

Annual Report

JPMorgan Insurance Trust

December 31, 2017

JPMorgan Insurance Trust Mid Cap Value Portfolio

NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

J.P.Morgan
Asset Management

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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.

Past performance is no guarantee of future performance. The general market views expressed in this report are opinions based on market and other conditions through the end of the reporting period and are subject to change without notice. These views are not intended to predict the future performance of the Portfolio or the securities markets. References to specific securities and their issuers are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations to purchase or sell such securities. Such views are not meant as investment advice and may not be relied on as an indication of trading intent on behalf of the Portfolio.

This Portfolio is intended to be a funding vehicle for variable annuity contracts and variable life insurance policies (collectively "Policies") 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"). Individuals may not purchase shares directly from the Portfolio.

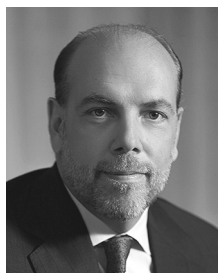
Prospective investors should refer to the Portfolio's prospectus for a discussion of the Portfolio's investment objective, strategies and risks. Call J.P. Morgan Funds Service Center at 1-800-480-4111 for a prospectus containing more complete information about the Portfolio, including management fees and other expenses. Please read it carefully before investing.

CEO'S LETTER

February 1, 2018 (Unaudited)

Dear Shareholder,

U.S. economic growth accelerated through 2017, supported by synchronized growth in the global economy and central bank policies that helped push equity prices higher in the U.S. as well as most developed market and emerging market nations.



“Generally strong fourth-quarter 2017 earnings, historically high consumer confidence and increased business investment point to continued growth in the U.S. economy.” – George C.W. Gatch

During the year, the U.S. entered its third longest economic expansion on record. Gross domestic product (GDP) rose by 1.8%, 1.2% and 3.2% in the first three quarters of 2017, respectively, and preliminary estimates put fourth quarter GDP growth at 2.6%. Unemployment fell steadily to 4.1% in December 2017 from 4.8% at the start of the year – though growth in wages remained weak – and U.S. consumer confidence reached a 17-year high in November 2017. Corporate profits rose strongly and received a boost from stable energy prices and a 10% decline in the value of the U.S. dollar over the course of the year.

Notably, three large hurricanes – along with wildfires and other natural disasters – combined to cause an estimated \$306 billion in damage in the U.S., making 2017 the most expensive year to date for natural disasters. While companies in some specific sectors of the economy reported that Hurricanes Harvey, Irma and Maria affected revenue or earnings, any impact on the larger economy appeared to be limited.

The U.S. Federal Reserve raised interest rates three times in 2017 and indicated it would raise rates three more times in the year ahead. However, interest rates overall remained relatively low during 2017, which provided support for the domestic economy and for financial markets.

Globally, most developed market and emerging market economies also continued to grow throughout 2017. Growth in Europe was strong enough that the European Central Bank committed to reducing its monthly asset purchases by half and the Bank of England raised its benchmark interest rate for the first time in ten years. Japan registered its longest economic

expansion in a decade. China's GDP grew by an estimated 6.8% in 2017, supported by personal consumption and growth in foreign trade, according to the World Bank.

Roughly 120 countries, comprising three-fourths of global GDP, experienced increased economic growth in 2017 relative to 2016, according to the International Monetary Fund (IMF).

Meanwhile, global financial markets provided investors with positive returns throughout 2017. Overall, equity markets outperformed bond markets, with emerging market equities largely outperforming developed market equities for the year.

In the U.S., the Standard & Poor's 500 Index (the “S&P 500”) reached 62 new closing highs during 2017 – the second largest number on record – and posted positive total returns (dividends included) in each month of the year for the first time since the current formula of the benchmark index was created in 1957. At the same time, equity market volatility fell to historic lows and by the end of 2017, U.S. stock prices overall hadn't experienced a decline of 3% or greater for 14 consecutive months. While U.S. fixed income markets largely provided positive returns during the year, they underperformed equity markets.

In the wake of stronger-than-expected growth in the U.S. and other leading economies, the IMF revised its forecast for 2018 U.S. GDP growth to 2.7% from 2.3%. The IMF cited external demand and a reduction in U.S. corporate tax rates from the Tax Cuts and Jobs Act of 2017. Generally strong fourth-quarter 2017 earnings, historically high consumer confidence and increased business investment point to continued growth in the U.S. economy. We believe investors who maintain a properly diversified portfolio and a long-term outlook will be able to benefit from the current global economic expansion.

We look forward to managing your investment needs for years to come. Should you have any questions, please visit www.jpmorganfunds.com or contact the J.P. Morgan Funds Service Center at 1-800-480-4111.

Sincerely yours,



George C.W. Gatch
CEO, Global Funds Management
J.P. Morgan Asset Management

JPMorgan Insurance Trust Mid Cap Value Portfolio

PORTFOLIO COMMENTARY

TWELVE MONTHS ENDED DECEMBER 31, 2017 (Unaudited)

REPORTING PERIOD RETURN:

Portfolio (Class 1 Shares)*	13.76%
Russell Midcap Value Index	13.34%
Net Assets as of 12/31/2017	\$572,519,790

INVESTMENT OBJECTIVE**

The JPMorgan Insurance Trust Mid Cap Value Portfolio (the “Portfolio”) seeks capital appreciation with the secondary goal of achieving current income by investing primarily in equity securities.

HOW DID THE MARKET PERFORM?

Equity markets in the U.S. and elsewhere rallied throughout 2017 amid synchronized global economic growth, central bank stimulus and rising corporate profits.

During the year, the Standard & Poor’s 500 Index (S&P 500) reached 62 new closing highs – the most since 1995 – and, for the first time ever, posted positive total returns in all twelve months (when dividends are included). December 2017 marked the fourteenth consecutive month of gains for the S&P 500. In contrast, the CBOE Volatility Index, which measures S&P 500 options to gauge market expectations of near-term volatility, remained well below its historical average throughout the year, and on November 3, 2017, fell to its lowest-ever level.

Overall, growth stocks generally outperformed value stocks and large cap stocks generally outperformed small cap and mid cap stocks. For the twelve months ended December 31, 2017, the Russell MidCap Value Index returned 13.34%.

WHAT WERE THE MAIN DRIVERS OF THE PORTFOLIO’S PERFORMANCE?

The Portfolio’s Class 1 Shares outperformed the Russell Midcap Value Index (the “Benchmark”) for the twelve months ended December 31, 2017. The Portfolio’s security selection in the energy and health care sectors was a leading contributor to performance relative to the Benchmark, while the Portfolio’s security selection in the consumer staples and materials sectors was a leading detractor from relative performance.

Leading individual contributors to performance included the Portfolio’s overweight positions in Cigna Corp., Constellation Brands Inc. and Mohawk Industries Inc. Shares of Cigna, a health insurance provider not held in the Benchmark, rose after the company reported better-than-expected earnings for the third quarter of 2017 and raised its earnings forecast for the full year 2017. Shares of Constellation Brands, a maker of alcoholic beverages that was not held in the Benchmark, rose after the company reported better-than-expected earnings for the company’s fiscal second quarter and raised its earnings forecast for the rest of the fiscal year. Shares of Mohawk Industries, a maker of commercial and residential flooring, rose amid acquisitions and better-than-expected earnings.

