



# JPMorgan Investment Funds – Global Capital Preservation Fund (EUR) (the “Sub-Fund”)

SIMPLIFIED PROSPECTUS – MAY 2007

A Sub-Fund of JPMorgan Investment Funds (the “Fund”), a SICAV incorporated under the laws of the Grand Duchy of Luxembourg.

This simplified prospectus contains key information about the Sub-Fund. If you would like more information before you invest, please consult the full Prospectus. For details about the Sub-Fund’s holdings please see the Fund’s most recent annual or semi-annual report. The rights and duties of the investor as well as the legal relationship with the Sub-Fund are laid down in the full Prospectus. The full Prospectus and the periodical reports may be obtained free of charge from JPMorgan Asset Management.

In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English version shall prevail.

# JPMORGAN INVESTMENT FUNDS –

## Global Capital Preservation Fund (EUR)

### Sub-Fund risk profile

- This Sub-Fund invests primarily in investment grade bonds, both government and non-government, but also has exposure to un-rated bonds, convertible bonds, fixed and floating rate debt securities, money market instruments, equities and cash.
- Because bonds and convertible bonds pay a regular income and have a fixed maturity date, their volatility is expected to be relatively low.
- The risk to initial investment capital is relatively low, although because of the Sub-Fund's exposure to equities, risks are higher than in Sub-Funds that invest only in bonds.
- The Sub-Fund may use financial derivative instruments to achieve its investment objective.
- Strict risk controls are designed to keep the Sub-Fund's expected volatility below that of an investment in global equities.
- This Sub-Fund is denominated in EUR and when assets are denominated in other currencies, these will generally be hedged back into EUR.
- The risks associated with the derivative instruments listed in the Investment Policy above are further detailed in Appendix IV – Risk Factors.
- Investors should also be aware that the Sub-Fund is subject to a 10% Performance Fee which can cause additional volatility in the price of Shares.

### Profile of the typical investor

This Sub-Fund invests in equities, convertible bonds, fixed and floating rate debt securities, and money market instruments. It is most suited for investors who would like an income and the opportunity for investment growth through modest equity exposure, while enjoying some downside protection. Since the Sub-Fund is bond biased it is most suited to investors that are risk averse. Investors will therefore likely use the Sub-Fund to complement an existing core portfolio of bonds, in order to gain greater diversification. The Sub-Fund can also be used as a stand-alone investment for investors looking to produce steady capital growth. The Sub-Fund is managed against a cash benchmark. Because of the additional volatility associated with equities and convertible bonds, investors in this Sub-Fund should also have at least a two-to-three year investment horizon.

Launch Date of the Sub-Fund	30/06/95
Total Assets	EUR 2.4b as at 31/12/06
Investment Manager	JPMorgan Asset Management (UK) Limited
Benchmark	LIBOR one-month Euro deposits (Total Return Gross)
Appendix	Any reference to an Appendix refers to an appendix to the full Prospectus

### Investment objective

To achieve, over a medium-term horizon (2 to 3 years), a return in excess of its cash benchmark from a portfolio of securities, globally using derivative strategies where appropriate.

### Investment policy

The Sub-Fund will primarily invest in a portfolio of fixed and floating rate debt securities, equity and equity linked securities (including depository receipts, warrants and other participation rights), index and participation notes, equity linked notes, convertible securities, deposits with credit institutions, and money market instruments. Issuers of these securities may be located in any country, including emerging markets.

The Sub-Fund may use financial derivative instruments to achieve its investment objective. Financial derivative instruments may also be used for hedging purposes.

Financial derivative instruments utilised by the Sub-Fund may include, but are not limited to, futures, options, contracts for difference, total return swaps, selected OTC derivatives and other derivative products.

The Investment Manager will vary asset and country allocations over time to reflect market conditions and opportunities.

The Sub-Fund's fixed and floating rate debt securities will generally be restricted to securities rated at least A or equivalent, for longer-term securities, or at least A1 or equivalent, for shorter-term securities, as measured by independent rating agencies such as Moody's and Standard & Poor's. The convertible securities will usually have an average credit quality of Baa2 or equivalent as measured by independent rating agencies such as Moody's and Standard & Poor's. Within this constraint, the Sub-Fund may invest in below investment grade securities and unrated securities.

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

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.

