

This is an extract of the draft Prospectus for JPMorgan Funds dated December 2010 and is intended solely for use by the recipient only and must not be forwarded without the consent of JPMorgan Asset Management (Europe) S.à r.l.

Please note that this Prospectus is subject to visa approval by Commission de Surveillance du Secteur Financier (“CSSF”). There is no guarantee that the CSSF will grant approval of this draft in its current form or otherwise. Therefore, information in this document may be subject to updating, completion, revision, verification and amendment.

JPMorgan Funds – US Select Long-Short Equity Fund

Reference Currency

US Dollar (USD)

Benchmark

LIBOR one-month US Dollar deposits

Investment Objective

To achieve a total return through exposure primarily to US companies and through the use of financial derivative instruments.

Investment Policy

At least 67% of the Sub-Fund's total assets (excluding cash and cash equivalents) will be invested, either directly or through the use of financial derivative instruments, in equity and equity linked securities of companies that are incorporated under the laws of, and have their registered office in, the US, or that derive the predominant part of their economic activity from the US, even if listed elsewhere.

The Sub-Fund may also invest in Canadian companies.

Equity exposure may be achieved through investment in shares, depository receipts, warrants and other participation rights. Subject to the foregoing, equity exposure may also be achieved, to a limited extent, through investment in convertible securities, index and participation notes and equity linked notes.

The Sub-Fund uses a long-short strategy, buying equities and equity-linked securities of US companies considered undervalued and selling short equities and equity-linked securities of US companies considered overvalued, using financial derivative instruments where appropriate. The Sub-Fund aims to generate positive absolute returns using a structured investment process that is based on the bottom-up analysis of companies and their future earnings and cashflows by a group of specialist sector analysts.

The Sub-Fund will normally hold, directly or through the use of financial derivative instruments, long positions of up to 175% of its net assets and short positions (achieved through the use of financial derivative instruments) of up to 160% of its net assets. The Sub-Fund will hold sufficient liquid assets (including, if applicable, sufficient liquid long positions) to cover at all times the Sub-Fund's obligations arising from its financial derivative positions (including short positions). The net market exposure of long and short positions will vary depending on market conditions but will normally range from being net short 20% to being net long 50%.

The Sub-Fund will use financial derivative instruments to achieve its investment objective. These may include, but are not limited to, total return swaps, futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts and swap contracts. Financial derivative instruments may also be used for hedging purposes.

Fixed and floating rate debt securities, cash and cash equivalents may be held on an ancillary basis.

The Sub-Fund may also invest in UCITS and other UCIs.

USD is the reference currency of the Sub-Fund but assets may be denominated in other currencies and currency exposure may be hedged.

Techniques and instruments relating to transferable securities and money market instruments (including, but not limited to, securities lending or repurchase agreements) may be used for the purpose of efficient portfolio management.

The global exposure of the Sub-Fund will be monitored using VaR methodology.

All of the above investments will be made in accordance with the limits set out in "Appendix II – Investment Restrictions and Powers".

Investor Profile

This is an equity Sub-Fund with a broad market exposure to US securities markets, designed to deliver a total return. The Sub-Fund will therefore have a higher volatility than its benchmark. Investors in this Sub-Fund should have at least a five year investment horizon.

Risk Profile

- This Sub-Fund is exposed primarily to a portfolio of US equities and equity linked securities, utilising derivative strategies where appropriate.

- Whilst the Sub-Fund has a cash benchmark, it will invest in equities and financial derivative instruments on equities, so that investors will be exposed to stock market fluctuations and the financial performance of the companies held in the Sub-Fund's portfolio or to which the portfolio is exposed.
- Volatility will therefore be higher than that of the cash benchmark and investors may see the value of their investment fall as well as rise on a daily basis, and they may get back less than they originally invested.
- The Sub-Fund will use financial derivative instruments to achieve its investment objective. The risks associated with the derivative instruments listed in the Investment Policy above are further detailed in "Appendix IV – Risk Factors".
- The possible loss from taking a short position on a security differs from the loss that could be incurred from a cash investment in the security; the former may be unlimited as there is no restriction on the price to which a security may rise, whereas the latter cannot exceed the total amount of the cash investment. The short selling of investments may be subject to changes in regulations, which could adversely impact returns to investors.
- The long-short strategy used by the Sub-Fund may not produce the intended results. There is no guarantee that the simultaneous use of long and short positions will succeed in limiting the Sub-Fund's volatility.
- This Sub-Fund is denominated in USD, but may have exposure to non-USD currencies.
- The Sub-Fund will be managed without reference to its benchmark.