Leading individual detractors from relative performance included the Portfolio’s overweight positions in Kroger Co., Dish Network Corp. and Bed Bath & Beyond Inc. Shares of Kroger, a supermarket chain that was not held in the Benchmark, fell amid a decline in earnings for the second quarter of 2017 and investor concerns that recent hurricanes would hurt sales. Shares of Dish Network, a subscription TV provider, fell after the company reported lower-than-expected earnings for the third quarter of 2017. Shares of Bed Bath & Beyond, a housewares retail chain, fell amid investor disappointment with third quarter earnings.

HOW WAS THE PORTFOLIO POSITIONED?

The portfolio managers utilized a bottom-up approach to stock selection and sought to identify durable franchises possessing the ability to generate, in their view, sustainable levels of free cash flow. During the reporting period, the Portfolio maintained a large overweight position in the consumer discretionary sector, while maintaining underweight positions in the real estate and industrials sectors. The Portfolio had no position in the telecommunication services sector during the reporting period.

TOP TEN EQUITY HOLDINGS OF THE PORTFOLIO***

1. Energen Corp.	2.1%
2. Mohawk Industries, Inc.	2.0
3. EQT Corp.	1.8
4. Loews Corp.	1.7
5. M&T Bank Corp.	1.7
6. Xcel Energy, Inc.	1.6
7. Williams Cos., Inc. (The)	1.5
8. CMS Energy Corp.	1.5
9. T Rowe Price Group, Inc.	1.5
10. WEC Energy Group, Inc.	1.5

PORTFOLIO COMPOSITION BY SECTOR***

Financials	23.0%
Consumer Discretionary	16.2
Real Estate	10.4
Information Technology	8.8
Utilities	8.2
Industrials	8.1
Consumer Staples	6.3
Energy	6.1
Health Care	6.0
Materials	4.5
Short-Term Investment	2.4

* The return shown is based on net asset values calculated for shareholder transactions and may differ from the return shown in the financial highlights, which reflects adjustments made to the net asset values in accordance with accounting principles generally accepted in the United States of America.

** The adviser seeks to achieve the Portfolio's objective. There can be no guarantee it will be achieved.

*** Percentages indicated are based on total investments as of December 31, 2017. The Portfolio's composition is subject to change.

JPMorgan Insurance Trust Mid Cap Value Portfolio

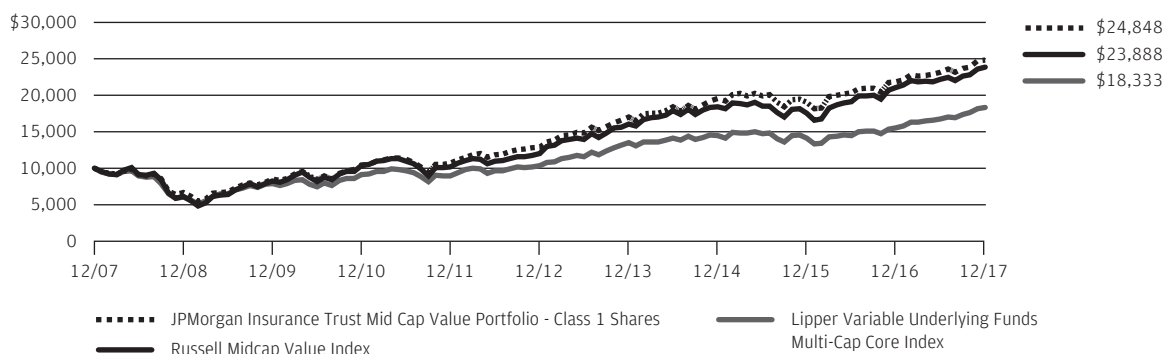
PORTFOLIO COMMENTARY

TWELVE MONTHS ENDED DECEMBER 31, 2017 (Unaudited) (continued)

AVERAGE ANNUAL TOTAL RETURNS AS OF DECEMBER 31, 2017

	INCEPTION DATE OF CLASS	1 YEAR	5 YEAR	10 YEAR
CLASS 1 SHARES	September 28, 2001	13.76%	14.11%	9.53%

TEN YEAR PERFORMANCE (12/31/07 TO 12/31/17)



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 their original cost. Current performance may be higher or lower than the performance data shown. For up-to-date month-end performance information please call 1-800-480-4111.

Inception date for JPMorgan Insurance Trust Mid Cap Value Portfolio is September 28, 2001, which is the inception date of JPMorgan Mid Cap Value Portfolio ("Predecessor Portfolio"). JPMorgan Insurance Trust Mid Cap Value Portfolio acquired all of the assets and liabilities of the Predecessor Portfolio in a reorganization on April 24, 2009. The Predecessor Portfolio's performance and financial history have been adopted by JPMorgan Insurance Trust Mid Cap Value Portfolio and have been used since the reorganization. As a result, the performance prior to April 25, 2009 is the performance of the Predecessor Portfolio.

The graph illustrates comparative performance for \$10,000 invested in Class 1 Shares of the JPMorgan Insurance Trust Mid Cap Value Portfolio, the Russell Midcap Value Index and the Lipper Variable Underlying Funds Multi-Cap Core Index from December 31, 2007 to December 31, 2017. The performance of the Portfolio assumes reinvestment of all dividends and capital gain distributions, if any. The performance of the Russell Midcap Value Index does not reflect the

deduction of expenses associated with a mutual fund and has been adjusted to reflect reinvestment of all dividends and capital gain distributions of the securities included in the benchmark, if applicable. The performance of the Lipper Variable Underlying Funds Multi-Cap Core Index includes expenses associated with a mutual fund, such as investment management fees. These expenses are not identical to expenses incurred by the Portfolio. 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 Lipper Variable Underlying Funds Multi-Cap Core Index is an index based on the total returns of certain mutual funds within the Portfolio's designated category as determined by Lipper, Inc. Investors cannot invest directly in an index.

Portfolio performance does not reflect any charges imposed by the Policies or Eligible Plans. If these charges were included, the returns would be lower than shown. Portfolio performance may reflect the waiver of the Portfolio's fees and reimbursement of expenses for certain periods since the inception date. Without these waivers and reimbursements, performance would have been lower.

The returns shown are based on net asset values calculated for shareholder transactions and may differ from the returns shown in the financial highlights, which reflect adjustments made to the net asset values in accordance with accounting principles generally accepted in the United States of America.

