J.P. Morgan Series Trust II

JPMorgan Mid Cap Value Portfolio*

* Currently, the Portfolio is offered on a limited basis. Additional and new investments are permitted as described in the section entitled, “Shareholder Information — Purchasing Portfolio Shares.”

The Securities and Exchange Commission has not approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.
The Portfolio is intended to be a funding vehicle for variable annuity contracts and variable life insurance policies (collectively, variable insurance contracts) offered by the separate accounts of various insurance companies. Portfolio shares may also be offered to qualified pension and retirement plans and accounts permitting accumulation of assets on a tax-deferred basis (Eligible Plans). The investment objective and policies of the Portfolio may be similar to other funds managed or advised by JPMorgan Investment Management Inc. and its affiliates. However, the investment results of the Portfolio may be higher or lower than, and there is no guarantee that the investment results of the Portfolio will be comparable to, any other JPMorgan fund.
Currently, the Portfolio is offered on a limited basis. Please see “Shareholder Information — Purchasing Portfolio Shares” for more information.

**Risk/Return Summary**
For a more detailed discussion of the Portfolio’s main risks, as well as Portfolio strategies, please see pages 12–17.

**The Portfolio’s Objective**
The Portfolio seeks growth from capital appreciation.

**The Portfolio’s Main Investment Strategy**
Under normal circumstances, the Portfolio invests at least 80% of its Assets in equity securities of mid-cap companies. “Assets” means net assets, plus the amount of borrowings for investment purposes. Mid-cap companies are companies with market capitalizations between $1 billion to $20 billion at the time of purchase. Market capitalization is the total market value of a company’s shares.

The Portfolio’s investments are primarily in common stocks and real estate investment trusts (REITs). REITs are pooled investment vehicles which invest primarily in income-producing real estate or loans related to real estate.

Derivatives, which are instruments that have a value based on another instrument, exchange rate or index, may be used as substitutes for securities in which the Portfolio can invest. The Portfolio may use futures contracts, options, swaps and other derivatives as tools in the management of the portfolio assets. The Portfolio may use derivatives to hedge various investments, for risk management and to increase the Portfolio’s income or gain.

For cash management or temporary defensive purposes, the Portfolio may invest any portion of its Assets in cash and cash equivalents, including affiliated money market funds, high-quality money market instruments or repurchase agreements.

The Portfolio’s Board of Trustees may change any of these investment policies (except its investment objective) without shareholder approval. The Portfolio will give 60 days’ written notice of any change in a non-fundamental investment policy.

The Portfolio is non-diversified as defined in the Investment Company Act of 1940.

**BEFORE YOU INVEST**

Investors considering the Portfolio should understand that:
- There is no assurance that the Portfolio will meet its investment objective.
- The Portfolio does not represent a complete investment program.

**Investment Process**
In managing the Portfolio, J.P. Morgan Investment Management Inc. (JPMIM), employs a bottom-up approach to stock selection, constructing portfolios based on company fundamentals, quantitative screening and proprietary fundamental analysis. The adviser looks for quality companies, which appear to be undervalued and that have the potential to grow intrinsic value per share. Quality companies generally have a sustainable competitive position, low business cyclicality, high returns on invested capital and strong experienced management. Potential investments are subjected to rigorous financial analysis and a disciplined approach to valuation.

The adviser may sell a security for several reasons. The adviser may sell a security due to a change in the company’s fundamentals. A change in the original reason for purchase of an investment may also cause the security to be eliminated from the portfolio. Investments may be sold if new investment opportunities with higher expected returns emerge to displace existing portfolio holdings with lower expected returns. Finally, the adviser may also sell a security, which the adviser no longer considers attractively valued.

The frequency with which the Portfolio buys and sells securities will vary from year to year, depending on market conditions.
Investments in the Portfolio are not deposits or obligations of, or guaranteed or endorsed by, any bank and are not insured or guaranteed by the FDIC, the Federal Reserve Board or any other government agency. You could lose money if you sell when the Portfolio’s share price is lower than when you invested.

The Portfolio’s Main Investment Risks
All mutual funds carry a certain amount of risk. You may lose money on your investment in the Portfolio. Here are some of the specific risks of investing in the Portfolio. The Portfolio is subject to management risk because it is an actively managed fund. The Portfolio may not achieve its objective if the adviser’s expectations regarding particular securities or markets are not met.

Market Risk. The price of equity securities may rise or fall because of changes in the broad market or changes in a company’s financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries selected for the Portfolio or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to “stock market risk” meaning that stock prices in general (or in particular, the types of securities in which the Portfolio invests) may decline over short or extended periods of time. When the value of the Portfolio’s securities goes down, your investment in the Portfolio decreases in value.

Mid Cap Company Risk. Investments in mid cap companies may be riskier than investments in larger, more established companies. The securities of mid cap companies may trade less frequently and in smaller volumes than securities of larger companies. In addition, mid cap companies may be more vulnerable to economic, market and industry changes. As a result, share price changes may be more sudden or erratic than the prices of other equity securities, especially over the short term. Because mid cap companies may have limited product lines, markets or financial resources or may depend on a few key employees, they may be more susceptible to particular economic events or competitive factors than large capitalization companies.

Value Investing Risk. Since the Portfolio focuses on value stocks, performance may be better or worse than the performance of equity funds that invest in other types of stocks or that have a broader investment style. Value investing attempts to identify companies, that according to the adviser’s estimate of their true worth, are undervalued. The adviser selects stocks at prices that it believes are temporarily low relative to factors such as the company’s earnings, cash flow or dividends. A value stock may decrease in price or may not increase in price as anticipated by the adviser if other investors fail to recognize the company’s value or the factors that the adviser believes will cause the stock price to increase do not occur.

Derivatives Risk. The Portfolio may use derivatives in connection with its investment strategies. Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the Portfolio’s original investment. Derivatives are also subject to the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index. The use of derivatives for hedging purposes may not be successful, resulting in losses to the Portfolio, and the cost of hedging may reduce the Portfolio’s returns. In addition, the Portfolio may use derivatives for non-hedging purposes which increases the Portfolio’s potential for loss.

Real Estate Securities Risk. The value of real estate securities in general, and REITs in particular, are subject to the same risks as direct investments in real estate and will depend on the value of the underlying properties or the underlying loans or interests. The value of these securities will rise and fall in response to many factors, including economic conditions, the demand for rental property and interest rates. In particular, the value of these securities may decline when interest rates rise and will also be affected by the real estate market and by the management of the underlying properties. REITs may be more volatile and/or more illiquid than other types of equity securities.
Non-Diversified Portfolio Risk. Since the Portfolio is non-diversified, it may invest a greater percentage of its assets in a particular issuer or group of issuers than a diversified fund would. This increased concentration in fewer issuers may result in the Portfolio’s shares being more sensitive to the economic results of those issuers.

