JPMorgan Investment Funds – Global Macro Opportunities Fund

For available share classes, please check the prospectus.

Topline

Markets – Continued solid growth momentum and a strong earnings season saw the equity market extend its gains in February. Meanwhile, inflation data was stickier than the market expected, moderating market pricing for rate cuts and pushing sovereign bond yields higher. The MSCI World Index rose 4.5% and the JPM Global GBI fell 0.9% (hedged to euros).

Helped – Long select equity strategies, particularly healthcare innovation and digital transformation strategies, and long US dollar exposure.

Hurt – Short US large-cap equity strategies.

Outlook – Our outlook on US growth has improved, while Europe is showing some tentative signs of stabilisation. We continue to expect the last leg of disinflation to be bumpy and for central banks to exercise patience. Against this backdrop and with ongoing geopolitical events, we are leaning into points of optimism but remain cautious overall.

Fund Overview

Investment objective

The Fund aims to achieve capital appreciation in excess of its cash benchmark[1] by investing primarily in securities, globally, using derivatives where appropriate.

Month in Review

- **Continued solid growth momentum and a strong earnings season** saw the equity market extend its gains in February. Meanwhile, inflation data was stickier than the market expected, moderating market pricing for rate cuts and pushing sovereign bond yields higher. The MSCI World Index rose 4.5% and the JPM Global GBI fell 0.9% (hedged to euros).
- **The US economy showed further strength,** with labour market and survey data remaining resilient, prompting US growth forecast revisions to climb higher. This supported a continuation of the January risk rally, and our long equity strategies added value, particularly healthcare and technology, while our short equity derivative strategies detracted. The equity rally was helped further by a strong earnings season and another positive artificial-intelligence impulse. Having built conviction over recent months, we upgraded our view on US growth from recovery to expansion. In line with this upgrade, we closed our long US duration strategy at the start of February, which had contributed.
- **Inflation data has challenged the recent narrative of a deflationary path,** with upside surprises in the US and Europe, pushed up particularly by core services. This, combined with communication from speakers at key central banks including the US Federal Reserve and the European Central Bank suggesting patience in the timing of the first cut, prompted a move higher in bond yields as markets reined in expectations for interest rate cuts this year. We had expected a bumpier path of disinflation than what the market was pricing and reflected this in our long US dollar versus short Japanese yen position, which performed well on the repricing.
- **We remain concerned about the outlook for China.** We are long the US dollar versus short China-centric currencies. This reflects our concerns on Chinese growth, where recent measures from authorities, including a rate cut targeting mortgages, are likely to be insufficient to support structural issues challenging the property market. While we maintain a short Chinese renminbi exposure, we closed our long Thai baht position due to deteriorating fundamentals in Thailand driven by weakening domestic data and a disappointing recovery in tourism. Elsewhere in the Asia-Pacific region, Taiwanese and South Korean technology exports continued to be a bright spot, and our long semiconductor manufacturers equity strategy added value.

Looking Ahead

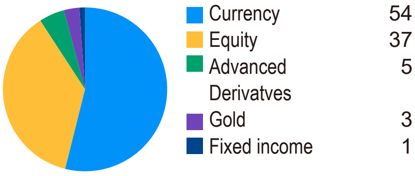
- **Our outlook on US growth has improved,** while Europe is showing some tentative signs of stabilisation. We continue to expect the last leg of disinflation to be bumpy and for central banks to exercise patience. We are closely monitoring developments in growth and inflation.
- **Against this backdrop and with ongoing geopolitical events,** we are leaning into points of optimism but remain cautious overall.

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.

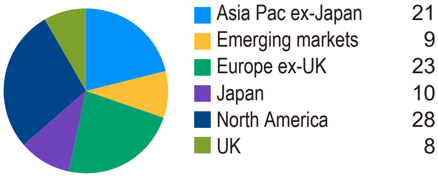
[1] ICE 1 Month EUR LIBOR

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. Diversification does not guarantee positive returns or eliminate risks of loss.
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/.

Asset class risk (%)



Regional risk (%)



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Source for all charts: J.P. Morgan Asset Management, as at 29.02.2024. The pie charts represent the standalone volatility of each category as a proportion of the sum of standalone volatilities using two years of data. 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. 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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