JPMorgan Insurance Trust Mid Cap Value Portfolio

SCHEDULE OF PORTFOLIO INVESTMENTS

AS OF DECEMBER 31, 2017

SHARES	SECURITY DESCRIPTION	VALUE(\$)	SHARES	SECURITY DESCRIPTION	VALUE(\$)
Common Stocks – 97.6%					
Consumer Discretionary – 16.2%			Food Products – 0.5%		
Auto Components – 0.9%			25,230	Pinnacle Foods, Inc.	1,500,428
95,020	BorgWarner, Inc.	4,854,572	17,800	Post Holdings, Inc. (a)	1,410,294
Distributors – 0.8%			Household Products – 0.4%		
49,429	Genuine Parts Co.	4,696,249	48,220	Energizer Holdings, Inc.	2,313,595
Hotels, Restaurants & Leisure – 1.7%			Personal Products – 1.7%		
90,406	Hilton Worldwide Holdings, Inc.	7,219,823	249,990	Coty, Inc., Class A	4,972,301
19,226	Marriott International, Inc., Class A	2,609,545	80,730	Edgewell Personal Care Co. (a)	4,794,555
			9,829,368		
Household Durables – 2.9%			9,766,856		
41,810	Mohawk Industries, Inc. (a)	11,535,379	Total Consumer Staples		
154,729	Newell Brands, Inc.	4,781,126	36,162,194		
			16,316,505		
Internet & Direct Marketing Retail – 1.2%			205,953	Energen Corp. (a)	11,856,714
56,190	Expedia, Inc.	6,729,876	183,630	EQT Corp.	10,452,220
Media – 1.5%			101,300	PBF Energy, Inc., Class A	3,591,085
64,524	CBS Corp. (Non-Voting), Class B	3,806,916	289,930	Williams Cos., Inc. (The)	8,839,966
93,880	DISH Network Corp., Class A (a)	4,482,770	Total Energy		
			34,739,985		
8,289,686			Financials – 23.0%		
Multiline Retail – 1.6%			Banks – 8.0%		
111,030	Kohl's Corp.	6,021,157	157,080	Citizens Financial Group, Inc.	6,594,218
71,360	Nordstrom, Inc.	3,381,037	281,560	Fifth Third Bancorp	8,542,530
			57,010	First Republic Bank	4,939,346
9,402,194			309,680	Huntington Bancshares, Inc.	4,508,941
Specialty Retail – 3.7%			58,148	M&T Bank Corp.	9,942,727
8,898	AutoZone, Inc. (a)	6,329,770	132,030	SunTrust Banks, Inc.	8,527,818
81,420	Best Buy Co., Inc.	5,574,828	47,770	Zions Bancorp	2,428,149
153,170	Gap, Inc. (The)	5,216,970	45,483,729		
41,160	Tiffany & Co.	4,278,582	Capital Markets – 5.7%		
			32,830	Ameriprise Financial, Inc.	5,563,700
21,400,150			162,770	Invesco Ltd.	5,947,616
Textiles, Apparel & Luxury Goods – 1.9%			65,240	Northern Trust Corp.	6,516,824
48,510	PVH Corp.	6,656,057	63,630	Raymond James Financial, Inc.	5,682,159
41,080	Ralph Lauren Corp.	4,259,585	83,070	T Rowe Price Group, Inc.	8,716,535
			32,426,834		
10,915,642			Consumer Finance – 1.0%		
92,434,242			198,690	Ally Financial, Inc.	5,793,800
Consumer Staples – 6.3%			Insurance – 8.3%		
Beverages – 2.7%			5,198	Alleghany Corp. (a)	3,098,476
26,220	Constellation Brands, Inc., Class A	5,993,105	18,393	Chubb Ltd.	2,687,769
71,691	Dr Pepper Snapple Group, Inc.	6,958,329	144,550	Hartford Financial Services Group, Inc. (The)	8,135,274
30,930	Molson Coors Brewing Co., Class B	2,538,425	199,910	Loews Corp.	10,001,497
			70,980	Marsh & McLennan Cos., Inc.	5,777,062
15,489,859			5,777,062		
Food & Staples Retailing – 1.0%					
206,964	Kroger Co. (The)	5,681,162			

SEE NOTES TO FINANCIAL STATEMENTS.

JPMorgan Insurance Trust Mid Cap Value Portfolio

SCHEDULE OF PORTFOLIO INVESTMENTS

AS OF DECEMBER 31, 2017 (continued)

SHARES	SECURITY DESCRIPTION	VALUE(\$)	SHARES	SECURITY DESCRIPTION	VALUE(\$)
Common Stocks – continued					
Insurance – continued			Electronic Equipment, Instruments & Components – continued		
81,680	Progressive Corp. (The)	4,600,218	106,530	CDW Corp.	7,402,770
91,570	Unum Group	5,026,277	147,990	Keysight Technologies, Inc. (a)	6,156,384
36,250	WR Berkley Corp.	2,597,313			<u>27,363,051</u>
164,100	XL Group Ltd., (Bermuda)	5,769,756			
		<u>47,693,642</u>			
	Total Financials	<u>131,398,005</u>	86,000	Match Group, Inc. (a)	<u>2,692,660</u>
Health Care – 6.0%			IT Services – 0.9%		
Health Care Equipment & Supplies – 0.7%			43,520	Jack Henry & Associates, Inc.	<u>5,090,099</u>
33,320	Zimmer Biomet Holdings, Inc.	4,020,724			
Health Care Providers & Services – 5.3%			48,740	Analog Devices, Inc.	<u>4,339,322</u>
60,680	AmerisourceBergen Corp.	5,571,637			
34,440	Cigna Corp.	6,994,420			
45,460	Henry Schein, Inc. (a)	3,176,745			
20,270	Humana, Inc.	5,028,379			
29,230	Laboratory Corp. of America Holdings (a)	4,662,477			
43,071	Universal Health Services, Inc., Class B	4,882,098			
		<u>30,315,756</u>	11,300	Sherwin-Williams Co. (The)	<u>4,633,452</u>
	Total Health Care	<u>34,336,480</u>	204,980	Ball Corp.	7,758,493
Industrials – 8.1%			178,210	Silgan Holdings, Inc.	5,237,592
Building Products – 1.0%			125,900	WestRock Co.	<u>7,958,139</u>
85,610	Fortune Brands Home & Security, Inc.	5,859,148			<u>20,954,224</u>
Electrical Equipment – 2.7%					
24,100	Acuity Brands, Inc.	4,241,600			
71,260	AMETEK, Inc.	5,164,212			
39,690	Hubbell, Inc.	5,371,645			
11,020	Regal Beloit Corp.	844,132			
		<u>15,621,589</u>			
Industrial Conglomerates – 1.0%					
50,590	Carlisle Cos., Inc.	5,749,553			
Machinery – 2.4%					
43,340	IDEX Corp.	5,719,580			
45,380	Snap-on, Inc.	7,909,734			
		<u>13,629,314</u>			
Trading Companies & Distributors – 1.0%					
59,480	MSC Industrial Direct Co., Inc., Class A	5,749,337			
	Total Industrials	<u>46,608,941</u>			
Information Technology – 8.8%					
Communications Equipment – 1.1%					
167,340	CommScope Holding Co., Inc. (a)	6,330,472	56,040	American Campus Communities, Inc.	2,299,321
Electronic Equipment, Instruments & Components – 4.8%			91,900	American Homes 4 Rent, Class A	2,007,096
79,310	Amphenol Corp., Class A	6,963,418	28,330	AvalonBay Communities, Inc.	5,054,355
85,070	Arrow Electronics, Inc. (a)	6,840,479	37,090	Boston Properties, Inc.	4,822,813
			193,000	Brixmor Property Group, Inc.	3,601,380
			10,970	Essex Property Trust, Inc.	2,647,829
			27,440	Federal Realty Investment Trust	3,644,307
			77,500	GGP, Inc.	1,812,725
			42,940	HCP, Inc.	1,119,875
			35,552	JBG SMITH Properties	1,234,721
			184,610	Kimco Realty Corp.	3,350,672
			156,737	Outfront Media, Inc.	3,636,298
			96,436	Park Hotels & Resorts, Inc.	2,772,535
			123,265	Rayonier, Inc.	3,898,872
			39,850	Regency Centers Corp.	2,756,823
			62,894	Vornado Realty Trust	4,917,053
			110,400	Weyerhaeuser Co.	3,892,704
			26,870	WP Carey, Inc.	<u>1,851,343</u>
					<u>55,320,722</u>

SEE NOTES TO FINANCIAL STATEMENTS.

