NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

Undiscovered Managers Behavioral Value Fund

L Shares (UBVLX)

Data as of December 31, 2016

(Offered on a limited basis.)

Fund overview

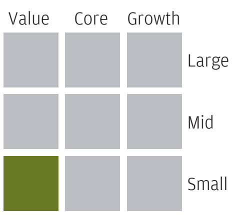
Objective

Capital appreciation.

Strategy/Investment process

- Primarily invests in U.S. stocks with value characteristics.
- Looks for investors' behavioral biases that may cause the market to overreact to old, negative information about a company and underreact to new, positive information.
- Seeks companies with below-average price-to-earnings ratios or decreasing stock values.
- Selects stocks based on recent underperformance relative to the market, share purchases by company insiders or stock repurchase activity by the company.

J.P. Morgan Funds Objective Box



J.P. Morgan Funds Objective Box is based on the Fund's overall targeted capitalization and valuation range(s) as described in the Fund's prospectus.

Portfolio managers/industry experience

Fuller & Thaler Asset Management, Inc.

David Potter, 22 years

Russell J. Fuller, 43 years

Portfolio characteristics

P/E ratio (1 yr. forecast)[1]	18.31
P/B ratio[2]	1.86
Sharpe ratio (3 yr.)[3]	0.73
Wtd. avg. market cap (in billions)	$3.30
Number of holdings	93
Fund assets (in billions)	$5.64

VALUATION RATIOS DEFINED:

[1]P/E ratio: the number by which earnings per share is multiplied to estimate a stock's value.
[2]P/B ratio: the relationship between a stock's price and the book value of that stock.
[3]**Sharpe ratio** measures the fund's excess return compared to a risk-free investment. The higher the Sharpe ratio, the better the returns relative to the risk taken.

RISK MEASURES DEFINED:

Risk measures are calculated based upon the Funds' broad-based index as stated in the prospectus.

Fund performance**

A $1 million investment in Undiscovered Managers Behavioral Value Fund (L Shares) at NAV, with dividends and capital gains reinvested, would have grown to $8,677,022 from inception on 12/28/98 through 12/31/16. The chart is plotted monthly. There is no direct correlation between a hypothetical investment and the anticipated performance of the Fund.

	Total returns			Average annual total returns			
Month-end total returns at NAV (%) as of 12/31/2016	**1 month**	**3 month**	**YTD**	**1 yr**	**3 yrs**	**5 yrs**	**10 yrs**
L Shares	1.59	8.20	20.84	20.84	9.73	17.57	9.11
Russell 2000 Value Index	4.13	14.07	31.74	31.74	8.31	15.07	6.26
Lipper Small-Cap Value Funds Index	3.61	12.99	27.00	27.00	6.71	13.69	6.84

Calendar-year returns (%)	2012	2013	2014	2015	2016
L Shares at NAV	23.55	37.64	5.70	3.43	20.84
Russell 2000 Value Index	18.05	34.52	4.22	-7.47	31.74
Lipper Small-Cap Value Funds Index	15.56	35.26	3.05	-7.16	27.00

Portfolio statistics	L Shares
Inception date	12/28/1998
Investment minimum	$3M
Fund number	1368
CUSIP	904504842

The performance quoted is past performance and is not a guarantee of future results. Mutual funds are subject to certain market risks. Investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Current performance may be higher or lower than the performance data shown. For performance current to the most recent month-end, please call 1-800-480-4111.

Morningstar ratings as of 12/31/2016	Overall	3-Year	5-Year	10-Year
Rating/number of funds in category	★★★★★/347	★★★★★/347	★★★★★/308	★★★★/195

L share class: Small Value Category

The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics.