Temporary Defensive Position Risk. To respond to unusual circumstances, the Portfolio may invest up to 100% of its assets in cash and cash equivalents for temporary defensive purposes. These investments may prevent the Portfolio from meeting its investment objective.
The Portfolio’s Past Performance
This section shows the Portfolio’s performance record with respect to the Portfolio’s shares. The bar chart shows how the performance of the Portfolio’s shares has varied from year-to-year over the past five calendar years. This provides some indication of the risks of investing in the Portfolio. The table shows the average annual total returns for the past one year, five years and life of the Portfolio. It compares that performance to the Russell Midcap Value Index, a broad-based securities market index, and the Lipper Variable Underlying Funds Mid-Cap Value Funds Index, an index based on the total returns of certain mutual funds within the Portfolio’s designated category as determined by Lipper. It also compares that performance to the Lipper Variable Annuity Mid-Cap Value Funds Index, its former secondary index that represents the total returns of similarly managed mutual funds.

Past performance is not necessarily an indication of how the Portfolio will perform in the future.

The calculations assume that all dividends and distributions are reinvested in the Portfolio. Some of the companies that provided services to the Portfolio in the past agreed not to collect some expenses and to reimburse others. Without these agreements, the performance figures would have been lower than those shown.

Performance information for the Portfolio should not be compared with other funds that offer their shares directly to the public because the figures provided do not reflect charges imposed by variable insurance contracts or Eligible Plans through which investors can buy shares of the Portfolio. Performance for the variable insurance contracts or Eligible Plans will reflect the deduction of any applicable charges and will therefore be lower than that of the Portfolio. Variable insurance contract holders should consult the applicable prospectus for their contract.

<table>
<thead>
<tr>
<th>YEAR-BY-YEAR RETURNS</th>
<th>2002</th>
<th>0.82%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2003</td>
<td>29.63%</td>
</tr>
<tr>
<td></td>
<td>2004</td>
<td>21.06%</td>
</tr>
<tr>
<td></td>
<td>2005</td>
<td>9.21%</td>
</tr>
<tr>
<td></td>
<td>2006</td>
<td>16.84%</td>
</tr>
</tbody>
</table>

**BEST QUARTER** 2nd quarter, 2003 14.04%

**WORST QUARTER** 3rd quarter, 2002 –8.41%

1 The Portfolio’s fiscal year end is 12/31.
AVERAGE ANNUAL TOTAL RETURNS (%) SHOWS PERFORMANCE OVER TIME FOR PERIODS ENDED DECEMBER 31, 2006

<table>
<thead>
<tr>
<th></th>
<th>PAST 1 YEAR</th>
<th>PAST 5 YEARS</th>
<th>LIFE OF PORTFOLIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>JPMORGAN MID CAP VALUE PORTFOLIO</td>
<td>16.84</td>
<td>15.08</td>
<td>16.64</td>
</tr>
<tr>
<td>RUSSELL MIDCAP VALUE INDEX(^2)</td>
<td>20.22</td>
<td>15.88</td>
<td>17.59</td>
</tr>
<tr>
<td>LIPPER VARIABLE UNDERLYING FUNDS MID-CAP VALUE FUNDS INDEX(^3)</td>
<td>14.55</td>
<td>11.88</td>
<td>14.17</td>
</tr>
<tr>
<td>LIPPER VARIABLE ANNUITY MID-CAP VALUE FUNDS INDEX(^3)</td>
<td>12.69</td>
<td>11.19</td>
<td>13.47</td>
</tr>
</tbody>
</table>

1 The Portfolio commenced operations on 9/28/01. Performance for the indexes is as of 9/30/01.

2 The Russell Midcap Value Index is an unmanaged index which measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The performance of the index does not reflect the deduction of expenses associated with a mutual fund, such as investment management fees. By contrast, the performance of the Portfolio reflects the deduction of these expenses.

3 The performance of the Lipper Variable Underlying Funds Mid-Cap Value Funds Index and Lipper Variable Annuity Mid-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 Portfolio. The Portfolio has changed to the Lipper Variable Underlying Funds Mid-Cap Value Funds Index because management believes it provides a closer comparison to the Portfolio’s performance.

\(^\) Investors cannot invest directly in an index.

Investor Expenses for Portfolio Shares
The expenses of Portfolio shares (including acquired fund fees and expenses) are shown below. The table below does not reflect expenses imposed by variable insurance contracts or which may be imposed by Eligible Plans. If these expenses were reflected, the total expenses would be higher.

| ANNUAL OPERATING EXPENSES (%) (EXPENSES THAT ARE DEDUCTED FROM PORTFOLIO ASSETS) |
|---------------------------------|----------------------|
| Management Fees                 | 0.70                 |
| Distribution (Rule 12b-1) Fees  | NONE                 |
| Other Expenses\(^1\)            | 0.55                 |
| Acquired Fund Fees and Expenses\(^2\) | 0.01             |
| **Total Annual Operating Expenses\(^3,4\)** | **1.26**             |

1 “Other Expenses” are based on expenses incurred in the most recent fiscal year.

2 “Acquired Fund Fees and Expenses” are based on the allocation of the Portfolio’s assets among the acquired funds calculated on a daily basis through the Portfolio’s last fiscal year end. This amount reflects the allocation only through the fiscal year ending 12/31/06. “Acquired Fund Fees and Expenses” will vary with changes in the expenses of the Acquired Funds as well as allocation of the Portfolio’s assets and may be higher or lower than those shown.

3 The Total Annual Operating Expenses included in the fee table do not correlate to the ratio of expenses to average net assets in the Financial Highlights. The Financial Highlights reflect only the operating expenses of the Portfolio and do not include Acquired Fund Fees and Expenses.

4 JPMorgan Funds Management Inc. has contractually agreed to waive fees and/or reimburse expenses to the extent that total annual operating expenses (excluding Acquired Fund Fees and Expenses, dividend expenses related to short sales, interest, taxes and extraordinary expenses) exceed 1.25% of the average daily net assets through 4/30/08. In addition, the Portfolio’s service providers may voluntarily waive or reimburse certain of their fees, as they may determine, from time to time. Without the Acquired Fund Fees and Expenses, the Total Annual Operating Expenses of the Portfolio would have been 1.25% of the average daily net assets.
Example
The example below is intended to help you compare the cost of investing in Portfolio shares with the cost of investing in other mutual funds. The example assumes:

- $10,000 initial investment,
- 5% return each year, and
- total annual operating expenses.

