

**JPMorgan Asset Management (Europe) S.à r.l.**  
**(the "Management Company")**  
as management company for  
**JPMorgan Lux Funds**  
**(the "Fund")**  
**Registered Office: 6, route de Trèves, L-2633 Senningerberg,**  
**Grand Duchy of Luxembourg**  
**R.C.S Luxembourg B 27 900**

Luxembourg, 22 September 2009

Dear Investor,

**Amalgamation of JPMorgan Lux Funds – Emerging Markets Bond Fund (the "Sub-Fund") into  
JPMorgan Funds – Emerging Markets Bond Fund (the "Host Sub-Fund")**

I am writing, on behalf of the board of managers of the Management Company, to inform you of an important change that will impact the Sub-Fund. The Management Company has decided that the Fund's structure should be changed from a *fonds commun de placement* ("FCP") to a corporate structure in the form of a *société d'investissement à capital variable* ("SICAV") (see the appendix to this letter (the "Appendix")). A SICAV is a more attractive fund structure for many investors, and this increased marketability will in turn enhance the Sub-Fund's prospects of gathering additional assets and so improve the efficiency of the portfolio. To achieve this, the Management Company has therefore decided to amalgamate the Sub-Fund into the Host Sub-Fund, a newly created sub-fund of JPMorgan Funds (a Luxembourg-domiciled Undertaking for Collective Investment in Transferable Securities compliant with the provisions of the EEC Directive 85/611, as amended), which is structured as a SICAV.

The investment objective, investment policy, benchmark, fees and expenses of the Host Sub-Fund are identical to those of the Sub-Fund and set out in the Appendix to this letter.

**The costs and expenses of the amalgamation will be borne by the Sub-Fund up to the fixed or capped level of Operating and Administrative Expenses specified in the Prospectus for the unit class of your holding. Transaction costs arising from the transfer of assets to the Host Sub-Fund will be borne by the Sub-Fund. The transfer of assets will take place on 30 October 2009 (the "Amalgamation Date").**

On the Amalgamation Date, the Sub-Fund will contribute in kind its assets into the Host Sub-Fund and receive shares newly issued by the Host Sub-Fund. At the same time, the Management Company will declare the liquidation of the Sub-Fund and the newly issued shares of the Host Sub-Fund will be allocated to the Unitholders. As consequence, on the Amalgamation Date, Unitholders in the Sub-Fund will receive, in exchange of their units in the Sub-Fund, the corresponding equivalent number of shares of the corresponding class in the Host Sub-Fund as their holding in the Fund as of the Amalgamation Date.

After the amalgamation of the assets of the Sub-Fund into the Host Sub-Fund, the Fund will cease to exist.

The final annual accounts of the Fund covering the period until the Amalgamation Date will be available free of charge upon request at the Registered Office of the Management Company or from the Fund's local representative. The accounts and records of the Fund will remain deposited at the Registered Offices of the Management Company for a period of five years from the Amalgamation Date.

As a result of the amalgamation, some investors who are resident in the European Union may be affected by the EU Savings Directive. The EU Savings Directive in most cases requires the reporting of income between member states, and will therefore have no impact on the investor. In a limited number of circumstances, withholding tax may be applied by the investor's paying agent. This may be the case when your paying agent is in certain jurisdictions, including but not limited to Luxembourg, Austria, Belgium, Switzerland and the Channel Islands.

**We recommend that you seek advice from your tax adviser on the tax implications (i) of the amalgamation and (ii) of your future holding in a corporate vehicle.**

**Subscriptions into the Sub-Fund will be accepted until 14:30 CET on 27 October 2009.**

If you do not wish to hold shares in the Host Sub-Fund after the Amalgamation Date **or if you do not agree to be bound by the terms and conditions referred to below**, you may redeem your units or switch your holding into another sub-fund of the Luxembourg domiciled JPMorgan fund range, free of charge until 14:30 CET on 27 October 2009. **Redemption or switch instructions received after 14:30 CET on 27 October 2009, in respect of units in the Fund, will not be accepted.** Units which were not redeemed by that time will be exchanged on the Amalgamation Date in accordance with the details given above and in the Appendix.

**From the Amalgamation Date, Unitholders who have received shares in the Host Sub-Fund will be subject to the current Management Company terms and conditions for investing in a SICAV, a copy of which is attached to this letter.**

If you have any questions concerning the amalgamation, please do not hesitate to contact your usual JPMorgan representative.