Annual expenses	L Shares
Gross expenses (%)	1.46
Net expenses (%)	1.04

The Fund's adviser and/or its affiliates have contractually agreed to waive fees and/or reimburse expenses to the extent Total Annual Fund Operating Expenses (excluding acquired fund fees and expenses, dividend and interest expenses related to short sales, interest, taxes, expenses related to litigation and potential litigation and extraordinary expenses) exceed 0.90% of the average daily net assets. This waiver is in effect through 12/31/2017, at which time the adviser and/or its affiliates will determine whether to renew or revise it. The difference between net and gross fees includes all applicable fee waivers and expense reimbursements.

Top ten holdings (%)

Company name	Sector	Percentage
Investors Bancorp, Inc.	Financials	4.0
Colony Capital, Inc., Class A	Financials	2.6
KLX, Inc.	Industrials	2.5
B/E Aerospace, Inc.	Industrials	2.1
Zebra Technologies Corp., Class A	Information Technology	2.1
White Mountains Insurance Group Ltd.	Financials	2.0
Hope Bancorp, Inc.	Financials	1.9
Celanese Corp.	Materials	1.8
Clean Harbors, Inc.	Industrials	1.8
Rayonier, Inc.	Real Estate	1.7

Please refer to the back of the page for important disclosure information including risks associated with investing in the Fund.

The manager seeks to achieve the stated objectives. There is no guarantee the objectives will be met. The securities highlighted above have been selected based on their significance and are shown for illustrative purposes only. They are not recommendations.

J.P.Morgan
Asset Management

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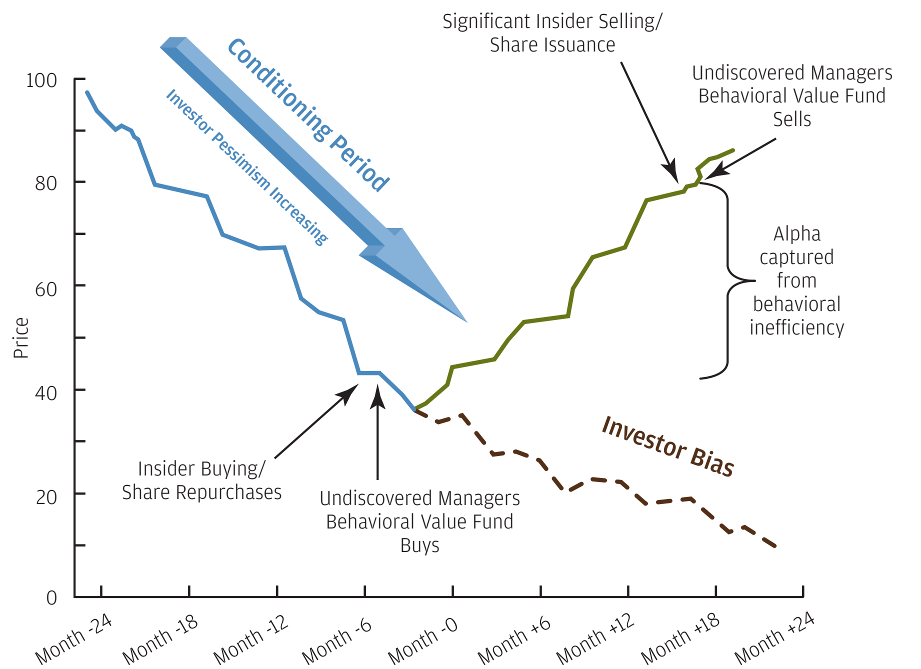
Investment Process



3 Step Investment Process

1. Significant Insider Buying or share buybacks
2. Conditioning period which typically leads to over-reaction by the market
3. Credit-style fundamental analysis to prove behavioral thesis and to ensure company is a going concern.

Sell Discipline

1. Sell after big insider selling or share issuance (primary sell discipline)
2. Credit / fundamentals change
3. Stop-loss

Hypothetical example from Fuller & Thaler Asset Management, actual results may vary.

Portfolio Review

The Undiscovered Managers Behavioral Value Fund returned 8.20% (L - UBVLX) for the quarter ended December 31, 2016, compared with the Fund's benchmark, the Russell 2000 Value Index, which returned 14.07%, resulting in underperformance of -5.87%.

