JPMorgan Investment Funds – Global Income Fund

For available share classes, please check the prospectus.

Topline

Markets – May was a better month for markets, as ongoing investor optimism about the economic outlook supported risk assets. Economic data releases tempered concerns of overheating in the US economy and showed signs of a rebalancing in economic momentum. This benefited both equity and bond markets, with the MSCI World (local currency) returning 4.1% and the JPM GBI (USD Hedged) returning 0.6%.

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

Hurt – None.

Outlook – We maintain our base case for rebalancing and cycle extension, as US economic growth is expected to continue to decelerate while growth stabilises in Japan, Europe, and China. We continue to maintain a pro-risk stance as we lean into equities given their positive fundamentals and medium-term technical backdrop.

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.

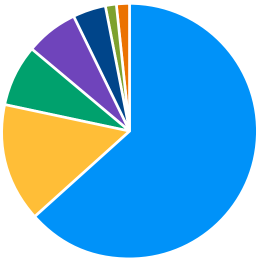
Month in Review

- **We broadly maintained our equities allocation** over the month, as we hold moderate conviction for the asset class.
- **The equity portion of the portfolio contributed** in the month. Our allocation to global equities contributed to overall performance, as the signs of moderating economic growth, declining inflation, and the expectation that central banks will ease policy later this year remains supportive. European equities also contributed, strengthened by strong balance sheets, compelling valuations, and more company buybacks. Elsewhere, our allocation to emerging market equities and global infrastructure managers marginally contributed to overall performance.
- **The fixed income portion of the portfolio** also contributed to overall performance, largely driven by our high yield allocation. Spreads have remained tighter this year. However, fundamentals remain supportive and carry remains attractive. We believe low recession risk should keep defaults in check. Our duration position also contributed. However, over the review period we reduced 0.15 years of duration via 10-year US Treasuries, maintaining a more cautious stance. A shallow cutting cycle means yields may decline slowly and trade within a tighter range.
- **Our allocation to emerging market debt** also contributed, with more positive sentiment being driven by disinflation and central bank easing, which is well underway in these regions.
- **Our allocation to investment grade credit** and non-agency securitised marginally contributed to overall performance.
- **Within hybrids, our allocation to preferred equities** and convertibles both contributed to overall performance. Notably, we closed our convertibles allocation given the market has evolved over recent years and presents less opportunity for income investors in the current environment.

Looking Ahead

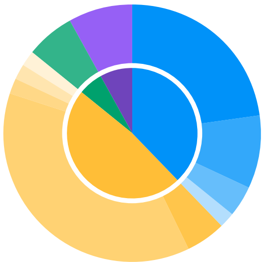
- **We maintain our base case for rebalancing** and cycle extension, as US economic growth is expected to continue to decelerate while growth stabilises in Japan, Europe, and China.
- **We anticipate between one and two cuts** this year from the Federal Reserve (Fed), beginning in September.
- **Overall, we expect the European Central Bank** to diverge from the Fed and to deliver between two and three cuts this year.
- **We continue to maintain a pro-risk stance** as we lean into equities given their positive fundamentals and medium-term technical backdrop. We are aware, however, that current high valuations limit the potential upside.
- **We remain broadly balanced in our duration positioning** given expectations for a shallower cutting cycle ahead.
- **We remain constructive on credit and in particular favour** high yield. We see attractive carry for the asset class, with strong corporate fundamentals and low default risks.

Regional breakdown (%)



North America	63.5%
Europe ex UK	15.0%
Cash	7.7%
Emerging markets	6.8%
UK	4.0%
Asia Pacific ex Japan	1.6%
Japan	1.4%

Asset class breakdown (%)



38% Equity & REITs	23%	Global equity
	9%	European equity
	4%	Emerging markets equity
	2%	Global Infrastructure Equity
48% Fixed income	5%	Non-Agency Securitised
	37%	US High yield
	2%	European High Yield
	2%	Emerging markets debt
	2%	Global IG Credit
6% Other	6%	Preferred equity
8% Cash	8%	Cash

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 31.05.2024. 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.