SHARES	SECURITY DESCRIPTION	VALUE(\$)
Common Stocks – continued		
Real Estate Management & Development – 0.8%		
98,910	CBRE Group, Inc., Class A (a)	4,283,792
	Total Real Estate	59,604,514
Utilities – 8.2%		
Electric Utilities – 2.8%		
83,660	Edison International	5,290,658
33,700	Westar Energy, Inc.	1,779,360
185,050	Xcel Energy, Inc.	8,902,756
		15,972,774
Gas Utilities – 0.9%		
97,000	National Fuel Gas Co.	5,326,270
Multi-Utilities – 4.5%		
57,760	CenterPoint Energy, Inc.	1,638,074
184,550	CMS Energy Corp.	8,729,215
62,060	Sempra Energy	6,635,455
131,000	WEC Energy Group, Inc.	8,702,330
		25,705,074
	Total Utilities	47,004,118
	Total Common Stocks (Cost \$340,115,543)	558,413,203

SHARES	SECURITY DESCRIPTION	VALUE(\$)
Short-Term Investment – 2.4%		
Investment Company – 2.4%		
14,019,342	JPMorgan U.S. Government Money Market Fund, Institutional Class Shares, 1.14% (b) (l) (Cost \$14,019,342)	14,019,342
Total Investments – 100.0%		
(Cost \$354,134,885)		572,432,545
Other Assets in Excess of		
Liabilities – 0.0% (g)		87,245
NET ASSETS – 100.0%		\$572,519,790

Percentages indicated are based on net assets.

NOTES TO SCHEDULE OF PORTFOLIO INVESTMENTS:

- (a) – Non-income producing security.
- (b) – Investment in affiliate. Money market fund is registered under the Investment Company Act of 1940, as amended, and advised by J.P. Morgan Investment Management Inc.
- (g) – Amount rounds to less than 0.05%.
- (l) – The rate shown is the current yield as of December 31, 2017.

SEE NOTES TO FINANCIAL STATEMENTS.

STATEMENT OF ASSETS AND LIABILITIES
AS OF DECEMBER 31, 2017

	Mid Cap Value Portfolio
ASSETS:	
Investments in non-affiliates, at value	\$558,413,203
Investments in affiliates, at value	14,019,342
Receivables:	
Investment securities sold	271,195
Portfolio shares sold	63,310
Dividends from non-affiliates	862,206
Dividends from affiliates	10,924
Total Assets	<u>573,640,180</u>
LIABILITIES:	
Payables:	
Investment securities purchased	31,010
Portfolio shares redeemed	652,886
Accrued liabilities:	
Investment advisory fees	312,361
Administration fees	39,232
Custodian and accounting fees	9,650
Trustees' and Chief Compliance Officer's fees	137
Other	75,114
Total Liabilities	<u>1,120,390</u>
Net Assets	<u><u>\$572,519,790</u></u>
NET ASSETS:	
Paid-in-Capital	\$343,130,951
Accumulated undistributed net investment income	5,110,349
Accumulated net realized gains (losses)	5,980,830
Net unrealized appreciation (depreciation)	218,297,660
Total Net Assets	<u><u>\$572,519,790</u></u>
Outstanding units of beneficial interest (shares) (unlimited number of shares authorized, no par value):	48,394,186
Net asset value, offering and redemption price per share (a):	\$ 11.83
Cost of investments in non-affiliates	\$340,115,543
Cost of investments in affiliates	14,019,342

(a) Per share amounts may not recalculate due to rounding of net assets and/or shares outstanding.

SEE NOTES TO FINANCIAL STATEMENTS.

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Mid Cap Value Portfolio
INVESTMENT INCOME:	
Dividend income from non-affiliates	\$ 9,643,884
Dividend income from affiliates	109,833
Interest income from affiliates	<u>4</u>
Total investment income	<u>9,753,721</u>
EXPENSES:	
Investment advisory fees	3,687,027
Administration fees	462,640
Custodian and accounting fees	30,297
Professional fees	82,633
Trustees' and Chief Compliance Officer's fees	27,068
Printing and mailing costs	65,224
Transfer agency fees	8,232
Other	<u>49,573</u>
Total expenses	<u>4,412,694</u>
Less fees waived	<u>(47,741)</u>
Net expenses	<u>4,364,953</u>
Net investment income (loss)	<u>5,388,768</u>
REALIZED/UNREALIZED GAINS (LOSSES):	
Net realized gain (loss) on transactions from investments in non-affiliates	10,533,790
Change in net unrealized appreciation/depreciation on investments in non-affiliates	<u>56,823,802</u>
Net realized/unrealized gains (losses)	<u>67,357,592</u>
Change in net assets resulting from operations	<u><u>\$72,746,360</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE PERIODS INDICATED

	Mid Cap Value Portfolio	
	Year Ended December 31, 2017	Year Ended December 31, 2016
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS:		
Net investment income (loss)	\$ 5,388,768	\$ 4,455,044
Net realized gain (loss)	10,533,790	26,016,242
Change in net unrealized appreciation/depreciation	<u>56,823,802</u>	<u>34,088,690</u>
Change in net assets resulting from operations	<u>72,746,360</u>	<u>64,559,976</u>
DISTRIBUTIONS TO SHAREHOLDERS:		
From net investment income	(4,602,779)	(3,917,647)
From net realized gains	<u>(25,669,250)</u>	<u>(23,451,558)</u>
Total distributions to shareholders	<u>(30,272,029)</u>	<u>(27,369,205)</u>
CAPITAL TRANSACTIONS:		
Change in net assets resulting from capital transactions	<u>(14,124,058)</u>	<u>70,789,542</u>
NET ASSETS:		
Change in net assets	28,350,273	107,980,313
Beginning of period	<u>544,169,517</u>	<u>436,189,204</u>
End of period	<u>\$ 572,519,790</u>	<u>\$ 544,169,517</u>
Accumulated undistributed net investment income	<u>\$ 5,110,349</u>	<u>\$ 4,324,360</u>
CAPITAL TRANSACTIONS:		
Proceeds from shares issued	\$ 82,826,144	\$ 136,426,089
Distributions reinvested	30,272,029	27,369,205
Cost of shares redeemed	<u>(127,222,231)</u>	<u>(93,005,752)</u>
Change in net assets resulting from capital transactions	<u>\$ (14,124,058)</u>	<u>\$ 70,789,542</u>
SHARE TRANSACTIONS:		
Issued	7,342,610	13,027,148
Reinvested	2,792,623	2,734,186
Redeemed	<u>(11,291,321)</u>	<u>(9,005,971)</u>
Change in Shares	<u>(1,156,088)</u>	<u>6,755,363</u>

SEE NOTES TO FINANCIAL STATEMENTS.