The Undiscovered Managers Behavioral Value Fund returned 20.84% (L - UBVLX) for the year ended December 31, 2016, compared with the Fund's benchmark, the Russell 2000 Value Index, which returned 31.74%, resulting in underperformance of -10.90%.

The Undiscovered Managers Behavioral Value Fund remains well ranked versus its peers[1] over various time periods: three years (top 10%), five years (top 2%) and 10 years (top 2%).

[1]Source: Morningstar; as of 12/31/16. Past performance is no guarantee of future results. The Undiscovered Managers Behavioral Value Fund was ranked in the Small Value category. Regarding percentile rankings, the Fund was ranked for the following time periods: 33 out of 347 funds for the three-year period, 7 out of 308 funds for the five-year period and 3 out of 195 funds for the ten-year period.

Attributes that had an Impact on Overall Quarterly Performance:

Positive Impacts: The Fund's underweight to the utilities, real estate and health care sectors benefited relative quarterly returns.

On an individual stock basis, the three largest relative-return contributors were **KLX**, which had a positive market reaction to its earnings; **Zebra Technologies**, which also had a positive market reaction to its earnings; and **Commercial Metals**, which rallied after the U.S. presidential election on speculation that the new administration will take a protectionist trade stance. Further aiding returns was merger and acquisition (M&A) activity, as the Fund's second-largest position, BE Aerospace, announced it had agreed to be acquired by Rockwell Collins.

While the Fund underperformed its benchmark during this eventful quarter, its overall market risk was notably lower with a realized beta of 0.78 based on daily returns.

Negative Impacts: The main sector/industry detractor in the final quarter of 2016 was our underweight to banks. The Fund had an average allocation to banks of about 9% versus 23% for the index. This underweight clearly had a significant impact, given the approximate 30% quarterly return of small cap bank stocks. As a reminder, the Fund typically generates its investment ideas via signals from within companies, such as insider buying by management executives and directors and valuation-driven share repurchases. These signals were dormant within the U.S. small cap banking industry for a while, and we witnessed extremely elevated insider selling and capital raising in the fourth quarter following the U.S. presidential election. According to a financial industry analytics firm, the amount of insider selling in banks set a new quarterly record. The previous record was in the fourth quarter of 2006, which was followed by a 44% decline in the S&P regional banking index over the next five years (or -11% annual returns). This fourth-quarter 2016 peak of insider selling comes after the S&P regional banking index returned 150% over the past five years (or 20% annualized), despite book values increasing at a fraction of that annual growth. While we are not anticipating a draconian decline in bank stocks over the next five years as happened following the previous insider selling peak in 2006, we do believe that inflated valuations; late-cycle credit risks; potential loan growth declines, especially in heated commercial and industrial and in commercial real estate; mortgage headwinds (likely a large forthcoming decline in refinancings and potential removal of tax deductions); and massive insider selling all point to underwhelming prospective returns in this industry.

Our cash allocation also detracted from returns. Our average cash weight of about 11.5% in the quarter was elevated versus historical norms as we trimmed several positions that exhibited insider selling and full valuations. We will be aggressive in reducing cash when we see adequate risk-adjusted return profiles corroborated by management and directors purchasing stock. We approached 0% cash weight in January 2016 when the Fund's net asset value was approximately 25% cheaper. Given the large potential changes in the U.S. investing landscape since then, it is not necessarily a given that we would require such a large decline to invest this cash aggressively. Furthermore, we expect to continue to see select instances of individual companies trading at reasonable valuations accompanied by management buying, which will gradually reduce cash levels over time.

The three main individual company detractors from relative performance were **GNC**, which had a negative market reaction to its earnings as the online competition continued to pressure sales and margins; **Matson**, which also saw a negative market reaction to its earnings; and **Convergys**, which saw slower-than-expected growth in its communications vertical.