EUR is the reference currency of the Sub-Fund but assets may be denominated in other currencies. The currency exposure in this Sub-Fund may be hedged.

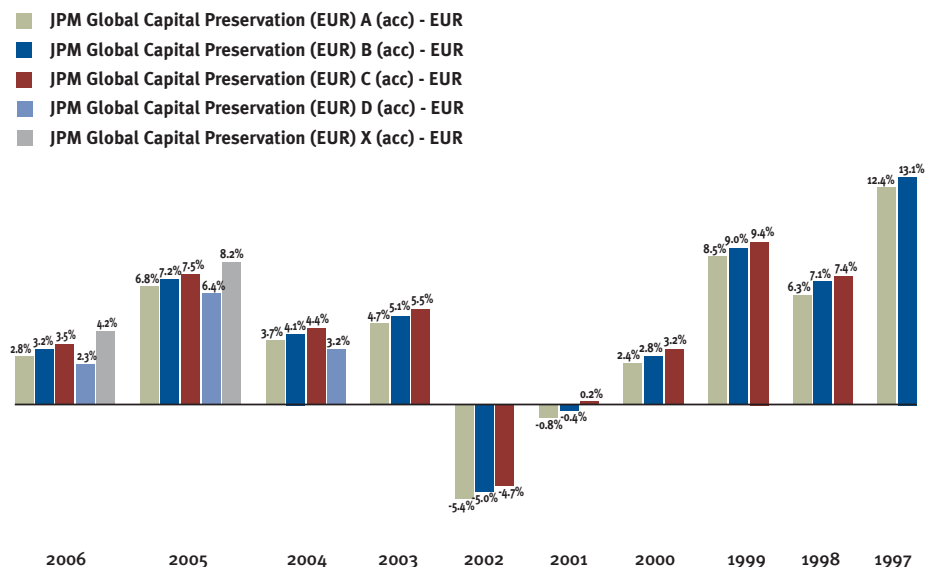
The Sub-Fund is expected to have an overall level of volatility lower than that of an investment in global equities.

The global exposure relating to derivative instruments will be monitored using Value at Risk methodology.

All of the above investments will be made in accordance with the limits set out in Appendix II.

### Annual performance (for launched share classes only)

Where a share class has previously been active but is now inactive, no performance is shown in the chart below but would however be similar to that of the share classes shown.



Rolling 12 month performance at 31 December.  
All performance details are NAV to NAV with gross income reinvested.  
Source: JPM/JPMorgan Chase.



## Fees and Expenses

Share Class	Min. Initial Investment (USD or equivalent)	Initial Charge	Annual Mgmt. & Advisory Fee	Operating & Admin. Expenses	Redemption Charge
JPM Global Capital Preservation (EUR) A (acc) - EUR	25,000	5.00%	1.25%	0.20%	0.50%
JPM Global Capital Preservation (EUR) A (dist) - EUR	25,000	5.00%	1.25%	0.20%	0.50%
JPM Global Capital Preservation (EUR) A (inc) - EUR	25,000	5.00%	1.25%	0.20%	0.50%
JPM Global Capital Preservation (EUR) A (acc) - USD	25,000	5.00%	1.25%	0.20%	0.50%
JPM Global Capital Preservation (EUR) B (acc) - EUR	5,000,000	Nil	0.85%	0.20%	Nil
JPM Global Capital Preservation (EUR) C (acc) - EUR	10,000,000	Nil	0.60%	0.15% <sup>Max</sup>	Nil
JPM Global Capital Preservation (EUR) D (acc) - EUR	5,000	5.00%	1.70%	0.20%	0.50%
JPM Global Capital Preservation (EUR) D (acc) - USD	5,000	5.00%	1.70%	0.20%	0.50%
JPM Global Capital Preservation (EUR) I (acc) - EUR	10,000,000	Nil	0.60%	0.11% <sup>Max</sup>	Nil
JPM Global Capital Preservation (EUR) I (inc) - EUR	On application	Nil	0.60%	0.11% <sup>Max</sup>	Nil
JPM Global Capital Preservation (EUR) X (acc) - EUR	On application	Nil	Nil	0.10% <sup>Max</sup>	Nil
JPM Global Capital Preservation (EUR) X (inc) - EUR	On application	Nil	Nil	0.10% <sup>Max</sup>	Nil

All fees are a % NAV.

