth and valuations are supported by the easing cycle. European equities, on the other hand, detracted despite the lowering of policy rates as the fallout from both the European parliamentary elections and the announcement of snap French elections weighed on investor sentiment. Elsewhere, our allocation to emerging market equities contributed, whereas global infrastructure equities detracted from overall performance.
- **Our dividend focus was a drag** and our fixed income portion of the portfolio contributed to overall performance. Our allocation to high yield and investment grade contributed. We believe slower but positive nominal growth provides a good environment for credit. Both the US high yield and European high yield sectors are supported by strong coupon payments, with fading recession fears and improving quality. Our duration position also contributed, but we believe negative carry and the elevated level of rates volatility relative to other assets further reinforce taking a cautious stance to duration.
- **Our allocation to non-agency securitised** contributed to overall performance, whereas our allocation to emerging market debt marginally detracted.
- **Within hybrids, our allocation to preferred equities** contributed to overall performance.

Looking Ahead

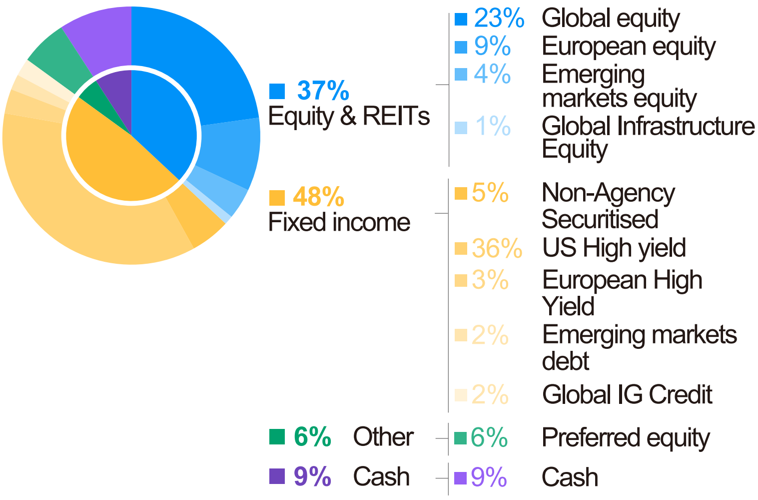
- **With our base case of cooling inflation and growth moderating** to around trend levels, we maintain our pro-risk stance of leaning into equities.
- **Within duration, as there are challenges to our base case** of slowing growth, cooling inflation and easing monetary policy, we have cautious outlook.
- **We maintain a modestly positive view on US credit,** both investment grade and high yield, due to attractive carry and remain neutral on emerging market debt.
- **We see the greatest opportunity in high yield,** which offers the highest yield with the shortest maturity profile.

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 30.06.2024. 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/

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

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