

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 28183; 812-13418]

JPMorgan Trust I, et al.; Notice of Application

March 4, 2008

Agency: Securities and Exchange Commission (“Commission”).

Action: Notice of an application under section 6(c) of the Investment Company Act of 1940 (“Act”) for an exemption from rule 12d1-2(a) under the Act.

Summary of Application: Applicants request an order to permit funds of funds relying on rule 12d1-2 under the Act to invest in certain financial instruments.

Applicants: JPMorgan Trust I, JPMorgan Trust II, JPMorgan Insurance Trust, J. P Morgan Mutual Fund Group, J. P Morgan Mutual Fund Investment Trust, J. P Morgan Fleming Mutual Fund Group, Inc., Undiscovered Managers Funds, JPMorgan Institutional Trust, J. P Morgan Series Trust II (collectively, the “Trusts”), J. P Morgan Investment Management, Inc. (“JPMIM”), JPMorgan Investment Advisors, Inc. (“JPMIA”), Security Capital Research & Management Incorporated (“Security Capital,” collectively with JPMIM and JPMIA, the “Advisors”), and JPMorgan Distribution Services, Inc. (the “Distributor”).

Filing Dates: The application was filed on August 9, 2007, and amended on November 21, 2007 and January 30, 2008. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

Hearing or Notification of Hearing: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission’s Secretary and serving applicants with a copy of the request, personally

or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on March 31, 2008 and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

Addresses: Secretary, Commission, 100 F Street, NE, Washington, DC 20549-1520; Applicants, c/o Jessica K. Ditullio, JPMorgan Funds, 1111 Polaris Parkway, Columbus, Ohio 43271.

For Further Information Contact: Lewis Reich, Senior Counsel, at (202) 551-6919, or Nadya B. Roytblat, Assistant Director, at (202) 551-6821 (Division of Investment Management, Office of Investment Company Regulation).

Supplementary Information: The following is a summary of the application. The complete application may be obtained for a fee at the Commission's Public Reference Branch, 100 F Street, NE, Washington, DC 20549-0104 (telephone (202) 551-8090).

Applicants' Representations:

1. Each Trust is organized as a Delaware statutory trust, a Maryland corporation or a Massachusetts business trust and is registered under the Act as an open-end management investment company. The Trusts offer separate series ("Funds of Funds") that may invest in other registered open-end management investment companies in reliance on section 12(d)(1)(G) of the Act and rule 12d1-2 under the Act ("Underlying Funds" and together with the Funds of Funds, "Funds").<sup>1</sup> Applicants propose that the Funds of Funds be

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<sup>1</sup> Applicants request that the relief apply to all existing and future series of the Trusts and any other registered open-end management investment companies and their series that are in the same

permitted to invest in financial instruments that may not be considered securities within the meaning of section 2(a)(36) of the Act (“Other Investments”) and are consistent with the investment objective of a Funds of Funds.<sup>2</sup>

2. The Advisors are Delaware or Ohio corporations that are indirect, wholly-owned subsidiaries of JPMorgan Chase & Co., a Delaware bank holding company holding company. The Advisors are registered as investment advisers under the Investment Advisers Act of 1940 and serve as investment adviser to the Funds. The Distributor, a Delaware corporation and a direct, wholly-owned subsidiary of JPMorgan Chase & Co., is registered as a broker-dealer under the Securities Exchange Act of 1934 Act (“Exchange Act”) and serves as the distributor for the Funds.

Applicants’ Legal Analysis:

1. Section 12(d)(1)(A) of the Act provides that no registered investment company (“acquiring company”) may acquire securities of another investment company (“acquired company”) if such securities represent more than 3% of the acquired company’s outstanding voting stock or more than 5% of the acquiring company’s total assets, or if such securities, together with the securities of other investment companies, represent more than 10% of the acquiring company’s total assets. Section 12(d)(1)(B) of the Act provides that no registered open-end investment company may sell its securities to another investment company if the sale will cause the acquiring company to own more than 3% of

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group of investment companies, as defined in section 12(d)(1)(G) of the Act, as the Trusts. All Funds that currently intend to rely on the order have been named as applicants. Any other existing or future entity that relies on the order in the future will do so only in accordance with the terms and conditions in the application.

the acquired company's voting stock, or cause more than 10% of the acquired company's voting stock to be owned by investment companies.

2. Section 12(d)(1)(G) of the Act provides that section 12(d)(1) will not apply to securities of an acquired company purchased by an acquiring company if: (i) the acquiring company and acquired company are part of the same group of investment companies; (ii) the acquiring company holds only securities of acquired companies that are part of the same group of investment companies, government securities, and short-term paper; (iii) the aggregate sales loads and distribution-related fees of the acquiring company and the acquired company are not excessive under rules adopted pursuant to section 22(b) or section 22(c) of the Act by a securities association registered under section 15A of the Exchange Act or by the Commission; and (iv) the acquired company has a policy that prohibits it from acquiring securities of registered open-end management investment companies or registered unit investment trusts in reliance on section 12(d)(1)(F) or (G) of the Act.

3. Rule 12d1-2 under the Act permits a registered open-end investment company or a registered unit investment trust that relies on section 12(d)(1)(G) of the Act to acquire, in addition to securities issued by another registered investment company in the same group of investment companies, government securities, and short-term paper: (1) securities issued by an investment company that is not in the same group of investment companies, when the acquisition is in reliance on section 12(d)(1)(A) or 12(d)(1)(F) of the Act; (2) securities (other than securities issued by an investment company); and (3) securities issued by a money market fund, when the investment is in reliance on rule 12d1-1 under the Act. For

the purposes of rule 12d1-2, “securities” means any security as defined in section 2(a)(36) of the Act.

4. Section 6(c) of the Act provides that the Commission may exempt any person, security, or transaction from any provisions of the Act, or from any rule under the Act, if such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policies and provisions of the Act.

5. Applicants state that the proposed arrangement would comply with the provisions of rule 12d1-2 under the Act, but for the fact that the Funds of Funds may invest a portion of their assets in Other Investments. Applicants request an order under section 6(c) of the Act for an exemption from rule 12d1-2(a) to allow the Funds of Funds to invest in Other Investments. Applicants assert that permitting the Funds of Funds to invest in Other Investments as described in the application would not raise any of the concerns that the requirements of section 12(d)(1) were designed to address.

Applicants’ Conditions:

Applicants agree that the order granting the requested relief will be subject to the following conditions:

1. Before approving any advisory contract under section 15 of the Act, the board of trustees of a Fund of Funds, including a majority of the trustees who are not interested persons, as defined in section 2(a)(19) of the Act, will find that the advisory fees, if any, charged under the contract are based on services provided that are in addition to, rather than duplicative of, services provided pursuant to any Underlying Fund’s advisory contract or the advisory contract of any other investment company in which the Funds of Funds may

invest. Such a finding, and the basis upon which it was made, will be recorded fully in the minute books of the Fund of Funds.

2. Each Fund of Funds will comply with all provisions of rule 12d1-2 under the Act, except for paragraph (a)(2), to the extent that it restricts any Fund of Funds from investing in Other Investments as described in the application.

For the Commission, by the Division of Investment Management, under delegated authority.

Florence E. Harmon  
Deputy Secretary