Fees and Expenses

Share Class	Initial Charge	Annual Management and Advisory Fee	Operating and Administrative Expenses	Redemption Charge
JPM US Select Long-Short Equity A	5.0%	1.50%	0.40%	0.5%
JPM US Select Long-Short Equity B	Nil	0.90%	0.25%	Nil
JPM US Select Long-Short Equity C	Nil	0.75%	0.20%	Nil
JPM US Select Long-Short Equity D	5.0%	2.25%	0.40%	0.5%
JPM US Select Long-Short Equity I	Nil	0.75%	0.16% Max	Nil
JPM US Select Long-Short Equity X	Nil	Nil	0.15% Max	Nil

Performance Fee

Applicable Share Classes	Performance Fee	Mechanism	Performance Fee Benchmark
All	20%	High Water Mark	LIBOR one-month US Dollar deposits

JPMorgan Funds – Corporate Bond Portfolio Fund II

Reference Currency

Euro (EUR)

Investment Phases

The Sub-Fund will feature three distinct investment phases as described below:

- a period of up to three months following the launch of the Sub-Fund (the “Asset Gathering Period”)
- after the Asset Gathering Period, the Sub-Fund will pursue its principal investment objective for a period of five years (the “Principal Investment Period”).
- following the Principal Investment Period, the Sub-Fund will pursue its final investment policy as described below.

Investment Objective

To achieve a return profile comparable to that achieved by holding, from purchase to maturity, a five-year corporate bond, but with increased diversification by investing primarily in a portfolio of corporate fixed and floating rate debt securities, with maturity dates within six months of the termination of the Principal Investment Period.

Investment Policy

During the Asset Gathering Period

The Sub-Fund will invest all of its assets, excluding cash and deposits, in high quality transferable short term EUR-denominated fixed and floating rate debt securities.

Cash and cash equivalents may be held on an ancillary basis.

The Sub-Fund may invest in UCITS and UCIs.

The Sub-Fund will not invest in convertible bonds, equities or other participation rights.

Within the investment restrictions contained in Appendix II - "Investment Restrictions and Powers", the Sub-Fund may at any time enter into repurchase agreements with highly rated financial institutions specialised in this type of transaction. The collateral underlying the repurchase agreements will also comply with the above credit quality restrictions, although no maturity constraints will apply.

During the Principal Investment Period

The Sub-Fund will invest primarily in a portfolio of corporate fixed and floating rate debt securities with maturity dates within six months of the termination of the Principal Investment Period. The Sub-Fund will invest up to 30% of its total assets in below investment grade securities and unrated securities. Issuers of these securities may be located in any country, including emerging markets.

Whilst the Investment Manager intends to hold such securities until maturity, the Investment Manager has the discretion to sell securities prior to maturity. During the Principal Investment Period, the Investment Manager has the discretion to invest the proceeds from such sales in cash and cash equivalents up to a maximum of 49% of the Sub-Fund's assets.

The Sub-Fund may also invest in global fixed and floating rate debt securities issued by governments, excluding supranationals, local governments and agencies.

The Sub-Fund may invest in UCITS and UCIs.

The Sub-Fund will not invest in convertible bonds, equities or other participation rights.

The Sub-Fund may invest in financial derivative instruments, including equivalent cash settled instruments, for hedging purposes and for efficient portfolio management. Techniques and instruments relating to transferable securities and money market instruments (including, but not limited to, securities lending or repurchase agreements) may be used for the purpose of efficient portfolio management.

The Sub-Fund may invest in assets denominated in any currency; however a substantial part of the assets of the Sub-Fund will be denominated in or hedged into EUR.