Unitholders are advised to consult the latest versions of the prospectuses for JPMorgan Lux Funds and for JPMorgan Funds as well as the articles of incorporation of JPMorgan Funds, which are available free of charge upon request at the Registered Office of the Management Company or from the Fund's local representative, as applicable. Additionally, the latest versions of the prospectuses are available on the website, [www.jpmorganassetmanagement.com](http://www.jpmorganassetmanagement.com).

Yours faithfully,

A handwritten signature in black ink, appearing to read 'G Goodhew', with a long horizontal flourish extending to the right.

Graham Goodhew  
Director

## Appendix

### Comparison between the Sub-Fund and the Host Sub-Fund

#### I. The Structure

The structural differences between the JPMorgan Lux Funds (the "Fund") and JPMorgan Funds (the "Host Fund") are set out below:

	The Fund	The Host Fund
Full Name	JPMorgan Lux Funds	JPMorgan Funds
Structure	JPMorgan Lux Funds, a Fonds Commun de Placement ("FCP"). Please refer to the "Form" section in the table below.	<b>JPMorgan Funds, a Société d'Investissement à Capital Variable ("SICAV")</b> . Please refer to the "Form" section in the table below.
Financial year end	31 December	<b>30 June</b>
Management Company and Domiciliary Agent	JPMorgan Asset Management (Europe) S.à r.l.	JPMorgan Asset Management (Europe) S.à r.l.
Supervisory Authority	Commission de Surveillance du Secteur Financier, Grand Duchy of Luxembourg.	Commission de Surveillance du Secteur Financier, Grand Duchy of Luxembourg.
Custodian Bank	J.P.Morgan Bank Luxembourg S.A.	J.P.Morgan Bank Luxembourg S.A.

The main differences between FCP and SICAV structure are set out below:

	The Sub-Fund, a sub-fund of an <b>FCP</b>	The Host Sub-Fund, a sub-fund of a <b>SICAV</b>
Form	An unincorporated co-proprietorship managed in the interest of its co-owners.	A company.
Management Body of undertakings for collective investment in transferable securities (UCITS)	An FCP is managed by a Luxembourg management company governed by Chapter 13 of the Law of 20 <sup>th</sup> December 2002 law on undertakings for collective investment.	The management of a SICAV is carried out by its Board of Directors (the "Board"), elected by the shareholders. The Board of the SICAV has designated a management company governed by Chapter 13 of the Law of 20 <sup>th</sup> December 2002 law on undertakings for collective investment.
Unitholder/Shareholder	Generally an FCP structure requires less decision making involvement from Unitholders, as the Management Company retains much of the decisional rights.	Shareholders in a SICAV approve the annual accounts and elect the Board at the annual general meeting, and approve amendments to the Articles of Incorporation of the SICAV. The Board remains fully liable to shareholders and is elected at the annual general meetings.

#### II. Investment Policies, Objectives and Benchmarks

The Investment Objectives, Policies, Benchmarks and Reference Currencies of the Sub-Fund and the Host Sub-Fund are set out below:

	The Sub-Fund	The Host Sub-Fund
Investment Objective	To achieve a return in excess of the bond markets of emerging countries by investing primarily in emerging market bond and other debt securities.	To achieve a return in excess of the bond markets of emerging countries by investing primarily in emerging market bond and other debt securities.