Attributes that had an Impact on Overall Yearly Performance:

Positive Impacts: The Fund's overweight to industrials and materials as well as its underweight to utilities benefited annual relative returns. Our average industrial sector weight during the year was about 19%. We trimmed a few positions in the fourth quarter, which, adjusted for the BE Aerospace sale, left the year-end weight at 16% versus 12% for the index.

The main contributors on an individual company level were **WPX Energy**, which saw its valuation increase substantially on the energy price recovery; **Zebra Technologies**, which had positive market reactions to its quarterly earnings releases in the summer and fall; and **Intersil**, which announced it had agreed to be acquired. Total M&A activity was somewhat robust for the Fund in the year, although not nearly as fruitful as 2015 when approximately 17% of the beginning value of the Fund (eight companies) was acquired through that year. In 2016, we saw approximately 6% of the beginning value of the Fund (five companies) announce acquisitions.

While the Fund underperformed its benchmark during 2016, its overall market risk was notably lower with a realized beta of 0.92 based on daily returns.

Negative Impacts: The main sector/industry detractor of 2016 was our underweight to banks. The Fund had an average allocation to banks of about 9% versus 21% for the index. This underweight clearly had a significant impact given the 40% return in 2016 in small cap bank stocks. As a reminder, the Fund typically generates its investment ideas via signals from within companies, such as insider buying by management executives and directors and valuation-driven share repurchases. These signals have been dormant within the U.S. small cap banking industry for a while, and we witnessed extremely elevated insider selling and capital raising in the fourth quarter following the U.S. presidential election. According to a financial industry analytics firm, the amount of insider selling in banks set a new quarterly record. The previous record was in the fourth quarter of 2006, after which the S&P regional banking index declined 44% over the next five years (or -11% annual returns). This recent peak of insider selling in the fourth quarter of 2016 comes after the S&P regional banking index returned 150% over the past five years (or 20% annualized), despite book values increasing at a fraction of that annual growth. While we are not anticipating a draconian decline in bank stocks over the next five years as happened following the previous insider selling peak in 2006, we do believe that inflated valuations; late-cycle credit risks; potential loan growth declines, especially in heated commercial and industrial and in commercial real estate; mortgage headwinds (likely a large forthcoming decline in refinancings and potential removal of tax deductions); and massive insider selling all point to underwhelming prospective returns in this industry.

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The three main individual company detractors from relative performance during 2016 were **GNC**, which had a negative market reaction to its earnings as the online competition continued to pressure sales and margins; **Matson**, which also saw a negative market reaction to its earnings; and **ACI Worldwide**, which revised its 2016 profit outlook lower mostly due to timing of large-scale license renewals.

Portfolio Positioning/Outlook

The realized beta for 2016 was 0.92, and the Barra-forecasted beta is 0.85. This compares to a Barra-forecasted beta of 0.96 at the beginning of 2016. Although we were fairly aggressive in deploying capital in the first quarter as markets swooned (we approached 0% cash at the end of January), we were able to take advantage of some remarkable valuation increases accompanied by insider selling later in the year, which increased our cash allocation.

We continue to be underweight in financials and most notably in banks. As mentioned previously, the Fund had an average allocation to banks of about 9% versus 21% for the index. The current weight is 9.5% versus 24% for the index. The Fund typically generates its investment ideas via signals from within companies, such as insider buying by management executives and directors and valuation-driven share repurchases. These signals have been dormant within the U.S. small cap banking industry for a while, and we witnessed extremely elevated insider selling and capital raising in the fourth quarter following the U.S. presidential election. For example, according to a financial industry analytics firm, the amount of insider selling in banks set a new quarterly record. The previous record was in the fourth quarter of 2006, which was followed by a 44% decline in the S&P regional banking index over the next five years (or -11% annual returns). This recent peak of insider selling comes after the S&P regional banking index returned 150% over the past five years (or 20% annualized), despite book values increasing at a fraction of that annual growth. While we are not anticipating a draconian decline in bank stocks over the next five years as happened following the previous insider selling peak in 2006, we do believe that inflated valuations; late-cycle credit risks; potential loan growth declines, especially in heated commercial and industrial and in commercial real estate; mortgage headwinds (likely a large forthcoming decline in refinancings and potential removal of tax deductions); and massive insider selling all point to underwhelming prospective returns in this industry.