After the Principal Investment Period

After the Principal Investment Period, the Sub-Fund will aim to achieve a competitive level of return in the Reference Currency and a high degree of liquidity by investing the proceeds from the previously held corporate

fixed and floating rate debt securities, in high quality transferable EUR-denominated short-term fixed and floating rate debt securities and in cash deposits.

The Sub-Fund may also remain invested in corporate fixed and floating rate debt securities with maturity dates up to six months after the termination of the Principal Investment Period.

Cash and cash equivalents may be held on an ancillary basis.

The Sub-Fund may invest in UCITS and UCIs.

The Sub-Fund will not invest in convertible bonds, equities or other participation rights.

Within the investment restrictions contained in Appendix II - "Investment Restrictions and Powers", the Sub-Fund may at any time enter into repurchase agreements with highly rated financial institutions specialised in this type of transaction. The collateral underlying the repurchase agreements will also comply with the above credit quality restrictions, although no maturity constraints will apply.

All of the above investments will be made in accordance with the limits set out in "Appendix II – Investment Restrictions and Powers".

Investor Profile

This is a bond Sub-Fund that offers exposure primarily to corporate securities maturing within six months of the termination of the Principal Investment Period. The Sub-Fund may be suitable for investors looking to gain exposure to a diversified portfolio of such securities, held from purchase to maturity. Investors should have an investment horizon of at least five years to match the Principal Investment Period of the Sub-Fund.

Risk Profile

- The Sub-Fund will invest in investment grade corporate bonds, each of which may carry a risk of downgrade or default.
- The Sub-Fund will also hold below investment grade (high yield) bonds, which are accompanied by higher risks, due to the greater balance sheet risks and credit risks associated with investing in the asset class. Investors should also be prepared for greater volatility than investments only in investment grade bonds, with an increased risk of capital loss.
- The Sub-Fund may also invest in securities that are not rated by independent rating agencies.
- Corporate bond prices can fluctuate significantly depending on not only the global economic and interest rate conditions but also the general credit market environment and the credit worthiness of the issuer.
- Due to the default risk of any individual holding investors should be aware that there is no guarantee that their initial capital will be returned in full.
- A substantial part of the assets of the Sub-Fund will be denominated or hedged into EUR, although the Sub-Fund may invest in assets denominated in any currency. To the extent that the assets of the Sub-Fund are not denominated in or hedged into EUR, the Sub-Fund will be exposed to currency fluctuations.

Dividend Policy

The Board of Directors intends to declare, semi-annually, a dividend to Shareholders of Share Classes with the suffix (inc). Such dividends will normally be paid in March and September.

Fees and Expenses

Share Class	Initial Charge	Annual Management and Advisory Fee	Operating and Administrative Expenses	Redemption Charge
JPM Corporate Bond Portfolio II - A	3.0%	0.70%	0.20%	0.50%
JPM Corporate Bond Portfolio II - B	Nil	0.40%	0.15%	Nil
JPM Corporate Bond Portfolio II - C	Nil	0.35%	0.15%	Nil
JPM Corporate Bond Portfolio II - D	3.0%	1.05%	0.20%	2.00% ¹
JPM Corporate Bond Portfolio II - I	Nil	0.35%	0.11% Max	Nil
JPM Corporate Bond Portfolio II - X	Nil	Nil	0.10% Max	Nil

¹ A redemption charge of up to 2.00% is applicable to Shareholders who exit the Sub-Fund before the end of the Principal Investment Period. A redemption charge of 0.50% applies after the end of the Principal Investment Period.

JPMorgan Funds – Emerging Markets Investment Grade Bond Fund

Reference Currency

US Dollar (USD)

Benchmark

J.P. Morgan Emerging Market Bond Index Global Diversified Investment Grade Index (Total Return Gross) (70%),
J.P. Morgan Corporate Emerging Market Bond Index Broad Diversified Investment Grade Index (Total Return Gross) (30%)

Benchmark for Hedged Share Classes

J.P. Morgan Emerging Market Bond Index Global Diversified Investment Grade Index (Total Return Gross) hedged into EUR (70%),

J.P. Morgan Corporate Emerging Market Bond Index Broad Diversified Investment Grade Index (Total Return Gross) (30%) hedged into EUR for the EUR hedged Share Classes

Investment Objective

To achieve a return in excess of investment grade bond markets of emerging countries by investing primarily in USD denominated investment grade emerging market bonds and other debt securities, using derivatives where appropriate.