<p>Investment Policy</p>	<p>At least 67% of the Sub-Fund's total assets (excluding cash and cash equivalents) will be invested in bond and other 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. These investments may include bonds issued by sovereign nations under the Brady Plan for restructuring foreign debt, sovereign and corporate issues in the form of eurobonds, Yankee bonds, and bonds and notes issued by companies and governments which are traded in domestic markets.</p> <p>The Sub-Fund may invest directly in securities listed on the Russian Trading System (RTS) Stock Exchange and the Moscow Interbank Currency Exchange, which are classified as Regulated Markets. Until such time that they become Regulated Markets, the Sub-Fund will limit any direct investment in securities traded on the non Regulated Markets of the Commonwealth of Independent States (together with any other securities not traded on a Regulated Market) to 10% of its net assets.</p> <p>There are no credit quality or maturity restrictions with respect to the securities in which the Sub-Fund may invest.</p> <p>Short-term money market instruments and deposits with credit institutions may be held on an ancillary basis.</p> <p>The Sub-Fund may also invest in UCITS and other UCIs.</p> <p>In any event, the Sub-Fund will neither invest more than 25% of its total assets in convertible bonds, nor invest more than 10% of its total assets in equities and other participation rights.</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, including equivalent cash settled instruments, for hedging purposes and for efficient portfolio</p>	<p>At least 67% of the Sub-Fund's total assets (excluding cash and cash equivalents) will be invested in bond and other 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. These investments may include bonds issued by sovereign nations under the Brady Plan for restructuring foreign debt, sovereign and corporate issues in the form of eurobonds, Yankee bonds, and bonds and notes issued by companies and governments which are traded in domestic markets.</p> <p>The Sub-Fund may invest directly in securities listed on the Russian Trading System (RTS) Stock Exchange and the Moscow Interbank Currency Exchange, which are classified as Regulated Markets. Until such time that they become Regulated Markets, the Sub-Fund will limit any direct investment in securities traded on the non Regulated Markets of the Commonwealth of Independent States (together with any other securities not traded on a Regulated Market) to <b>no more than</b> 10% of its net assets.</p> <p>There are no credit quality or maturity restrictions with respect to the securities in which the Sub-Fund may invest.</p> <p>Short-term money market instruments and deposits with credit institutions may be held on an ancillary basis.</p> <p>The Sub-Fund may also invest in UCITS and other UCIs.</p> <p>In any event, the Sub-Fund will neither invest more than 25% of its total assets in convertible bonds, nor invest more than 10% of its total assets in equities and other participation rights.</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, including equivalent cash settled instruments, for hedging purposes and for efficient portfolio</p>
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	management. 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.	management. 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.
Benchmark	J.P. Morgan Emerging Markets Bond Index (Total Return Gross)	J.P. Morgan Emerging Markets Bond Index <b>Global</b> (Total Return Gross)
Reference Currency	US Dollar (USD)	US Dollar (USD)

The Investor Profile and the Risk Profile remains the same.

### **III. Fees and Expenses**

The total expense ratios (being the sum of the Annual Management and Advisory Fee and the Operating and Administrative Expenses) of the share classes in the Host Sub-Fund are equal to those of the equivalent unit classes in the Sub-Fund. The Fees and Expenses applied to each fund are set out below:

#### **The Sub-Fund**

<b>Class of Units</b>	<b>Initial Charge</b>	<b>Annual Management and Advisory Fee</b>	<b>Operating and Administrative Expenses</b>	<b>Redemption Charge</b>
JPM Emerging Markets Bond A (acc) – USD	3.0%	1.15%	0.40%	0.5%
JPM Emerging Markets Bond B (acc) – USD	Nil	0.70%	0.40%	Nil
JPM Emerging Markets Bond C (acc) – USD	Nil	0.50%	0.20%	Nil
JPM Emerging Markets Bond D (acc) – USD	3.0%	1.85%	0.40%	0.5%
JPM Emerging Markets Bond I (acc) – USD	Nil	0.50%	0.16%Max	Nil
JPM Emerging Markets Bond X (acc) – USD	Nil	Nil	0.15% Max	Nil

#### **The Host Sub-Fund**

<b>Share Class</b>	<b>Initial Charge</b>	<b>Annual Management and Advisory Fee</b>	<b>Operating and Administrative Expenses</b>	<b>Redemption Charge</b>
JPM Emerging Markets Bond A	3.0%	1.15%	0.40%	0.5%
JPM Emerging Markets Bond B	Nil	0.70%	0.40%	Nil
JPM Emerging Markets Bond C	Nil	0.50%	0.20%	Nil
JPM Emerging Markets Bond D	3.0%	1.85%	0.40%	0.5%
JPM Emerging Markets Bond I	Nil	0.50%	0.16% Max	Nil
JPM Emerging Markets Bond X	Nil	Nil	0.15% Max	Nil

#### **IV. Dividend Policy**

The accumulating unit classes of the Sub-Fund will be merged into accumulating share classes of the Host Sub-Fund.

#### **V. Investment Manager**

JPMorgan Asset Management (UK) Limited has been appointed as the Investment Manager in respect of both the Sub-Fund and the Host Sub-Fund.

JPMorgan Investment Management Inc., New York office has been appointed as the Sub-Investment adviser in respect of both the Sub-Fund and the Host Sub-Fund.

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

##### **The Fund**

The dealing days of JPMorgan Lux Funds, where investors may subscribe and redeem are, a week day other than New Year's Eve, New Year's Day, Easter Monday, Christmas Day, the day prior to and following Christmas Day, or, if these days do not fall on week days, holidays in lieu of these days.

##### **The Host Fund**

The dealing days of JPMorgan Funds, where investors may subscribe and redeem, are a week day other than New Year's Day, Easter Monday, Christmas Day and the day prior to and following Christmas Day.