This example is for comparison only; the actual returns of Portfolio shares and your actual costs may be higher or lower.

<table>
<thead>
<tr>
<th>YOUR COST ($) (with or without redemption)</th>
<th>1 YEAR</th>
<th>3 YEARS</th>
<th>5 YEARS</th>
<th>10 YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>128</td>
<td>400</td>
<td>692</td>
<td>1,523</td>
</tr>
</tbody>
</table>

The expenses and example above do not reflect the deduction of any applicable charges or expenses related to the variable insurance contracts or Eligible Plans through which investors can invest in the Portfolio. If these expenses were reflected, your cost would be higher. Investors should refer to the applicable variable insurance contract prospectus or Eligible Plan documents that accompany this prospectus for information pertaining to such contract charges and expenses.
The Portfolio’s Management and Administration

The Mid Cap Value Portfolio is a series of J.P. Morgan Series Trust II, a Delaware statutory trust (Trust). The Trustees of the Trust are responsible for overseeing all business activities of the Portfolio.

The Portfolio’s Investment Adviser
J.P. Morgan Investment Management Inc. (JPMIM) is the investment adviser to the Portfolio and makes the day-to-day investment decisions for the Portfolio.

JPMIM is a wholly-owned subsidiary of JPMorgan Asset Management Holdings Inc., which is a wholly-owned subsidiary of JPMorgan Chase & Co. (JPMorgan Chase), a bank holding company. JPMIM is located at 245 Park Avenue, New York, NY 10167.

During the most recent fiscal year ended 12/31/06, JPMIM received the following fees for advisory services:

<table>
<thead>
<tr>
<th>ADVISORY SERVICES</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.70% of the Portfolio’s average daily net assets</td>
<td></td>
</tr>
</tbody>
</table>

A discussion of the basis the Board of Trustees of the Trust used in reapproving the investment advisory agreement for the Portfolio is available in the annual report for the most recent fiscal year ended December 31.

The Portfolio Managers
Jonathan Kendrew Llewelyn Simon, Lawrence E. Playford and Gloria Fu are the portfolio managers for the Portfolio. Mr. Simon is also a Managing Director of JPMIM, has worked with various affiliates of JPMIM since 1980 and has been a portfolio manager since 1986. Mr. Playford, a CFA charterholder and CPA, is a Vice President of JPMIM and has worked for various affiliates of JPMIM since 1993. Ms. Fu, a Vice President of JPMIM and CFA charterholder, has worked for various affiliates of JPMIM since 2002. Prior to joining JPMIM, Ms. Fu worked as a sell side analyst for Robertson Stephens, Inc. from 2000 to 2002.

Additional information about the portfolio managers’ compensation, other accounts managed by the portfolio managers and their ownership of securities in the Portfolio is provided in the Portfolio’s Statement of Additional Information.

The Portfolio’s Administrator
JPMorgan Funds Management, Inc. (JPMFM) provides administrative, shareholder and certain financial services and oversees the Portfolio’s other service providers.

During the most recent fiscal year ended 12/31/06, JPMFM received the following fees for administrative and shareholder services:

<table>
<thead>
<tr>
<th>ADMINISTRATIVE SERVICES</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.30% of the Portfolio’s average daily net assets*</td>
<td></td>
</tr>
</tbody>
</table>

* Under the Administrative Services Agreement, the administrator is responsible for reimbursing the Portfolio for certain expenses usually incurred by the Portfolio, including dividend disbursing costs, custody fees, legal and accounting expenses and certain other expenses described in the Statement of Additional Information. The Portfolio will pay these expenses directly and these amounts will be deducted from the fees payable to the administrator. If these amounts are more than the fees payable to the administrator, the administrator will reimburse the Portfolio for the excess.

JPMFM or one of its affiliates may enter into services agreements with insurance companies offering the variable insurance contracts under which it will pay a portion of its administrative services fees to such insurance companies for performing shareholder and administrative services.

The Portfolio’s Distributor
JPMorgan Distribution Services, Inc. (JPMDS) is the distributor for the Portfolio. JPMDS is an affiliate of JPMIM and the administrator.
Shareholder Information

PRICING PORTFOLIO SHARES

How are Portfolio Shares Priced?
Shares are purchased and redeemed at the next calculated net asset value (NAV) per share. NAV per share for the Portfolio is determined as of the close of regular trading on the New York Stock Exchange (NYSE) (usually 4 P.M. Eastern Time (ET)) (Closing Time), on each day the Portfolio is open for business. On occasion, the NYSE will close before 4 P.M. ET. When that happens, the NAV will be calculated as of the time the NYSE closes. To the extent the Portfolio invests in securities that are primarily listed on foreign exchanges that trade on weekends or other days when the Portfolio does not price its shares, the value of the Portfolio’s shares may change on days when you will not be able to purchase or redeem your shares. The NAV per share is calculated by adding the value of all securities and other assets of the Portfolio, deducting its liabilities, and dividing by the number of shares of the Portfolio that are outstanding.

The market value of the Portfolio’s investments is determined primarily on the basis of readily available market quotations. Certain short-term securities are valued at amortized cost, which approximates market value. If market quotations are not readily available or if available market quotations are determined not to be reliable or if a security’s value has been materially affected by events occurring after the close of trading on the exchange or market on which the security is principally traded (for example, a natural disaster affecting an entire country or region, or an event that affects an individual company), but before the Portfolio’s NAV is calculated, that security may be valued at its fair value in accordance with policies and procedures adopted by the Portfolio’s Board of Trustees. A security’s valuation may differ depending on the method used for determining value. In addition, the Portfolio has implemented fair value pricing on a daily basis for all equity securities, except North American, Central American, South American and Caribbean equity securities, held by the Portfolio. The fair value pricing utilizes the quotations of an independent pricing service unless the adviser, in accordance with valuation procedures adopted by the Portfolio’s Board of Trustees, determines that the market quotations do not accurately reflect the value of a security and determines that the use of another fair valuation methodology is appropriate.