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FINANCIAL HIGHLIGHTS
FOR THE PERIODS INDICATED

Per share operating performance

	Investment operations				Distributions		
	Net asset value, beginning of period	Net investment income (loss)	Net realized and unrealized gains (losses) on investments	Total from investment operations	Net investment income	Net realized gain	Total distributions
Mid Cap Value Portfolio							
Year Ended December 31, 2017	\$10.98	\$0.11(c)	\$ 1.34	\$ 1.45	\$(0.09)	\$(0.51)	\$(0.60)
Year Ended December 31, 2016	10.19	0.10(c)	1.33	1.43	(0.09)	(0.55)	(0.64)
Year Ended December 31, 2015	11.41	0.09(c)	(0.34)	(0.25)	(0.11)	(0.86)	(0.97)
Year Ended December 31, 2014	10.57	0.11(d)	1.41	1.52	(0.09)	(0.59)	(0.68)
Year Ended December 31, 2013	8.17	0.09	2.51	2.60	(0.10)	(0.10)	(0.20)

- (a) Includes adjustments in accordance with accounting principles generally accepted in the United States of America and as such, the net asset values for financial reporting purposes and the returns based upon those net asset values may differ from the net asset values and returns for shareholder transactions.
- (b) Includes earnings credits and interest expense, if applicable, each of which is less than 0.005% unless otherwise noted.
- (c) Calculated based upon average shares outstanding.
- (d) Reflects special dividends paid out during the period by several of the Portfolio's holdings. Had the Portfolio not received the special dividends, the net investment income (loss) per share would have been \$0.08 and the net investment income (loss) ratio would have been 0.77%.

SEE NOTES TO FINANCIAL STATEMENTS.

Ratios/Supplemental data

Ratios to average net assets

Net asset value, end of period	Total return (a)	Net assets, end of period	Net expenses (b)	Net investment income (loss)	Expenses without waivers, reimbursements and earnings credits	Portfolio turnover rate
\$11.83	13.76%	\$572,519,790	0.77%	0.95%	0.78%	14%
10.98	14.69	544,169,517	0.77	0.95	0.78	28
10.19	(2.66)	436,189,204	0.77	0.87	0.77	17
11.41	15.11	466,265,863	0.79	1.03(d)	0.79	25
10.57	32.30	408,782,236	0.77	0.95	0.78	26

SEE NOTES TO FINANCIAL STATEMENTS.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2017

1. Organization

JPMorgan Insurance Trust (the “Trust”) is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company and is a Massachusetts business trust.

The following is a separate Portfolio of the Trust (the “Portfolio”) covered by this report:

	Class Offered	Diversified/Non-Diversified
Mid Cap Value Portfolio	Class 1	Diversified

The investment objective of the Portfolio is to seek capital appreciation with the secondary goal of achieving current income by investing primarily in equity securities.

Portfolio shares are offered only to separate accounts of participating insurance companies and Eligible Plans. Individuals may not purchase shares directly from the Portfolio.

The Portfolio is offered only on a limited basis. Investors are not eligible to purchase shares of the Portfolio unless they meet certain requirements as described in its prospectus.

J.P. Morgan Investment Management Inc. (“JPMIM”), an indirect, wholly-owned subsidiary of JPMorgan Chase & Co. (“JPMorgan”), acts as Adviser (the “Adviser”) and Administrator (the “Administrator”) to the Portfolio.

2. Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Portfolio in the preparation of its financial statements. The Portfolio is an investment company and, accordingly, follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board Accounting Standards Codification Topic 946 – *Investment Companies*, which is part of U.S. generally accepted accounting principles (“GAAP”). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

A. Valuation of Investments – The valuation of investments is in accordance with GAAP and the Portfolio’s valuation policies set forth by and under the supervision and responsibility of the Board of Trustees (the “Board”), which established the following approach to valuation, as described more fully below: (i) investments for which market quotations are readily available shall be valued at such unadjusted quoted prices and (ii) all other investments for which market quotations are not readily available shall be valued at their fair value as determined in good faith by the Board.

The Administrator has established the J.P. Morgan Asset Management Americas Valuation Committee (“AVC”) to assist the Board with the oversight and monitoring of the valuation of the Portfolio’s investments. The Administrator implements the valuation policies of the Portfolio’s investments, as directed by the Board. The AVC oversees and carries out the policies for the valuation of investments held in the Portfolio. This includes monitoring the appropriateness of fair values based on results of ongoing valuation oversight, including but not limited to consideration of macro or security specific events, market events and pricing vendor and broker due diligence. The Administrator is responsible for discussing and assessing the potential impacts to the fair values on an ongoing basis, and at least on a quarterly basis with the AVC and the Board.

Equities and other exchange-traded instruments are valued at the last sale price or official market closing price on the primary exchange on which the instrument is traded before the net asset value (“NAV”) of the Portfolio is calculated on a valuation date. Investments in open-end investment companies (the “Underlying Funds”) are valued at each Underlying Fund’s NAV per share as of the report date.

Valuations reflected in this report are as of the report date. As a result, changes in valuation due to market events and/or issuer related events after the report date and prior to issuance of the report are not reflected herein.

The various inputs that are used in determining the valuation of the Portfolio’s investments are summarized into the three broad levels listed below.

- Level 1 – Unadjusted inputs using quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs including, but not limited to, quoted prices for similar investments, inputs other than quoted prices that are observable for investments (such as interest rates, prepayment speeds, credit risk, etc.) or other market corroborated inputs.
- Level 3 – Significant inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Portfolio’s assumptions in determining the fair value of investments).

A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input, both individually and in the aggregate, that is significant to the fair value measurement. The inputs or methodology used for valuing instruments are not necessarily an indication of the risk associated with investing in those instruments.

The following table represents each valuation input as presented on the Schedule of Portfolio Investments (“SOI”):

	Level 1 Quoted prices	Level 2 Other significant observable inputs	Level 3 Significant unobservable inputs	Total
Total Investments in Securities (a)	<u>\$572,432,545</u>	<u>\$—</u>	<u>\$—</u>	<u>\$572,432,545</u>

(a) All portfolio holdings designated as level 1 are disclosed individually on the SOI. Please refer to the SOI for industry specifics of portfolio holdings.

There were no transfers among any levels during the year ended December 31, 2017.

B. Security Transactions and Investment Income – Investment transactions are accounted for on the trade date (the date the order to buy or sell is executed). Securities gains and losses are calculated on a specifically identified cost basis. Dividend income is recorded on the ex-dividend date or when the Portfolio first learns of the dividend.

To the extent such information is publicly available, the Portfolio records distributions received in excess of income earned from underlying investments as a reduction of cost of investments and/or realized gain. Such amounts are based on estimates if actual amounts are not available and actual amounts of income, realized gain and return of capital may differ from the estimated amounts. The Portfolio adjusts the estimated amounts of the components of distributions (and consequently its net investment income) as necessary once the issuers provide information about the actual composition of the distributions.

