

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.

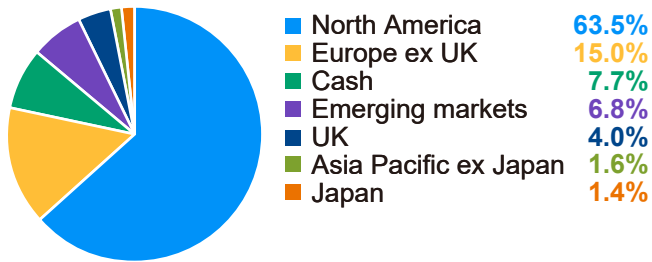
Provided for portfolio update and reporting purposes only to report on portfolio positioning, not to be construed as offer, research or investment advice. Diversification does not guarantee positive returns or eliminates risks of loss.

Source: 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.

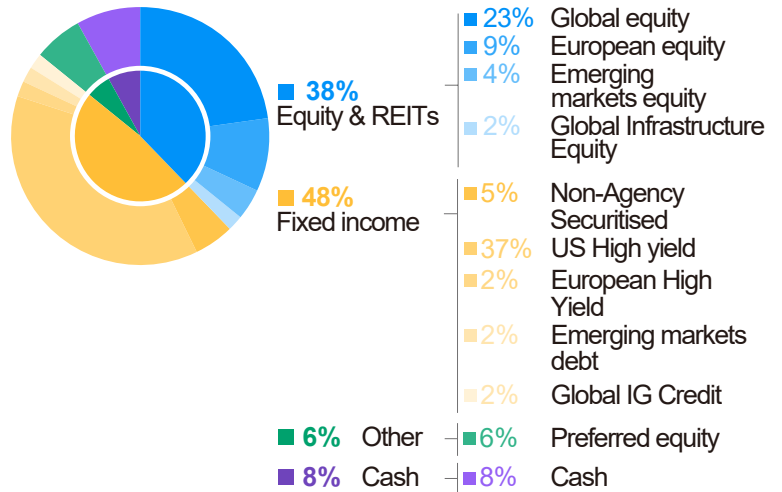
The Fund seeks to achieve its investment objectives stated in the offering document, there is no guarantee the objectives will be met.

The companies/securities, asset classes mentioned above for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. J.P. Morgan Asset Management may or may not hold positions on behalf of its clients in any or all of the aforementioned securities. Past performance is not indicative of future performance. Forecasts/estimates are based on current market conditions subject to change from time to time and may or may not come to pass. Please refer to the Singapore Offering Documents at www.jpmorgan.com/sg/am/per/.

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 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/

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.

This document is meant for informational purposes only and is intended solely for the person to whom it is delivered. It is confidential and may not be reproduced or distributed, in whole or in part, to any third parties and in any jurisdiction without the express prior written consent of JPMorgan Asset Management (Singapore) Limited. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore. It does not constitute investment advice and it should not be treated as an offer to sell or a solicitation of an offer to buy any fund, security, investment product or service. The information contained herein does not constitute J.P. Morgan research and should not be treated as such. Investment involves risks. Investments in funds are not deposits and are not considered as being comparable to deposits. Past performance is not a guarantee or necessarily indicative of future results and investors may not get back the full or any part of the amount invested. Dividend distributions if any are not guaranteed and are made at the manager's discretion. Fund's net asset value may likely have high volatility due to its investment policies or portfolio management techniques. Funds which are invested in emerging markets, smaller companies and financial derivative instruments may also involve higher risks and are usually more sensitive to price movements. Any applicable currency hedging process may not give a precise hedge and there is no guarantee that any hedging will be successful. Investors in a currency hedged fund or share class may have exposure to currencies other than the currency of their fund or share class. Not all investment ideas referenced are suitable for all investors. Investors should make their own investigation or evaluation or seek independent advice prior to making any investment. Opinions, estimates, forecasts, and statements of financial market trends are based on current market conditions and are subject to change without notice. The information provided herein should not be assumed to be accurate or complete and you should conduct your own verification. References to specific securities, asset classes and financial markets and any forecast contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. J.P. Morgan accepts no legal responsibility or liability for any matter or opinion expressed in this material. The fund(s) mentioned in this document has/have been approved as recognised scheme(s) under the Securities and Futures Act, Chapter 289 of Singapore. Any offer or sale, or invitation for subscription or purchase of the Fund(s) must be accompanied with the relevant valid Singapore Offering Documents (which incorporates and is not valid without the relevant Luxembourg prospectus). Please refer to the Singapore Offering Documents (including the risk factors set out therein) and the relevant Product Highlights Sheet for details before any investment. Both the Singapore Offering Documents and the Product Highlights Sheet can be found at www.jpmorgan.com/sg/am/per/. To the extent permitted by applicable law, we may record telephone calls and monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with <https://am.jpmorgan.com/sg/en/asset-management/per/privacy-statement/>. Issued by JPMorgan Asset Management (Singapore) Limited (Co. Reg. No. 197601586K). All rights reserved.