When can Portfolio Shares be Purchased?
Purchases may be made on any business day for the Portfolio. This includes any day that the Portfolio is open for business, other than weekends and days on which the NYSE is closed, including the following holidays: New Year’s Day, Martin Luther King, Jr. Day, Presidents’ Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

PURCHASING PORTFOLIO SHARES

Who can Purchase Shares of the Portfolios?
Shares of the Portfolio are sold to separate accounts of insurance companies investing on instructions of contract owners of variable insurance contracts. Purchasers of variable insurance contracts will not own shares of the Portfolio directly. Rather, shares will be held by the separate accounts for the benefit of purchasers of variable insurance contracts. Shares are also available to Eligible Plans for the benefit of their participants. The Portfolio will only accept new purchases as described below:

• The Portfolio will accept new purchases from variable insurance contracts and Eligible Plans that offered the Portfolio as a funding vehicle prior to May 1, 2006.

• Dividends and capital gains distributions which are automatically reinvested in Portfolio shares will continue to be reinvested.

The Portfolio will not allow any new variable annuity contracts, variable life insurance policies or eligible plans to offer the Portfolio on or after May 1, 2006; however, any contract owners in existing variable insurance contracts and any participants in existing Eligible Plans will be permitted to continue to purchase new shares on and after May 1, 2006.

The Portfolio reserves the right to change this policy at any time. For more information about buying Portfolio shares, see the Statement of Additional Information.

All investments in the Portfolio are credited to the shareholder’s account in the form of full or fractional shares of the Portfolio. Purchases are
processed on any day on which the Portfolio is open for business. If such purchase orders are received by an insurance company from its variable insurance contract holders or by an Eligible Plan from its participants before the Portfolio’s Closing Time, the order will be effective at the NAV per share calculated that day, provided that the order and federal funds are received by the Portfolio in proper form on the next business day. The insurance company or Eligible Plan administrator or trustee is responsible for properly transmitting purchase orders and federal funds.

The Portfolio does not issue share certificates. The interests of different separate accounts are not always the same, and material, irreconcilable conflicts may arise. The Board of Trustees will monitor events for such conflicts and, should they arise, will determine what action, if any, should be taken.

Federal law requires the Portfolio to obtain, verify and record an accountholder’s name, principal place of business and Employer Identification Number or other government issued identification when opening an account. The Portfolio may require additional information in order to open a corporate account or under certain other circumstances. This information will be used by the Portfolio or its transfer agent, to attempt to verify the accountholder’s identity. The Portfolio may not be able to establish an account if the accountholder does not provide the necessary information. In addition, the Portfolio may suspend or limit account transactions while it is in the process of attempting to verify the accountholder’s identity. If the Portfolio is unable to verify the accountholder’s identity after an account is established, the Portfolio may be required to involuntarily redeem the accountholder’s shares and close the account. Losses associated with such involuntary redemption may be borne by the investor.

REDEEMING PORTFOLIO SHARES
Portfolios may be sold at any time by the separate accounts of the insurance companies issuing the variable insurance contracts or Eligible Plans. Individuals may not place sell orders directly with the Portfolio. Redemptions are processed on any day on which the Portfolio is open for business. If such redemption orders are received by an insurance company from its variable insurance contract holders or by an Eligible Plan from its participants before the Portfolio’s Closing Time, the order will be effective at the NAV per share calculated that day, provided that the order is received by the Portfolio in proper form on the next business day. The insurance company or Eligible Plan administrator or trustee is responsible for properly transmitting redemption orders. Variable insurance contract owners should consult the applicable variable insurance contract prospectus and Eligible Plan participants should consult the Plan’s administrator or trustee for more information about selling Portfolio shares.

ABUSIVE TRADING
The Portfolio does not authorize market timing. Market timing is an investment strategy using frequent purchases and redemptions in an attempt to profit from short-term market movements. Market timing may result in dilution of the value of Portfolio shares held by long-term variable insurance contract owners or participants in Eligible Plans, disrupt portfolio management and increase Portfolio expenses for all shareholders. Although market timing may affect any Portfolio, these risks may be higher for Portfolios that invest significantly in non-U.S. securities or thinly traded securities (e.g., certain small cap securities), such as international, global or emerging market funds or small cap funds. For example, when a Portfolio invests in securities trading principally in non-U.S. markets that close prior to the close of the NYSE, market timers may seek to take advantage of the difference between the prices of these securities at the close of their non-U.S. markets and the value of such securities when the Portfolio calculates its net asset value.

The Portfolio’s Board of Trustees has adopted policies and procedures with respect to market timing. Market timers may disrupt portfolio management and harm Portfolio performance. Because purchase and sale transactions are submitted to the Portfolio on an aggregated basis by the insurance company issuing the variable insurance contract or by an Eligible Plan, the Portfolio is not able to identify market timing transactions by individual variable insurance contract owners or Eligible Plan participants. Short of rejecting all transactions made by a separate account or Eligible Plan, the Portfolio lacks the ability to reject transactions by individual contract owners or Eligible Plan participants. The Portfolio, therefore, has to rely upon the insurance companies to police restrictions in the variable
insurance contracts or according to the insurance company's administrative policies; those restrictions will vary from variable insurance contract to variable insurance contract. Similarly, with respect to Eligible Plans, the Portfolio is often dependent upon the Eligible Plan's financial intermediaries who utilize their own policies and procedures to identify market timers. The Portfolio has attempted to put safeguards in place to assure that financial intermediaries, including insurance companies, have implemented procedures designed to deter market timing and abusive trading. The Portfolio will seek to monitor for market timing activities, such as unusual cash flows, and work with the applicable insurance company or Eligible Plan to determine whether or not market timing or abusive trading is involved. The Portfolio or the Distributor will prohibit any purchase order with respect to one investor, a related group of investors or their agent(s), where they detect a pattern of purchases and sales of the Portfolio that indicates market timing or trading they determine is abusive to the extent possible. The Portfolio will seek to apply these policies as uniformly as practicable. It is, however, more difficult to locate and eliminate individual market timers in the separate accounts or Eligible Plans, and there can be no assurances that the Portfolio will be able to effectively identify and eliminate market timing in the Portfolio. Variable insurance contract owners should consult the prospectus for their variable insurance contract for additional information on contract level restrictions relating to market timing.

VOTING AND SHAREHOLDER MEETINGS

How are Shares of the Portfolio Voted?
If required by the Securities and Exchange Commission (SEC), the insurance company that issued a variable insurance contract will solicit voting instructions from the purchasers of variable insurance contracts with respect to any matters that are presented to a vote of shareholders. The Portfolio shares held in its separate accounts on a proportional basis, it is possible that a small number of variable insurance contract owners would be able to determine the outcome of a matter. The Portfolio votes separately on matters relating solely to the Portfolio or which affect the Portfolio differently from others in the Trust. However, all Trust shareholders will have equal voting rights on matters that affect all shareholders equally. Shareholders shall be entitled to one vote for each share held.