C. Allocation of Expenses – Expenses directly attributable to a portfolio are charged directly to that portfolio, while the expenses attributable to more than one portfolio of the Trust are allocated among the respective portfolios.

D. Federal Income Taxes – The Portfolio is treated as a separate taxable entity for Federal income tax purposes. The Portfolio’s policy is to comply with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), applicable to regulated investment companies and to distribute to shareholders all of its distributable net investment income and net realized capital gains on investments. Accordingly, no provision for Federal income tax is necessary. The Portfolio is also a segregated portfolio of assets for insurance purposes and intends to comply with the diversification requirements of Subchapter L of the Code. Management has reviewed the Portfolio’s tax positions for all open tax years and has determined that as of December 31, 2017, no liability for income tax is required in the Portfolio’s financial statements for net unrecognized tax benefits. However, management’s conclusions may be subject to future review based on changes in, or the interpretation of, the accounting standards or tax laws and regulations. The Portfolio’s Federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

E. Distributions to Shareholders – Distributions from net investment income and net realized capital gains, if any, are generally declared and paid at least annually. The amount of distributions from net investment income and net realized capital gains is determined in accordance with Federal income tax regulations, which may differ from GAAP. To the extent these “book/tax” differences are permanent in nature (i.e., that they result from other than timing of recognition – “temporary differences”), such amounts are reclassified within the capital accounts based on their Federal tax-basis treatment.

3. Fees and Other Transactions with Affiliates

A. Investment Advisory Fee – Pursuant to an Investment Advisory Agreement, the Adviser supervises the investments of the Portfolio and for such services is paid a fee. The fee is accrued daily and paid monthly based on the Portfolio’s average daily net assets at an annual rate of 0.65%.

B. Administration Fee – Pursuant to an Administration Agreement, the Administrator provides certain administration services to the Portfolio. In consideration of these services, the Administrator receives a fee accrued daily and paid monthly at an annual rate of 0.15% of the first \$25 billion of the average daily net assets of all funds in the J.P. Morgan Funds Complex covered by the Administration Agreement (excluding certain funds of funds and money market funds) and 0.075% of the average daily net assets in excess of \$25 billion of all such funds. For the year ended December 31, 2017, the effective rate was 0.08% of the Portfolio’s average daily net assets, notwithstanding any fee waivers and/or expense reimbursements.

JPMorgan Chase Bank, N.A. (“JPMCB”), a wholly-owned subsidiary of JPMorgan, serves as the Portfolio’s sub-administrator (the “Sub-administrator”). For its services as Sub-administrator, JPMCB receives a portion of the fees payable to the Administrator.

C. Distribution Fees – Pursuant to a Distribution Agreement, JPMorgan Distribution Services, Inc. (“JPMDS”), an indirect, wholly-owned subsidiary of JPMorgan, serves as the Trust’s principal underwriter and promotes and arranges for the sale of the Portfolio’s shares.

D. Custodian and Accounting Fees – JPMCB provides portfolio custody and accounting services to the Portfolio. For performing these services, the Portfolio pays JPMCB transaction and asset-based fees that vary according to the number of transactions and positions, plus out-of-pocket expenses. The amounts paid directly to JPMCB by the Portfolio for custody and accounting services are included in Custodian and accounting fees on the Statement of Operations. Payments to the custodian may be reduced by credits earned by the Portfolio, based on uninvested cash balances held by the custodian. Such earnings credits, if any, are presented separately on the Statement of Operations.

Interest expense paid to the custodian related to cash overdrafts, if any, is included in Interest expense to affiliates on the Statement of Operations.

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2017 (continued)

E. Waivers and Reimbursements – The Adviser and/or Administrator have contractually agreed to waive fees and/or reimburse the Portfolio to the extent that total annual operating expenses of the Portfolio (excluding acquired fund fees and expenses, other than certain money market fund fees as described below, 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 Portfolio’s average daily net assets.

The expense limitation agreement was in effect for the year ended December 31, 2017 and is in place until at least April 30, 2018.

For the year ended December 31, 2017, the Portfolio’s service providers waived fees for the Portfolio as follows. None of these parties expect the Portfolio to repay any such waived fees in future years.

<u>Contractual Waivers</u>
<u>Investment Advisory Fees</u>
\$14,472

Additionally, the Portfolio may invest in one or more money market funds advised by the Adviser or its affiliates (affiliated money market funds). The Adviser and/or the Administrator have contractually agreed to waive fees and/or reimburse expenses in an amount sufficient to offset the respective net fees each collects from the affiliated money market fund on the Portfolio’s investment in such affiliated money market fund.

The amount of waivers resulting from investments in these money market funds for the year ended December 31, 2017 was \$33,269.

F. Other – Certain officers of the Trust are affiliated with the Adviser, the Administrator and JPMS. Such officers, with the exception of the Chief Compliance Officer, receive no compensation from the Portfolio for serving in their respective roles.

The Board appointed a Chief Compliance Officer to the Portfolio in accordance with Federal securities regulations. The Portfolio, along with other affiliated portfolios, makes reimbursement payments, on a pro-rata basis, to the Administrator for a portion of the fees associated with the Office of the Chief Compliance Officer. Such fees are included in Trustees’ and Chief Compliance Officer’s fees on the Statement of Operations.

The Trust adopted a Trustee Deferred Compensation Plan (the “Plan”) which allows the Independent Trustees to defer the receipt of all or a portion of compensation related to performance of their duties as Trustees. The deferred fees are invested in various J.P. Morgan Funds until distribution in accordance with the Plan.

The Portfolio may use related party broker-dealers. For the year ended December 31, 2017, the Portfolio incurred \$54 in brokerage commissions with broker-dealers affiliated with the Adviser.

The Securities and Exchange Commission (“SEC”) has granted an exemptive order permitting the Portfolio to engage in principal transactions with J.P. Morgan Securities, Inc., an affiliated broker, involving taxable money market instruments, subject to certain conditions.

4. Investment Transactions

During the year ended December 31, 2017, purchases and sales of investments (excluding short-term investments) were as follows:

<u>Purchases</u> <u>(excluding U.S.</u> <u>Government)</u>	<u>Sales</u> <u>(excluding U.S.</u> <u>Government)</u>
\$78,772,181	\$109,410,904

During the year ended December 31, 2017, there were no purchases or sales of U.S. Government securities.

5. Federal Income Tax Matters

For Federal income tax purposes, the estimated cost and unrealized appreciation (depreciation) in value of investments held at December 31, 2017, were as follows:

<u>Aggregate</u> <u>Cost</u>	<u>Gross</u> <u>Unrealized</u> <u>Appreciation</u>	<u>Gross</u> <u>Unrealized</u> <u>Depreciation</u>	<u>Net Unrealized</u> <u>Appreciation</u> <u>(Depreciation)</u>
\$356,902,855	\$221,040,349	\$5,510,659	\$215,529,690

The difference between book and tax basis appreciation (depreciation) on investments is primarily attributed to wash sale loss deferrals.

