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 B 8478

Address1
Address2
Address3
Address4
Address5
Address6

Luxembourg, 12 January 2012

Dear Investor,

Changes to JPMorgan Funds (the "Fund")

I am writing on behalf of the Board of Directors (the "Board") to inform you of changes being made to certain sub-funds (each a "Sub-Fund") and to the Fund's prospectus (the "Prospectus"). Please carefully review the information contained in this letter.

1. JPMorgan Funds – Managed Reserves Fund

With effect from 21 February 2012 the maturity constraints and credit quality restrictions specified in the Sub-Fund's investment policy will not apply to the collateral underlying repurchase agreements into which the Sub-Fund may enter. Also, mortgage-backed securities will be allowed as collateral for such repurchase agreements.

The Sub-Fund specific details in Appendix III will be amended to reflect this.

If, as a consequence of the changes outlined above, you wish to switch your investment in the Sub-Fund, the switch charge that is usually applicable will be waived for all relevant shareholders for all transactions placed for execution on or between Valuation Day 20 January 2012 and Valuation Day 20 February 2012. You may redeem your investment in the Sub-Fund at anytime with no redemption fee. All other switch and redemption conditions as detailed in the Prospectus still apply.

2. General Prospectus amendments

The Board would like to draw investors' attention to a Prospectus change resulting from the entry into force of the Law of 17 December 2010 (the "2010 Law") which adopts the provisions of the revised EU Directive 2009/65/EC on collective investment undertakings ("UCITS IV Directive").

The 2010 Law requires further information to be included in the prospectus in respect of a fund's risk management process, namely:

- the method used for calculating global exposure: the commitment approach, absolute VaR or relative VaR;
- the expected level of leverage; and
- information on the reference portfolio for those funds using the relative VaR approach to risk measurement

As a result the following amendments have been made to the Prospectus:

a) Appendix II – Investment Restrictions and Powers:

Section “2.1 VaR Methodology” has been expanded to provide additional information with regard the absolute and relative VaR approaches to global exposure monitoring, including details of the regulatory limits in each case and the circumstances in which each approach is appropriate.

In addition, the revised prospectus language outlines the criteria for calculating the expected level of leverage.

b) Appendix III – Sub-Fund Details:

Additional disclosure has been added to “Appendix III - Sub-Fund Details” for those Sub-Funds using VaR as their risk measurement model. This now states whether the Sub-Fund uses an absolute or relative VaR approach, information on the reference portfolio for those Sub-Funds using relative VaR and the expected average level of leverage for the Sub-Fund.

Should you have any questions about the changes made or any other aspect of the Fund, please contact the Registered Office of the Fund or your usual local representative.

Yours faithfully,

BMay

Berndt May
Director