When are Shareholder Meetings Held?
The Trust does not hold annual meetings of shareholders but may hold special meetings. Special meetings are held, for example, to elect or remove trustees, change the Portfolio’s fundamental investment objective, or approve an investment advisory contract.

DISTRIBUTIONS AND TAXES

The Portfolio intends to qualify as a “regulated investment company” for U.S. federal income tax purposes and to meet all other requirements necessary for it to be relieved of U.S. federal income taxes on income and gains it distributes to the separate accounts of insurance companies or Eligible Plans. The Portfolio will distribute any net investment income and net realized capital gains at least annually. Both types of distributions will be made in shares of the Portfolio unless an election is made on behalf of a separate account or Eligible Plan to receive some or all of the distribution in cash.

The discussions below are based on the assumption that the shares of the Portfolio will be respected as owned by insurance company separate accounts and Eligible Plans. If this is not the case, the person(s) determined to own the shares will be currently taxed on Portfolio distributions and redemption proceeds.

Tax Consequences to Variable Insurance Contract Owners

Generally, owners of variable insurance contracts are not taxed currently on income or gains realized with respect to such contracts. However, some distributions from such contracts may be taxable at ordinary income tax rates. In addition, distributions made to an owner who is younger than 59½ may be subject to a 10% penalty tax. Investors should ask their own tax advisors for more information on their own tax situation, including possible state or local taxes.

In order for investors to receive the favorable tax treatment available to holders of variable insurance contracts, the separate accounts underlying such contracts, as well as the portfolios in which such accounts invest, must meet certain diversification...
requirements. The Portfolio intends to comply with these requirements. If the Portfolio does not meet such requirements, income allocable to the contracts would be taxable currently to the contract owners.

In addition, if owners of variable insurance contracts have an impermissible level of control over the investments underlying their contracts, the advantageous tax treatment provided to insurance company separate accounts under the Code will no longer be available.

Under Treasury regulations, insurance companies holding the separate accounts must report to the Internal Revenue Service losses above a certain amount resulting from a sale or disposition of Portfolio shares.

Please refer to the Statement of Additional Information for more information regarding the tax treatment of the Portfolio. For a further discussion of the tax consequences of variable annuity and variable life contracts, please refer to the prospectuses or other documents that you received when you purchased your variable annuity or variable life product.

**Tax Consequences to Eligible Plan Participants**

Generally, Eligible Plan participants are not taxed currently on distributions of net investment income and capital gains to such plans. Contributions to these plans may be tax deductible, although distributions from these plans are generally taxable. In the case of Roth IRA accounts, contributions are not tax deductible, but distributions from the plan may be tax free.

Please refer to the Statement of Additional Information for more information regarding the tax treatment of the Portfolio.

The above is a general summary of tax implications of investing in the Portfolio. Because each investor’s tax consequences are unique, investors should consult their own tax advisors to see how investing in the Portfolio will affect their individual tax situations.

**AVAILABILITY OF PROXY VOTING RECORD**

The Trustees have delegated the authority to vote proxies for securities owned by the Portfolio to JPMIM. A copy of the Portfolio’s voting record for the most recent 12-month period ended June 30 is available on the SEC’s website at www.sec.gov or in the variable insurance portfolio section of the JPMorgan Funds’ website at www.jpmorganfunds.com no later than August 31 of each year. The Portfolio’s proxy voting record will include, among other things, a brief description of the matter voted on for each portfolio security, and will state how each vote was cast, for example, for or against the proposal.

**PORTFOLIO HOLDINGS DISCLOSURE**

No sooner than 30 days after the end of each month, the Portfolio will make available upon request an uncertified, complete schedule of its portfolio holdings as of the last day of that month. Not later than 60 days after the end of each fiscal quarter, the Portfolio will make available a certified, complete schedule of its portfolio holdings as of the last day of that quarter.

In addition to providing hard copies upon request, the Portfolio will post these quarterly schedules in the variable insurance portfolio section of the JPMorgan Funds’ website at www.jpmorganfunds.com and on the SEC’s website at www.sec.gov.

Shareholders may request portfolio holdings schedules at no charge by calling 1-800-480-4111. A description of the Portfolio’s policies and procedures with respect to the disclosure of the portfolio holdings is available in the Statement of Additional Information.
## Risk and Reward Elements for the Portfolio

This table identifies the main elements that may make up the Portfolio's overall risk and reward characteristics. It also outlines the Portfolio's policies toward various investments, including those that are designed to help the Portfolio manage risk.

<table>
<thead>
<tr>
<th>POTENTIAL RISKS</th>
<th>POTENTIAL REWARDS</th>
<th>POLICIES TO BALANCE RISK AND REWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market conditions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The Portfolio's share price and performance will fluctuate in response to stock and/or bond market movements</td>
<td>• Stocks have generally outperformed more stable investments (such as bonds and cash equivalents) over the long term</td>
<td>• Under normal circumstances the Portfolio plans to remain fully invested in accordance with its policies and may invest uninvested cash in affiliated money market funds; in addition to the securities described in the Fund Summary, equity investments may include common stocks, convertible securities(^1), preferred stocks(^2), depositary receipts (such as American Depositary Receipts and European Depositary Receipts), trust or partnership interests, warrants and rights(^3), and investment company securities</td>
</tr>
<tr>
<td>• The market value of convertible securities and other debt securities tends to fall when prevailing interest rates rise. The value of convertible securities also tends to change whenever the market value of the underlying common or preferred stock fluctuates</td>
<td></td>
<td>• The Portfolio seeks to limit risk and enhance performance through active management and/or diversification</td>
</tr>
<tr>
<td>• Adverse market, economic, political or other conditions may from time to time cause the Portfolio to take temporary defensive positions that are inconsistent with its principal investment strategies and may hinder the Portfolio from achieving its investment objective</td>
<td></td>
<td>• During severe market downturns, the Portfolio has the option of investing up to 100% of assets in high quality short-term instruments</td>
</tr>
<tr>
<td>• The Portfolio is non-diversified, which means that a relatively high percentage of the Portfolio's assets may be invested in a limited number of issuers. Therefore, its performance may be more vulnerable to changes in the market value of a single issuer or a group of issuers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

1 Convertible securities are bonds or preferred stock that can convert to common stock.

2 Preferred stock is a class of stock that generally pays a dividend at a specified rate and has preference over common stock in the payment of dividends and in liquidation.