The tax character of distributions paid during the year ended December 31, 2017 was as follows:

<u>Ordinary</u> <u>Income*</u>	<u>Net</u> <u>Long-Term</u> <u>Capital Gains</u>	<u>Total</u> <u>Distributions</u> <u>Paid</u>
\$4,602,779	\$25,669,250	\$30,272,029

* Short-term gain distributions are treated as ordinary income for income tax purposes.

The tax character of distributions paid during the year ended December 31, 2016 was as follows:

	Ordinary Income*	Net Long-Term Capital Gains	Total Distributions Paid
	\$3,917,647	\$23,451,558	\$27,369,205

* Short-term gain distributions are treated as ordinary income for income tax purposes.

As of December 31, 2017, the estimated components of net assets (excluding paid-in-capital) on a tax basis were as follows:

	Current Distributable Ordinary Income	Current Distributable Long-Term Capital Gain	Unrealized Appreciation (Depreciation)
	\$6,713,329	\$7,108,103	\$215,529,690

The cumulative timing differences primarily consist of wash sale loss deferrals.

Under the Regulated Investment Company Modernization Act of 2010 (the "Act"), net capital losses recognized by the Portfolio after December 31, 2010 are carried forward indefinitely, and retain their character as short-term and/or long-term losses. Prior to the Act, net capital losses incurred by the Portfolio were carried forward for eight years and treated as short-term losses. The Act requires that post-enactment net capital losses be used before pre-enactment net capital losses.

At December 31, 2017, the Portfolio did not have any net capital loss carryforwards.

During the year ended December 31, 2017, the Portfolio utilized pre-enactment capital loss carryforwards in the amount of \$1,353,283.

6. Borrowings

The Portfolio relies upon an exemptive order granted by the SEC (the "Order") permitting the establishment and operation of an Interfund Lending Facility (the "Facility"). The Facility allows the Portfolio to directly lend and borrow money to or from any other fund relying upon the Order at rates beneficial to both the borrowing and lending funds. Advances under the Facility are taken primarily for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities, and are subject to the Portfolio's borrowing restrictions. The Interfund loan rate is determined, as specified in the Order, by averaging the current repurchase agreement rate and the current bank loan rate. The Order was granted to the Trust and may be relied upon by the Portfolio because the Portfolio and the series of the Trust are all investment companies in the same "group of investment companies" (as defined in Section 12(d)(1)(G) of the 1940 Act).

The Trust and JPMCB have entered into a financing arrangement. Under this arrangement, JPMCB provides an unsecured, uncommitted credit facility in the aggregate amount of \$100 million to certain of the J.P. Morgan Funds, including the Portfolio. Advances under the arrangement are taken primarily for temporary or emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities, and are subject to the Portfolio's borrowing restrictions. Interest on borrowings is payable at a rate determined by JPMCB at the time of borrowing. This agreement has been extended until November 5, 2018.

The Portfolio had no borrowings outstanding from the unsecured, uncommitted credit facility during the year ended December 31, 2017.

In addition, effective August 16, 2016, the Trust along with certain other trusts ("Borrowers") entered into a joint syndicated senior unsecured revolving credit facility totaling \$1.5 billion ("Credit Facility") with various lenders and The Bank of New York Mellon, as administrative agent for the lenders. This Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the meeting of redemption requests that otherwise might require the untimely disposition of securities. Under the terms of the Credit Facility, a borrowing portfolio must have a minimum of \$25,000,000 in adjusted net asset value and not exceed certain adjusted net asset coverage ratios prior to and during the time in which any borrowings are outstanding. If a portfolio does not comply with the aforementioned requirements, the portfolio must remediate within three business days with respect to the \$25,000,000 minimum adjusted net asset value or within one business day with respect to certain asset coverage ratios or the administrative agent at the request of, or with the consent of, the lenders may terminate the Credit Facility and declare any outstanding borrowings to be due and payable immediately.

Interest associated with any borrowing under the Credit Facility is charged to the borrowing portfolio at a rate of interest equal to 1.00% plus the greater of the federal funds effective rate or one month LIBOR. The annual commitment fee to maintain the Credit Facility is 0.15% and is incurred on the unused portion of the Credit Facility and is allocated to all participating portfolios pro rata based on their respective net assets. Effective August 15, 2017, this agreement has been amended and restated for a term of 364 days, unless extended.

The Portfolio did not utilize the Credit Facility during the year ended December 31, 2017.

7. Risks, Concentrations and Indemnifications

In the normal course of business, the Portfolio enters into contracts that contain a variety of representations which provide general indemnifications. The Portfolio's maximum exposure under these arrangements is unknown. The amount of exposure would depend on future claims

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2017 (continued)

that may be made against the Portfolio that have not yet occurred. However, based on experience, the Portfolio expects the risk of loss to be remote.

As of December 31, 2017, the Portfolio had three omnibus accounts which collectively owned 76.8% of the Portfolio's outstanding shares. Significant shareholder transactions by these shareholders may impact the Portfolio's performance.

8. Investment Company Reporting Modernization

In October 2016, the U.S. Securities and Exchange Commission adopted new rules and forms, and amendments to certain current rules and forms, to modernize the reporting and disclosure of information by registered investment companies. In part, the final rules amend Regulation S-X and require standardized, enhanced disclosures about derivatives in investment company financial statements, as well as other amendments. The amendments to Regulation S-X were applied to the Portfolio's financial statements as of December 31, 2017. The adoption had no effect on the Portfolio's net assets or result of operations.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of JPMorgan Insurance Trust and Shareholders of JPMorgan Insurance Trust Mid Cap Value Portfolio

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of portfolio investments, of JPMorgan Insurance Trust Mid Cap Value Portfolio (one of the portfolios constituting JPMorgan Insurance Trust, referred to hereafter as the “Portfolio”) as of December 31, 2017, the related statement of operations for the year ended December 31, 2017, the statement of changes in net assets for each of the two years in the period ended December 31, 2017, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2017 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Portfolio as of December 31, 2017, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2017 and the financial highlights for each of the five years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Portfolio’s management. Our responsibility is to express an opinion on the Portfolio’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Portfolio in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017 by correspondence with the custodian, transfer agent and brokers. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 14, 2018

We have served as the auditor of one or more investment companies in the JPMorgan Funds complex since 1993.

TRUSTEES

(Unaudited)

The Portfolio's Statement of Additional Information includes additional information about the Portfolio's Trustees and is available, without charge, upon request by calling 1-800-480-4111 or on the J.P. Morgan Funds' website at www.jpmorganfunds.com.

