

JPMorgan Funds  
Société d'Investissement à Capital Variable  
Registered Office: European Bank and Business Centre, 6 route de Trèves,  
L-2633 Senningerberg, Grand Duchy of Luxembourg  
R.C.S. Luxembourg B8478

Luxembourg, 27 August 2009

Dear Investor,

**Merger of JPMorgan Funds – Global Life Sciences Fund (the “Fund”) into JPMorgan Funds – Global Healthcare Fund (the “Host Fund”)**

I am writing, on behalf of the Board of Directors (the “Board”) of JPMorgan Funds (the “Company”), to inform you of the merger of the Fund into the Host Fund, a newly created sub-fund in the Company.

In addition, a sub-fund of JPMorgan Investment Funds (another Luxembourg-domiciled Undertaking for Collective Investment in Transferable Securities), JPMorgan Investment Funds – Global Healthtech Fund (having a similar strategy to the Fund), will have been merged into the Host Fund.

The Host Fund will have a broader investment objective by combining the investment objectives of the Fund and JPMorgan Investment Funds – Global Healthtech Fund.

As at 30 June 2009, the net assets of the Fund totalled USD 21.1 million and the net assets of JPMorgan Investment Funds – Global Healthtech Fund totalled USD 17.1 million. Once the mergers into the Host Fund have taken place, it is anticipated that shareholders may benefit from economies of scale and reduced transaction costs. The Host Fund’s increased marketability will in turn enhance its prospects of gathering additional assets.

The investment objective, investment policy, investor profile, benchmark, fees and expenses of both the Fund and the Host Fund are set out in the appendix (the “Appendix”) to this letter.

**The Fund will therefore be merged into the Host Fund on 16 October 2009 (the “Merger Date”). The costs and expenses of the merger will be borne by the Fund up to the fixed or capped level of Operating and Administrative Expenses specified in the Prospectus for the share class of your holding. Transaction costs arising from the rebalancing of the portfolio of the Fund to accommodate the investment objective and policy of the Host Fund will be borne by the Fund. This rebalancing will take place in the period leading up to the Merger Date.**

The merger of the Fund into the Host Fund will be made by way of an exchange of shares. This exchange will be based on the net asset value per share of each share class in the Fund and the net asset value per share of the equivalent share class in the Host Fund calculated at 16:00 CET on the Merger Date. Fractions of shares in the Host Fund may be issued. The number of shares that you receive in the Host Fund may be greater or fewer than the number of shares you hold in the Fund on the Merger Date. A confirmation of the number of new shares issued in the Host Fund on merger will be sent to you after the Merger Date.

We recommend that you seek advice from your usual tax adviser on the tax implications of the merger.

If you do not wish to hold shares in the Host Fund after the Merger Date, you may redeem your shares or switch your holding into another fund of the Company, free of charge until 13 October 2009. **Redemption or switch instructions received after 14.30 CET on 13 October 2009, in respect of shares in the Fund, will not be accepted.** Shares which have not been redeemed by that time will be exchanged on the Merger Date in accordance with the details given above and in the Appendix.

Subscriptions for new shares and the conversion of shares into the Fund have been rejected from 23 March 2009, except for a limited number of subscriptions originating from Regular Savings Plans. No subscriptions have been accepted after 23 April 2009.

If you have any questions concerning the changes detailed here or any other aspect of the Company, please contact the Registered Office of the Company or your usual client adviser.

Please be advised that the latest version of the Prospectus is available free of charge upon request from the Registered Office of the Company or from the Company's local representatives, as applicable. Additionally, the latest version of the Prospectus is available on the website, [www.jpmorganassetmanagement.com](http://www.jpmorganassetmanagement.com).

Yours faithfully,

On behalf of the Board of Directors

  
Berndt May  
Director

## Appendix

### Comparison between the Fund and the Host Fund

#### I. Investment Objectives, Investment Policies, Investor Profiles and Benchmarks

The Investment Objective, Investment Policy, Investor Profile and Benchmark differences between the Fund and the Host Fund are set out below:

	Global Life Sciences Fund (the Fund)	Global Healthcare Fund (the Host Fund)
Investment Objective	To provide long-term capital growth by investing primarily in companies from the biotechnology, healthcare and life sciences sectors ("Life Sciences Companies"), globally.	To <b>achieve a return</b> by investing primarily in <b>pharmaceutical, biotechnology, healthcare services, medical technology</b> and life sciences companies (" <b>Healthcare Companies</b> "), globally.
Investment Policy	<p>At least 67% of the Sub-Fund's total assets (excluding cash and cash equivalents) will be invested in equity and equity linked securities of Life Sciences Companies. Issuers of these securities may be located in any country, including emerging markets.</p> <p>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.</p> <p>Fixed and floating rate debt securities, cash and cash equivalents may be held on an ancillary basis.</p> <p>The Sub-Fund may also invest in UCITS and other UCIs.</p> <p>The Sub-Fund may invest in assets denominated in any currency and currency exposure may be hedged.</p> <p>The Sub-Fund may invest in financial derivative instruments for hedging purposes and for efficient portfolio management. Techniques and instruments relating to transferable securities and money market instruments (including, but not limited</p>	<p>At least 67% of the Sub-Fund's total assets (excluding cash and cash equivalents) will be invested in equity and equity linked securities of <b>Healthcare Companies</b>. Issuers of these securities may be located in any country, including emerging markets.</p> <p>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.</p> <p>Fixed and floating rate debt securities, cash and cash equivalents may be held on an ancillary basis.</p> <p>The Sub-Fund may also invest in UCITS and other UCIs.</p> <p>The Sub-Fund may invest in assets denominated in any currency and currency exposure in this Sub-Fund may be hedged <b>or may be managed by reference to its benchmark</b>.</p> <p>The Sub-Fund may invest in financial derivative instruments for hedging purposes and for efficient portfolio management. Techniques and instruments relating to transferable securities and money market instruments (including, but not limited</p>