3 Warrants and rights are securities, typically issued with preferred stock or bonds, that give the holder the right to buy a proportionate amount of common stock at a specified price.
### POTENTIAL RISKS

<table>
<thead>
<tr>
<th>Management choices</th>
<th>POTENTIAL REWARDS</th>
<th>POLICIES TO BALANCE RISK AND REWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The Portfolio could underperform its benchmark due to its securities and asset allocation choices</td>
<td>• The Portfolio could outperform its benchmark due to these same choices</td>
<td>• The adviser focuses its active management on those areas where it believes its commitment to research can most enhance returns and manage risks in a consistent way</td>
</tr>
</tbody>
</table>

### Real Estate Investment Trusts (REITs)

1. The value of real estate securities in general, and REITs in particular, are subject to the same risks as direct investments in real estate and will depend on the value of the underlying properties or the underlying loans or interests
2. The value of these securities will rise and fall in response to many factors, including economic conditions, the demand for rental property and interest rates. In particular, the value of these securities may decline when interest rates rise and will also be affected by the real estate market and by the management of the underlying properties
3. REITs may be more volatile and/or more illiquid than other types of equity securities
4. If a REIT fails to distribute its required taxable income or to satisfy the other requirements of REIT status, it would be taxed as a corporation, and amounts available for distribution to shareholders (including the Portfolio) would be reduced by any corporate taxes payable by the REIT

### Foreign investments and currencies

1. The Portfolio could lose money because of foreign government actions, political instability or lack of adequate and/or accurate information
2. Currency exchange rate movements could reduce gains or create losses
3. Currency and investment risks tend to be higher in emerging markets; these markets also present higher liquidity and valuation risks
4. Favorable exchange rate movements could generate gains or reduce losses
5. Foreign investments, which represent a major portion of the world’s securities, offer attractive potential performance and opportunities for diversification
6. Emerging markets can offer higher returns
7. Foreign bonds, which represent a major portion of the world’s fixed income securities, offer attractive potential performance and opportunities for diversification
8. The Portfolio anticipates that total foreign investments will not exceed 20% of total assets
9. The Portfolio actively manages the currency exposure of its foreign investments relative to its benchmarks, and may hedge back into the U.S. dollar from time to time (see also “Derivatives”); these currency management techniques may not be available for certain emerging markets investments

---

1 REITs are pooled investment vehicles which invest primarily in income-producing real estate or loans related to real estate.
<table>
<thead>
<tr>
<th>POTENTIAL RISKS</th>
<th>POTENTIAL REWARDS</th>
<th>POLICIES TO BALANCE RISK AND REWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange Traded Funds (ETFs) and other investment companies</td>
<td>• Helps to manage smaller cash flows</td>
<td>• Generally, the Portfolio's investments in other investment companies, including ETFs, are subject to the percentage limitations of the Investment Company Act of 1940 (1940 Act)¹</td>
</tr>
<tr>
<td>• If the Portfolio invests in shares of another investment company, shareholders would bear not only their proportionate share of the Portfolio's expenses, but also similar expenses of the investment company</td>
<td>• Investing in ETFs offers instant exposure to an index or a broad range of markets, sectors, geographic regions and industries</td>
<td>• Exemptive orders granted to various iShares funds (which are ETFs), other ETFs and their investment advisers by the Securities Exchange Commission (SEC) permit the Portfolio to invest beyond the 1940 Act limits, subject to certain terms and conditions, including a finding of the Portfolio's Board that the advisory fees charged by the adviser are for services that are in addition to, and not duplicative of, the advisory services provided to those ETFs</td>
</tr>
<tr>
<td>• The price movement of an ETF may not track the underlying index, market, sector, regions or industries and may result in a loss</td>
<td></td>
<td>• Under SEC Rule 12d1-1, the Portfolio may invest in both affiliated and unaffiliated money market funds without limit subject to the Portfolio's investment policies and restrictions and the conditions of the rule</td>
</tr>
</tbody>
</table>

¹ Under the 1940 Act, the Portfolio may not own more than 3% of the outstanding voting stock of another investment company. Additionally, the Portfolio's aggregate investments in other investment companies are restricted as follows: no more than 5% of the Portfolio's total assets when the Portfolio invests in another investment company; and no more than 10% of its total assets when the Portfolio invests in two or more investment companies.
<table>
<thead>
<tr>
<th>POTENTIAL RISKS</th>
<th>POTENTIAL REWARDS</th>
<th>POLICIES TO BALANCE RISK AND REWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivatives†</td>
<td>Hedges that correlate well with underlying positions can reduce or eliminate losses at low cost</td>
<td>• The Portfolio uses derivatives, such as futures, options, swaps and forward foreign currency contracts for hedging and for risk management (i.e., to establish or adjust exposure to particular securities, markets or currencies); risk management may include management of the Portfolio’s exposure relative to its benchmark</td>
</tr>
<tr>
<td>• Derivatives such as futures, options, swaps, and forward foreign currency contracts¹ that are used for hedging the portfolio or specific securities may not fully offset the underlying positions and this could result in losses to the Portfolio that would not have otherwise occurred</td>
<td>• The Portfolio could make money and protect against losses if the investment analysis proves correct</td>
<td>• The Portfolio only establishes hedges that they expect will be highly correlated with underlying positions</td>
</tr>
<tr>
<td>• The Portfolio may have difficulty exiting a derivatives position</td>
<td>• Derivatives that involve leverage could generate substantial gains at low cost</td>
<td>• The Portfolio may use derivatives in an effort to produce increased income or gain</td>
</tr>
<tr>
<td>• Derivatives used for risk management or to increase the Portfolio’s gain may not have the intended effects and may result in losses or missed opportunities</td>
<td>• The counterparty to a derivatives contract could default</td>
<td>• While the Portfolio may use derivatives that incidentally involve leverage, it does not use them for the specific purpose of leveraging its portfolio</td>
</tr>
<tr>
<td>• The Portfolio may have difficulty exiting a derivatives position</td>
<td>• Derivatives that involve leverage could magnify losses</td>
<td>• The Portfolio segregates or earmarks liquid assets to cover its derivatives and offset a portion of the leverage risk</td>
</tr>
<tr>
<td>• The counterparty to a derivatives contract could default</td>
<td>• Certain types of derivatives involve costs to the Portfolio which can reduce returns</td>
<td></td>
</tr>
<tr>
<td>• Derivatives that involve leverage could magnify losses</td>
<td>• Segregated or earmarked assets and collateral accounts established in connection with derivatives may limit the Portfolio’s investment flexibility</td>
<td></td>
</tr>
<tr>
<td>• Certain types of derivatives involve costs to the Portfolio which can reduce returns</td>
<td>• Derivatives used for non-hedging purposes could cause losses that exceed the original investment</td>
<td></td>
</tr>
<tr>
<td>• Segregated or earmarked assets and collateral accounts established in connection with derivatives may limit the Portfolio’s investment flexibility</td>
<td>• Derivatives may, for tax purposes, affect the character of gain and loss realized by the Portfolio, accelerate recognition of income to the Portfolio, affect the holding period of the Portfolio’s assets and defer recognition of certain of the Portfolio’s losses</td>
<td></td>
</tr>
<tr>
<td>• Derivatives used for non-hedging purposes could cause losses that exceed the original investment</td>
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<td>• Derivatives may, for tax purposes, affect the character of gain and loss realized by the Portfolio, accelerate recognition of income to the Portfolio, affect the holding period of the Portfolio’s assets and defer recognition of certain of the Portfolio’s losses</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The Portfolio is not subject to registration or regulation as a “commodity pool operator” as defined in the Commodity Exchange Act because the Portfolio has claimed an exclusion from that definition.