Investment Policy

At least 67% of the Sub-Fund's total assets (excluding cash and cash equivalents) will be invested, either directly or through the use of financial derivative instruments, in USD denominated investment grade fixed and floating rate debt securities issued or guaranteed by emerging market governments or their agencies and by companies that are incorporated under the laws of, and have their registered office in, an emerging market country, or that derive a predominant part of their economic activity from emerging market countries, even if listed elsewhere.

The Sub-Fund's investments in fixed and floating rate debt securities will be restricted, at time of purchase, to securities rated investment grade. However, as a result of downgrade, removal of rating or default of the issuer of such securities after purchase, the Sub-Fund may hold below investment grade securities and unrated securities to a limited extent.

The Sub-Fund may use financial derivative instruments to achieve its investment objective. These may include futures, options, contracts for difference, forward contracts on financial instruments and options on such contracts, credit linked instruments, swap contracts and other fixed income, currency and credit derivatives. Financial derivative instruments may also be used for hedging purposes.

Short-term money market instruments and deposits with credit institutions may be held on an ancillary basis.

The Sub-Fund may also invest in UCITS and other UCIs.

The Sub-Fund will not invest more than 10% of its total assets in convertible bonds, equities or other participation rights.

In principle, a substantial part of the assets of the Sub-Fund will be denominated in or hedged into USD.

Techniques and instruments (including, but not limited to, securities lending or repurchase agreements) relating to transferable securities and money market instruments may be used for the purpose of efficient portfolio management.

The global exposure of the Sub-Fund will be monitored using VaR methodology.

All of the above investments will be made in accordance with the limits set out in "Appendix II – Investment Restrictions and Powers".

Investor Profile

As this bond Sub-Fund invests in investment grade emerging market bonds, it is most suited for investors willing to take the extra risks associated with emerging market investments in search of higher future returns but wishing to restrict their exposure to investment grade bonds. Investors in the Sub-Fund may therefore use it to complement an existing core bond portfolio invested in government or agency bonds from developed markets. As the assets of the Sub-Fund are in principle denominated in, or hedged into, USD, it may be suitable for investors who wish to benefit from these diversification opportunities whilst limiting foreign exchange risks. Due to the higher volatility of emerging market debt securities, investors should have at least a three to five year time horizon.

Risk Profile

- This bond Sub-Fund invests primarily in investment grade emerging market debt securities, which carry a risk of downgrade or default.
- Investment in emerging market bonds is accompanied by higher risks than developed market bonds, including significant price fluctuation and an increased risk of capital loss, due to the political (including capital controls), interest rate and credit risks associated with investing in the asset class.
- Corporate bond prices can fluctuate significantly depending on not only the global economic and interest rate conditions but also the general credit market environment and the credit worthiness of the issuer.
- The Sub-Fund may use financial derivative instruments to achieve its investment objective. The risks associated with the derivative instruments listed in the Investment Policy above are further detailed in "Appendix IV – Risk Factors".
- Due to the possible downgrading in the credit rating of securities, the Sub-Fund may from time to time have exposure to below investment grade securities.

Fees and Expenses

Share Class	Initial Charge	Annual Management and Advisory Fee	Operating and Administrative Expenses	Redemption Charge
JPM Emerging Markets Investment Grade Bond A	3.00%	0.80%	0.40%	0.50%
JPM Emerging Markets Investment Grade Bond B	Nil	0.50%	0.25%	Nil
JPM Emerging Markets Investment Grade Bond C	Nil	0.40%	0.20%	Nil
JPM Emerging Markets Investment Grade Bond D	3.00%	1.20%	0.40%	0.50%
JPM Emerging Markets Investment Grade Bond I	Nil	0.40%	0.16% Max	Nil
JPM Emerging Markets Investment Grade Bond X	Nil	Nil	0.15% Max	Nil

JPMorgan Funds – US Short Duration Bond Fund

Reference Currency

US Dollar (USD)

Benchmark

Barclays Capital 1-3 Year US Government/Credit Bond Index, in USD (Total Return Gross)

Benchmark for Hedged Share Classes

Barclays Capital 1-3 Year US Government/Credit Bond Index, hedged into EUR (Total Return Gross), for the EUR hedged Share Classes

Investment Objective

To achieve a return in excess of US short duration bond markets by investing primarily in US fixed and floating rate debt securities, including asset-backed and mortgage-backed securities.