Operating and Administrative Expenses include but are not limited to custody and administration fees.

## Fees and Expenses

Fees are charged to investors when buying or selling shares of the Sub-Fund. The maximum initial charge for the Sub-Fund is 5% and the maximum redemption charge is 0.5%. The Board of Directors may apply a conversion charge not exceeding 1% of the net asset value of the shares in the new Share Class. Where a shareholder requests a conversion into a Share Class with a higher initial charge, then the additional initial charge payable for that Share Class may be charged. The Management Company is entitled to any charges arising from conversions and any rounding adjustment.

The Annual Management and Advisory Fee is accrued daily and payable monthly in arrears. Annual Management and Advisory Fee payable by the X Share Class of the Sub-Fund is administratively levied and collected by the Management Company or the appropriate JPMorgan Chase & Co. entity directly from the Shareholder. The fee is therefore listed as nil in the Fees and Expenses table, due to it not being levied on the Sub-Fund.

The amount of each charge and expense depends on the Class of Share. The Sub-Fund bears all its ordinary operating expenses.

Operating and Administrative Expenses borne by the A, B and D Share Classes of the Sub-Fund are set at a fixed rate as specified on the previous page and the Management Company pays the portion of such Operating and Administrative Expenses which exceed this rate. Conversely, the Management Company is entitled to retain any amount by which the fixed rate of Operating and Administrative Expenses to be borne by the relevant Share Class exceeds the actual expenses incurred by such Share Class. For some Share Classes, the Operating and Administrative Expenses are capped at a maximum figure. Any excess of Operating and Administrative Expenses allocable to that Share Class over the maximum figure is borne by the Management Company. If the annual Operating and Administrative Expenses fall below the stated percentage, the fees will be reduced by the amount of the shortfall.

Each of the Classes of Shares will charge a performance fee at a Performance Fee Rate of 10% on excess return above the benchmark. On each Valuation Day, an accrual is made for the previous Valuation Day's Performance Fee. During periods of market volatility, this may cause unusual fluctuations in the net asset value per share of each Class for which a performance fee is charged. These fluctuations may happen where the impact of a performance fee causes the net asset value per share to be reduced whilst the returns from underlying assets have increased. Conversely, the impact of a negative performance fee can cause the net asset value per share to be increased whilst the underlying assets have decreased. Performance Fee is payable annually. In addition, there is a high watermark reset at the financial year-end to ensure that underperformance is made up before a performance fee can be charged.

## Additional important information

### Financial year end of the Fund

31/12

### Structure

The Fund operates separate Sub-Funds, each of which is represented by one or more classes of Shares. The Sub-Funds are distinguished by their specific investment policy or any other specific features. The full Prospectus comprises a description of all Sub-Funds.

### Legal Structure

Sub-Fund of the SICAV JPMorgan Investment Funds governed by Part I of the Luxembourg law of 20 December 2002.

### Incorporation Date of the Fund

22/12/94

### Management Company and Domiciliary Agent

JPMorgan Asset Management (Europe) S.à r.l., European Bank and Business Centre, 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg.

### Registered Office

European Bank and Business Centre, 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg.

Prices of shares are available from the Registered Office of the Fund.

### Supervisory Authority

Commission de Surveillance du Secteur Financier, Luxembourg.

### Custodian Bank

J.P. Morgan Bank Luxembourg S.A., 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg.

### Independent Auditor

PricewaterhouseCoopers S.à r.l., 400 route d'Esch, B.P. 1443, L-1014 Luxembourg, Grand Duchy of Luxembourg.

## Treatment of Income

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It is intended that all those Classes of Shares with the suffix “(dist)” will distribute at least 85% of the net investment income attributable to such Classes of Shares, computed broadly in accordance with the definition of net taxable income under United Kingdom corporation tax principles (subject to the application of any *de minimis* threshold) so that these Classes of Shares of the Fund continue to qualify as “distributing” for the purposes of United Kingdom tax legislation relating to offshore sub-funds.

Classes of Shares with the suffix “(inc)” may pay dividends but will **not** qualify as “distributing” for the purposes of United Kingdom tax legislation relating to offshore Funds.

Those Classes of Shares with the suffix “(acc)” will not normally pay dividends.

Payment of dividends on distributing Classes of Shares will normally be made in March of each year.