† A futures contract is an agreement to buy or sell a set quantity of an underlying instrument at a future date, or to make or receive a cash payment based on changes in the value of a securities index. An option is the right to buy or sell a set quantity of an underlying instrument at a predetermined price. A swap is a privately negotiated agreement to exchange one stream of payments for another. A forward foreign currency contract is an obligation to buy or sell a given currency on a future date and at a set price.
<table>
<thead>
<tr>
<th>POTENTIAL RISKS</th>
<th>POTENTIAL REWARDS</th>
<th>POLICIES TO BALANCE RISK AND REWARD</th>
</tr>
</thead>
</table>
| **Master Limited Partnerships (MLPs)** | • Holders of MLP units have limited control and voting rights, similar to those of a limited partner  
• An MLP could be taxed, contrary to its intention, as a corporation, resulting in decreased returns  
• MLPs may, for tax purposes, affect the character of the gain and loss realized by the Portfolio and affect the holding period of the Portfolio’s assets | • MLPs can offer attractive returns  
• MLPs may offer more attractive yields or potential growth than comparable equity securities  
• MLPs offer attractive potential performance and opportunities for diversification | • The Portfolio will limit its direct and indirect investments in MLPs to maintain its status as a registered investment company  
• The Portfolio anticipates that its total investments in MLPs will not exceed 10% of total assets |
| **U.S. government and agency securities** | • The value of most debt securities, including government and agency securities, will fall when interest rates rise; the longer a security’s maturity and the lower its credit quality, the more its value typically falls  
• Indebtedness of certain government issuers whose securities may be held by the Fund, including the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac), is not entitled to the full faith and credit of the United States and is thus subject to the risk of default in the payment of interest and/or principal like the indebtedness of private issuers  
• Government agency issued mortgage-backed securities (securities representing an interest in, or secured by, a pool of mortgages) involve risk of loss due to payments that occur earlier or later than expected | • Most bonds will rise in value when interest rates fall  
• Government and agency securities have generally outperformed money market instruments over the long-term with less risk than stocks or debt securities of lower quality issuers  
• Mortgage-backed securities can offer attractive returns | • The Portfolio seeks to limit risk and enhance performance through active management  
• The adviser monitors interest rate trends, as well as geographic and demographic information related to mortgage-backed securities |
| **Illiquid holdings** | • The Portfolio could have difficulty valuing these holdings  
• The Portfolio could be unable to sell these holdings at the time or price it desires | • These holdings may offer more attractive yields or potential growth than comparable widely traded securities | • The Portfolio may not invest more than 15% of net assets in illiquid holdings  
• To maintain adequate liquidity to meet redemptions, the Portfolio may hold high-quality short-term instruments (including repurchase agreements) and for temporary or extraordinary purposes, may borrow from banks up to 33⅓% of the value of its total assets |
<table>
<thead>
<tr>
<th>POTENTIAL RISKS</th>
<th>POTENTIAL REWARDS</th>
<th>POLICIES TO BALANCE RISK AND REWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-term trading</strong></td>
<td>• The Portfolio could realize gains in a short period of time</td>
<td>• The Portfolio generally avoids short-term trading, except to take advantage of attractive or unexpected opportunities or to meet demands generated by shareholder activity</td>
</tr>
<tr>
<td>• Increased trading could raise the Portfolio’s brokerage and related costs</td>
<td>• The Portfolio could protect against losses if a stock is overvalued and its value later falls</td>
<td></td>
</tr>
<tr>
<td>• Increased short-term capital gains distributions could raise shareholders’ income tax liability. Such an increase in transaction costs and/or tax liability, if not offset by gains from short-term trading, would reduce the Portfolio’s returns</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>When-issued and delayed delivery securities</strong></td>
<td>• The Portfolio can take advantage of attractive transaction opportunities</td>
<td>• The Portfolio segregates or earmarks liquid assets to offset leverage risks</td>
</tr>
<tr>
<td>• When the Portfolio buys securities before issue or for delayed delivery, it could be exposed to leverage risk if it does not segregate or earmark liquid assets</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
None of the actions described below allege that any unlawful activity took place with respect to the Portfolio whose shares are offered in this prospectus.

Prior to becoming an affiliate of JPMorgan Chase, on June 29, 2004, Banc One Investment Advisors Corporation (BOIA), now known as JPMorgan Investment Advisors Inc., entered into agreements with the Securities and Exchange Commission (the SEC) and the New York Attorney General (NYAG) in resolution of investigations conducted by the SEC and the NYAG into market timing of certain funds advised by BOIA, which were series of One Group Mutual Funds, into possible late trading of certain funds and related matters. In its settlement with the SEC, BOIA consented to the entry of an order by the SEC (the SEC Order) instituting and settling administrative and cease-and-desist proceedings against it. Under the terms of the SEC Order and the NYAG settlement agreement, BOIA agreed to pay disgorgement of $10 million and a civil money penalty of $40 million for a total payment of $50 million, which will be distributed to certain current and former shareholders of certain funds. Pursuant to the settlement agreement with the NYAG, BOIA reduced its management fee for certain funds which were series of One Group Mutual Funds (now known as JPMorgan Trust II) in the aggregate amount of approximately $8 million annually over a five-year period commencing September, 2004.