Investment Policy

At least 90% of the Sub-Fund's total assets (excluding cash and cash equivalents) will be invested in investment grade short term fixed and floating rate debt securities issued or guaranteed by the US government or its agencies and by companies that are incorporated under the laws of, and have their registered office in, the US, or that derive a predominant part of their economic activity from the US, even if listed elsewhere.

The Sub-Fund's investments in fixed and floating rate debt securities will be restricted, at time of purchase, to securities rated investment grade. However, as a result of downgrade, removal of rating or default of the issuer of such securities after purchase, the Sub-Fund may hold below investment grade or unrated securities to a limited extent.

The weighted average interest rate duration of the portfolio shall not exceed three years and the residual interest rate duration of any single security will generally not exceed five years. For floating rate debt securities whose interest rate resets periodically on the basis of a floating reference rate, the time to the next interest rate reset date is used to determine eligibility for this requirement. The maturity of securities may be substantially longer than the periods stated above.

The Sub-Fund will invest a significant portion of its assets in mortgage-backed securities and asset-backed securities whose underlyings include, but are not limited to, mortgages, auto loans, credit cards and student loans. The Sub-Fund's investments in asset-backed securities and mortgage-backed securities will be restricted to securities rated, at the time of purchase, at least investment grade as measured by independent rating agencies such as Moody's or Standard & Poor's.

Short-term money market instruments and deposits with credit institutions may be held on an ancillary basis.

The Sub-Fund may also invest in UCITS and other UCIs.

The Sub-Fund will not invest in convertible bonds, equities or other participation rights.

The Sub-Fund may invest in financial derivative instruments, including equivalent cash settled instruments, for hedging purposes and for efficient portfolio management. Techniques and instruments relating to transferable securities and money market instruments (including, but not limited to, securities lending or repurchase agreements) may be used for the purpose of efficient portfolio management.

All of the above investments will be made in accordance with the limits set out in "Appendix II – Investment Restrictions and Powers".

Investor Profile

This bond Sub-Fund offers access to a broad range of US investment grade corporate and government short duration securities. Therefore, the Sub-Fund may be suitable for investors looking to make an asset allocation into the short duration bond sector in order to have a lower sensitivity to changes in interest rates when compared to an equivalent portfolio of longer-maturity fixed income debt securities. Investors in this Sub-Fund should have at least a one to three year investment horizon.

Risk Profile

- This US bond Sub-Fund invests primarily in investment grade fixed and floating rate debt securities, which carry a risk of downgrade or default.
- Bond prices can fluctuate significantly depending on not only the global economic and interest rate conditions but also the general credit market environment and the credit worthiness of the issuer.

- The risk profile of this Sub-Fund may be higher relative to other fixed income Sub-Funds due to its investments in asset and mortgage-backed securities. Investors should be aware that asset-backed securities and mortgage-backed securities may embed leverage that may result in higher returns but also in higher losses.
- Due to the possible downgrading in the credit rating of securities, the Sub-Fund may, from time to time, have exposure to below investment grade securities.
- The Sub-Fund will be managed with a low reference to its benchmark.

Fees and Expenses

Share Class	Initial Charge	Annual Management and Advisory Fee	Operating and Administrative Expenses	Redemption Charge
JPM US Short Duration Bond A	3.00%	0.60%	0.20%	0.50%
JPM US Short Duration Bond B	Nil	0.35%	0.15%	Nil
JPM US Short Duration Bond C	Nil	0.30%	0.15%	Nil
JPM US Short Duration Bond D	3.00%	0.90%	0.20%	0.50%
JPM US Short Duration Bond I	Nil	0.30%	0.11% Max	Nil
JPM US Short Duration Bond X	Nil	Nil	0.10% Max	Nil