## Taxation of the Fund

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Under current law and practice, the Fund is not liable to any Luxembourg income tax, nor are dividends paid by the Fund liable to any Luxembourg withholding tax. However, the Fund is liable in Luxembourg to a subscription tax (“taxe d’abonnement”) of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the total net asset value of the Fund at the end of the relevant quarter. This tax is not applicable for the portion of the assets of the Fund invested in other Luxembourg collective investment undertakings. No tax is levied on the portion of the assets of the Fund invested in units of other Luxembourg collective investment undertakings provided such units have already been subject to such tax.

The regular income of the Sub-Fund from some of its securities as well as interest earned on cash deposits in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered.

## Taxation of the Shareholder

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The Council of the EU has, on June 3, 2003, adopted Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the “Directive”). The Directive was implemented in Luxembourg by a law of June 21, 2005 (the “EUSD Law”). Under the EUSD Law, dividend and/or redemption proceeds from shares of a sub-fund paid to individuals may be subject to withholding tax or give rise to exchange of information with tax authorities. Whether the EUSD Law will be applicable in any particular case and the implications arising therefrom depend on various factors, such as the asset class of the relevant sub-fund, the location of the paying agent used and the tax residency of the shareholders concerned. More details of the implications of the Directive and the EUSD Law are contained in the full Prospectus, and investors should also seek advice from their financial or tax adviser.

The repercussion of an investment in the Sub-Fund on the individual tax bill of an investor depends on the fiscal regulations applicable in his particular case. Consulting a local tax adviser is therefore recommended.

## How to buy, sell and convert shares

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Directly from the local sales agents, the Management Company or at the address given in the full Prospectus or annual report of the Fund, subject to the minimum initial investment for the Share Class. Applications for subscriptions, redemptions and conversions should be received on any Valuation Day<sup>^</sup> before 14.30 Luxembourg time. Shares purchased will be issued at the relevant offer price on that day. Shares redeemed will be sold at the relevant bid price on that day. The offer price is the net asset value increased by an initial charge, if applicable, and the bid price is the net asset value decreased by a redemption charge, if any, subject in both cases to roundings (please consult part 3.7 of the ‘General Information’ section of the full Prospectus for further information on the calculation of prices). Shareholders have the right to convert all or part of their shares of any Share Class of a Sub-Fund into shares of another existing Class of that or another Sub-Fund, or to shares of any other collective investment scheme managed by a member of the JPMorgan Group. This will normally be effected at the first Valuation Day common to both Sub-Funds after receipt of instructions, normally on a bid to NAV basis, plus the applicable conversion fee and any additional initial charge which may occur when converting between Share Classes with differing initial charges.

To mitigate the risk of error and fraud, the Management Company may have to verify, confirm or clarify shareholder payment instructions relating to redemption applications and dividend payments.

<sup>^</sup> A Valuation Day is any business day other than, in relation to a Sub-Fund’s investments, a day on which any exchange or market on which a substantial portion of the relevant Sub-Fund’s investments is traded, is closed or while dealings on any such exchange or market are restricted or suspended. A business day is 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.

**For further information, including the full Prospectus for the Fund, please visit [www.jpmorganassetmanagement.com](http://www.jpmorganassetmanagement.com) or contact:**

**The Management Company**

**JPMorgan Asset Management (Europe) S.à r.l.**

European Bank and Business Centre

6 route de Trèves

L-2633 Senningerberg

Grand Duchy of Luxembourg

Tel No: (352) 34 101 Fax No: (352) 3410 8000

Or alternatively, e-mail: [fundinfo@jpmorgan.com](mailto:fundinfo@jpmorgan.com)

This simplified Prospectus contains only basic information on the Sub-Fund and the SICAV. Subscriptions may only be based on the latest available Prospectus and local offering document (if applicable) of the relevant Sub-Funds which contain more information regarding charges, entry fees and minimum investment amount. Past performance is not a guide to the future and investors may not get back the full amount invested. When investing in an emerging markets fund, emerging markets may be more volatile and the risk to your capital is greater. For more detailed information, please ask for the latest full Prospectus and annual and semi-annual reports, which are freely available from the following address: JPMorgan Asset Management (Europe) S.à r.l., European Bank and Business Centre, 6 route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg, or directly at the following web site: [www.jpmorganassetmanagement.com](http://www.jpmorganassetmanagement.com)