In addition to the matters involving the SEC and NYAG, various lawsuits were filed by private plaintiffs in connection with these circumstances in various state and federal courts. These actions were transferred to the United States District Court for the District of Maryland for coordinated or consolidated pretrial proceedings by the orders of the Judicial Panel on Multidistrict Litigation, a federal judicial body that assists in the administration of such actions. The plaintiffs filed consolidated amended complaints, naming as defendants, among others, BOIA, Bank One Corporation and JPMorgan Chase (the former and current corporate parent of BOIA), the Distributor, One Group Services Company (the former distributor of One Group Mutual Funds), certain officers of One Group Mutual Funds and BOIA, and certain current and former trustees of One Group Mutual Funds. These complaints alleged, among other things, that various defendants (i) violated various antifraud and other provisions of federal securities laws, (ii) breached their fiduciary duties, (iii) unjustly enriched themselves, (iv) breached fund-related contracts, and (v) conspired to commit unlawful acts.

As of June 14, 2006, all claims against One Group Mutual Funds and current and former trustees were dismissed by the United States District Court in Maryland. Certain claims against BOIA and its affiliates have also been dismissed, and a settlement in principle has been reached for the purpose of resolving all remaining claims in the litigation in Maryland. The settlement is subject to court approval.

In addition, on August 30, 2005, the commissioner of the West Virginia Securities Division entered a Summary Cease and Desist Order and Notice of Right to Hearing with respect to JPMorgan Investment Advisors Inc. and JPMorgan Chase & Co. The order focuses on conduct characterized as market timing and violations of West Virginia securities laws. The order generally relates to the same facts that were the subject of the SEC Order and NYAG settlement discussed above.

The foregoing speaks only as of the date of this prospectus. Additional lawsuits presenting allegations and requests for relief arising out of or in connection with any of the foregoing matters may be filed against these and related parties in the future.
Financial Highlights

The financial highlights table is intended to help you understand the Portfolio’s financial performance for the past five fiscal years. Certain information reflects financial results for a single Portfolio share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in the Portfolio (assuming reinvestment of all dividends and distributions). The total returns do not include charges that will be imposed by variable insurance contracts or by Eligible Plans. If these charges were reflected, returns would be lower than those shown. This information has been audited by PricewaterhouseCoopers LLP, whose reports, along with the Portfolio’s financial statements, are included in the Portfolio’s annual report, which is available upon request.

<table>
<thead>
<tr>
<th>Per share operating performance</th>
<th>Investment operations</th>
<th>Distributions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net asset value,</td>
<td>Net realized</td>
</tr>
<tr>
<td></td>
<td>beginning of period</td>
<td>and unrealized</td>
</tr>
<tr>
<td></td>
<td></td>
<td>gains (losses)</td>
</tr>
<tr>
<td>Mid Cap Value Portfolio</td>
<td></td>
<td>on investments</td>
</tr>
<tr>
<td>Year Ended December 31, 2006</td>
<td>$27.84</td>
<td>$4.31</td>
</tr>
<tr>
<td>Year Ended December 31, 2005</td>
<td>25.92</td>
<td>2.19</td>
</tr>
<tr>
<td>Year Ended December 31, 2004</td>
<td>21.59</td>
<td>4.44</td>
</tr>
<tr>
<td>Year Ended December 31, 2003</td>
<td>16.72</td>
<td>4.85</td>
</tr>
<tr>
<td>Year Ended December 31, 2002</td>
<td>16.69</td>
<td>0.03</td>
</tr>
</tbody>
</table>

(a) Includes adjustments in accordance with accounting principles generally accepted in the United States of America and as such, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions.

(b) Net investment income based on average shares outstanding.
### Ratios/Supplemental data

#### Ratios to average net assets

<table>
<thead>
<tr>
<th>Net asset value, end of period</th>
<th>Total return (a)</th>
<th>Net assets, end of period (000's)</th>
<th>Net expenses</th>
<th>Net investment income (loss)</th>
<th>Expenses without waivers, reimbursements and earnings credits</th>
<th>Portfolio turnover rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$31.56</td>
<td>16.84%</td>
<td>$298,608</td>
<td>1.00%</td>
<td>0.99%</td>
<td>1.25%</td>
<td>45%</td>
</tr>
<tr>
<td>27.84</td>
<td>9.21</td>
<td>273,620</td>
<td>1.00</td>
<td>0.80</td>
<td>1.26</td>
<td>46%</td>
</tr>
<tr>
<td>25.92</td>
<td>21.06</td>
<td>120,144</td>
<td>1.00</td>
<td>0.63</td>
<td>1.25</td>
<td>51%</td>
</tr>
<tr>
<td>21.59</td>
<td>29.63</td>
<td>29,365</td>
<td>1.00</td>
<td>0.76</td>
<td>1.58</td>
<td>45%</td>
</tr>
<tr>
<td>16.72</td>
<td>0.82</td>
<td>10,145</td>
<td>1.00</td>
<td>0.72</td>
<td>2.69</td>
<td>72%</td>
</tr>
</tbody>
</table>
FOR MORE INFORMATION
For more information on this Portfolio the following documents are available free upon request:

ANNUAL AND SEMI-ANNUAL REPORTS
Our annual and semi-annual reports contain more information about the Portfolio’s investments and performance. The annual report also includes details about the market conditions and investment strategies that had a significant effect on the Portfolio’s performance during the last fiscal year.

STATEMENT OF ADDITIONAL INFORMATION (SAI)
The SAI contains more detailed information about the Portfolio and its policies. It is incorporated by reference into this prospectus. This means, by law, it is considered to be part of this prospectus.

You can get a free copy of these documents and other information, or ask us any questions, by calling us at 1-800-480-4111 or writing to:

JPMorgan Funds Services
P.O. Box 8528
Boston, MA 02266-8528

You can also find information online in the variable insurance portfolio section of www.jpmorganfunds.com.

You can write or e-mail the SEC’s Public Reference Room and ask them to mail you information about the Portfolio, including the SAI. They will charge you a copying fee for this service. You can also visit the Public Reference Room and copy the documents while you are there.

Public Reference Room of the SEC
100 F Street, N.E.
Washington, DC 20549-0102
1-202-551-8090
E-mail: publicinfo@sec.gov

Reports, a copy of the SAI and other information about the Portfolio are also available on the SEC’s website at http://www.sec.gov.

VARIABLE INSURANCE CONTRACTS
This prospectus is used with variable insurance contracts. All questions regarding variable insurance contracts should be directed to the address or phone numbers in the prospectus or other materials that you received when you purchased your contract.

The Investment Company Act File No. is 811-08212.