	<p>to, securities lending or repurchase agreements) may be used for the purpose of efficient portfolio management.</p> <p>All of the above investments will be made in accordance with the limits set out in "Appendix II – Investment Restrictions and Powers".</p>	<p>to, securities lending or repurchase agreements) may be used for the purpose of efficient portfolio management.</p> <p>All of the above investments will be made in accordance with the limits set out in "Appendix II – Investment Restrictions and Powers".</p>
Investor Profile	<p>This is a specialist equity Sub-Fund investing in the biotechnology, healthcare and pharmaceutical sector (life sciences) of the global stock market.</p> <p>Although this focused approach can result in high relative returns when the life sciences sector is in favour, investors can suffer long periods of underperformance when the sector falls out of favour. The Sub-Fund may, therefore, be suitable for investors with at least a five year investment horizon looking for a higher risk equity strategy to complement an existing core portfolio, or for experienced, diversified investors looking for exclusive exposure to a single stock market sector.</p>	<p>This is a specialist sector equity Sub-Fund investing in <b>Healthcare Companies, globally.</b></p> <p>Although this focused approach can result in high relative returns when <b>Healthcare Companies are</b> in favour with the market, investors can suffer long periods of underperformance when <b>Healthcare Companies are</b> out of favour. The Sub-Fund may, therefore, be suitable for investors with at least a five year investment horizon looking for a higher risk equity strategy to complement an existing core portfolio, or for investors looking for exclusive exposure to <b>Healthcare Companies.</b></p>
Benchmark	75% NASDAQ Biotechnology/ 25% Amex Pharmaceutical (Total Return Gross)	<b>Morgan Stanley Capital International (MSCI) World Healthcare Index USD (Total Return Net)</b>

## II. Fees and Expenses

The total expense ratios (being the sum of the Annual Management and Advisory Fee and the Operating and Administrative Expenses as set out below) of the share classes in the Fund are equal to those of the equivalent share classes in the Host Fund. The Initial and Redemption Charges applied to the Fund and the Host Fund are also identical as set out below:

### The Fund

Share Class	Initial Charge	Annual Management and Advisory Fee	Operating and Administrative Expenses	Redemption Charge
JPM Global Life Sciences A	5.00%	1.50%	0.40%	0.50%
JF Global Life Sciences A	5.00%	1.50%	0.40%	0.50%
JPM Global Life Sciences B	Nil	0.90%	0.25%	Nil

JPM Global Life Sciences C	Nil	0.80%	0.25%	Nil
JPM Global Life Sciences D	5.00%	2.50%	0.40%	0.50%
JPM Global Life Sciences I	Nil	0.80%	0.21% Max	Nil
JPM Global Life Sciences X	Nil	Nil	0.20% Max	Nil

### **The Host Fund**

Share Class	Initial Charge	Annual Management and Advisory Fee	Operating and Administrative Expenses	Redemption Charge
JPM Global Healthcare A	5.0%	1.50%	0.40%	0.50%
JF Global Healthcare A	5.0%	1.50%	0.40%	0.50%
JPM Global Healthcare B	Nil	0.90%	0.25%	Nil
JPM Global Healthcare C	Nil	0.80%	0.25%	Nil
JPM Global Healthcare D	5.0%	2.50%	0.40%	0.50%
JPM Global Healthcare I	Nil	0.80%	0.21% Max	Nil
JPM Global Healthcare X	Nil	Nil	0.20% Max	Nil

### **III. Dividend Policy**

The accumulating share classes of the Fund will be merged into corresponding accumulating share classes of the Host Fund, and the distributing share classes of the Fund will be merged into corresponding distributing share classes of the Host Fund.

### **IV. Investment Manager**

The Investment Managers for the Fund and the Host Fund are set out below:

	The Fund	The Host Fund
Investment Manager	JPMorgan Asset Management (UK) Limited  J.P.Morgan Investment Management Inc.  JF Asset Management	JPMorgan Asset Management (UK) Limited  J.P. Morgan Investment Management Inc.

### **V. Frequency of subscriptions and redemptions**

The dealing days where investors may subscribe and redeem are the same in both the Fund and the Host Fund.

### **VI. Accounting year**

The accounting year of JPMorgan Funds begins on 1 July of each year and terminates on 30 June of the following year and is the same in both the Fund and the Host Fund.