Our underweight to banks (9.5% versus 24%) and utilities (1% versus 6%) may at first glance make the Fund appear tilted less toward traditional value metrics; however, we believe that it is first and foremost our disciplined Value process (buying overlooked, underperforming stocks with behavioral biases working against them, combined with robust positive signals coming from within the company, such as insider buying) that makes this Fund suitable for long-term investors seeking Value characteristics. While sector and industry weights may change over time, our adherence to Value investing does not.

We added 13 new companies to the Fund in 2016.

The Fund currently holds 92 positions with the top 10 accounting for 25% of the total and the top 25 accounting for 49%.

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Contact JPMorgan Distribution Services, Inc. at 1-800-480-4111 for a fund prospectus. You can also visit us at www.jpmorganfunds.com. Investors should carefully consider the investment objectives and risks as well as charges and expenses of the mutual fund before investing. The prospectus contains this and other information about the mutual fund. Read the prospectus carefully before investing.

RISKS ASSOCIATED WITH INVESTING IN THE FUND:

The following risks could cause the fund to lose money or perform more poorly than other investments. For more complete risk information, see the prospectus.
Small-capitalization investments typically carry more risk than investments in well-established "blue-chip" companies since smaller companies generally have a higher risk of failure. Historically, smaller companies' stock has experienced a greater degree of market volatility than the average stock.

RETURNS:

From the commencement of operations of the Fund's Institutional Class until January 30, 2004, the Fund's investment adviser was Undiscovered Managers, LLC. Effective January 31, 2004, J.P. Morgan Investment Management, Inc. (JPMIM) became the Fund's investment advisor. Fuller & Thaler Asset Management, Inc. serves as the Fund's sub-advisor. The Fund is currently waiving fees. Please note the removal of this waiver would reduce returns.

MORNINGSTAR DISCLOSURE:

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

INDEXES DEFINED:

Mutual funds have fees that reduce their performance: indexes do not. You cannot invest directly in an index.
The Russell 2000 Value Index is an unmanaged index, measuring performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.
The performance of the Lipper Small-Cap Value Funds Index includes expenses associated with a mutual fund, such as investment management fees. These expenses are not identical to the expenses charged by the Fund.

TOP 10 HOLDINGS:

The top 10 holdings listed reflect only the Fund's long-term investments. Short-term investments are excluded. Holdings are subject to change. The holdings listed should not be considered recommendations to purchase or sell a particular security. Each individual security is calculated as a percentage of the aggregate market value of the securities held in the Fund and does not include the use of derivative positions, where applicable.

Total return assumes reinvestment of dividends and capital gains distributions and reflects the deduction of any sales charges, where applicable. Performance may reflect the waiver of a portion of the Fund's advisory or administrative fees and/or reimbursement of certain expenses for certain periods since the inception date. If fees had not been waived and/or certain expenses were not reimbursed, performance would have been less favorable.
J.P. Morgan Funds are distributed by JPMorgan Distribution Services, Inc., which is an affiliate of JPMorgan Chase & Co. Affiliates of JPMorgan Chase & Co. receive fees for providing various services to the funds. JPMorgan Distribution Services, Inc. is a member of FINRA/SIPC.
J.P. Morgan Asset Management is the marketing name for the asset management businesses of JPMorgan Chase & Co. Those businesses include, but are not limited to, JPMorgan Chase Bank, N.A., J.P. Morgan Investment Management Inc., Security Capital Research & Management Incorporated, J.P. Morgan Alternative Asset Management, Inc., and J.P. Morgan Asset Management (Canada), Inc.

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