Name (Year of Birth); Positions With the Portfolio (1)	Principal Occupation During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee (2)	Other Directorships Held During the Past 5 Years
Independent Trustees			
John F. Finn (1947); Trustee of Trust since 2005; Trustee of heritage One Group Mutual Funds since 1998.	Chairman (1985-present), Chief Executive Officer, Gardner, Inc. (supply chain management company serving industrial and consumer markets) (1974-present).	138	Director, Greif, Inc. (GEF) (industrial package products and services) (2007-present); Trustee, Columbus Association for the Performing Arts (1988-present); Director, Cardinal Health, Inc. (CAH) (1994-2014).
Dr. Matthew Goldstein (1941); Chairman since 2013; Trustee of Trust since 2005; Trustee of heritage J.P. Morgan Funds since 2003.	Chancellor Emeritus, City University of New York (2015-present); Professor, City University of New York (2013-present); Chancellor, City University of New York (1999-2013); President, Adelphi University (New York) (1998-1999).	138	Trustee, Museum of Jewish Heritage (2011-present); Trustee, National Museum of Mathematics (present); Chair, Association of College and University Administrators (present).
Dennis P. Harrington* (1950); Trustee of Trust since 2017.	Retired; Partner, Deloitte LLP (1984-2012).	138	None
Frankie D. Hughes (1952); Trustee of Trust since 2008.	President, Ashland Hughes Properties (property management) (2014-present); President and Chief Investment Officer, Hughes Capital Management, Inc. (fixed income asset management) (1993-2014).	138	None
Raymond Kanner** (1953); Trustee of Trust since 2017.	Retired; Managing Director & Chief Investment Officer, IBM Retirement Funds (2007-2016).	138	Director, Emerging Markets Growth Fund (1997-2016); Acting Executive Director, Committee on Investment of Employee Benefit Assets (CIEBA), 2016-17; Advisory Board Member, Betterment for Business (2016-present) (robo advisor); Advisory Board Member, Blue Star Indexes (2013-present) (index creator); Member, Russell Index Client Advisory Board (2001-2015).
Peter C. Marshall (1942); Trustee of Trust since 2005; Trustee of heritage One Group Mutual Funds since 1985.	Self-employed business consultant (2002-present).	138	None
Mary E. Martinez (1960); Trustee of Trust since 2013.	Associate, Special Properties, a Christie's International Real Estate Affiliate (2010-present); Managing Director, Bank of America (Asset Management) (2007-2008); Chief Operating Officer, U.S. Trust Asset Management, U.S. Trust Company (asset management) (2003-2007); President, Excelsior Funds (registered investment companies) (2004-2005).	138	None
Marilyn McCoy*** (1948); Trustee of Trust since 2005; Trustee of heritage One Group Mutual Funds since 1999.	Vice President of Administration and Planning, Northwestern University (1985-present).	138	None

TRUSTEES

(Unaudited) (continued)

Name (Year of Birth); Positions With the Portfolio (1)	Principal Occupation During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee (2)	Other Directorships Held During the Past 5 Years
Independent Trustees (continued)			
Mitchell M. Merin (1953); Trustee of Trust since 2013.	Retired; President and Chief Operating Officer, Morgan Stanley Investment Management, Member, Morgan Stanley & Co. Management Committee (registered investment adviser) (1985-2005).	138	Director, Sun Life Financial (SLF) (2007-2013) (financial services and insurance).
Dr. Robert A. Oden, Jr. (1946); Trustee of Trust since 2005; Trustee of heritage One Group Mutual Funds since 1997.	Retired; President, Carleton College (2002-2010); President, Kenyon College (1995-2002).	138	Chairman, Dartmouth-Hitchcock Medical Center (2011-present); Trustee, American Schools of Oriental Research (2011-present); Trustee, American University in Cairo (1999-2014); Trustee, American Museum of Fly Fishing (2013-present).
Marian U. Pardo**** (1946); Trustee of Trust since 2013.	Managing Director and Founder, Virtual Capital Management LLC (Investment Consulting) (2007-present); Managing Director, Credit Suisse Asset Management (portfolio manager) (2003-2006).	138	Member, Board of Governors, Columbus Citizens Foundation (not-for- profit supporting philanthropic and cultural programs) (2006-present).
James J. Schonbachler (1943); Trustee of Trust since 2005; Trustee of heritage J.P. Morgan Funds since 2001.	Retired; Managing Director of Bankers Trust Company (financial services) (1968-1998).	138	None

(1) The Trustees serve for an indefinite term, subject to the Trust's current retirement policy, which is age 78 for all Trustees.

(2) A Fund Complex means two or more registered investment companies that hold themselves out to investors as related companies for purposes of investment and investor services or have a common investment adviser or have an investment adviser that is an affiliated person of the investment adviser of any of the other registered investment companies. The J.P. Morgan Funds Complex for which the Board of Trustees serves currently includes eleven registered investment companies (138 funds).

* Two family members of Mr. Harrington are partner and managing director, respectively, of the Portfolio's independent registered public accounting firm. Such firm has represented to the Board that those family members are not involved in the audit of the Portfolio's financial statements and do not provide other services to the Funds. The Board has concluded that such association does not interfere with Mr. Harrington's exercise of independent judgment as an Independent Trustee.

** A family member of Mr. Kanner is employed by JPMorgan Chase Bank, which is affiliated with JPMIM and JPMDS. In that capacity, this employee provides services to various JPMorgan affiliates including JPMIM and JPMDS and for which JPMIM and JPMDS bear some portion of the expense thereof.

*** Two members of the Board of Trustees of Northwestern University are executive officers of registered investment advisers (not affiliated with JPMorgan) that are under common control with sub-advisers to certain J.P. Morgan Funds.

**** In connection with prior employment with JPMorgan Chase, Ms. Pardo was the recipient of non-qualified pension plan payments from JPMorgan Chase in the amount of approximately \$2,055 per month, which she irrevocably waived effective January 1, 2013, and deferred compensation payments from JPMorgan Chase in the amount of approximately \$7,294 per year, which ended in January 2013. In addition, Ms. Pardo receives payments from a fully-funded qualified plan, which is not an obligation of JPMorgan Chase.

The contact address for each of the Trustees is 270 Park Avenue, New York, NY 10017.

OFFICERS

(Unaudited)

Name (Year of Birth), Positions Held with the Trust (Since)	Principal Occupations During Past 5 Years
Brian S. Shlissel (1964), President and Principal Executive Officer (2016)	Managing Director and Chief Administrative Officer for J.P. Morgan pooled vehicles, J.P. Morgan Investment Management Inc. (formerly JPMorgan Funds Management, Inc.) (2014 - present); Managing Director and Head of Mutual Fund Services, Allianz Global Investors; President and Chief Executive Officer, Allianz Global Investors Mutual Funds and PIMCO Closed-End Funds (1999-2014)
Frank J. Nasta (1964), Secretary (2008)	Managing Director and Associate General Counsel, JPMorgan Chase since 2008.
Stephen M. Ungerman (1953), Chief Compliance Officer (2005)	Managing Director, JPMorgan Chase & Co.; Mr. Ungerman has been with JPMorgan Chase & Co. since 2000.
Elizabeth A. Davin (1964), Assistant Secretary (2005)*	Executive Director and Assistant General Counsel, JPMorgan Chase since February 2012; formerly Vice President and Assistant General Counsel, JPMorgan Chase from 2005 to February 2012; Senior Counsel, JPMorgan Chase (formerly Bank One Corporation) from 2004 to 2005.
Jessica K. Ditullio (1962), Assistant Secretary (2005)*	Executive Director and Assistant General Counsel, JPMorgan Chase. Ms. Ditullio has been with JPMorgan Chase (formerly Bank One Corporation) since 1990.
John T. Fitzgerald (1975), Assistant Secretary (2008)	Executive Director and Assistant General Counsel, JPMorgan Chase. Mr. Fitzgerald has been with JPMorgan Chase since 2005.
Carmine Lekstutis (1980), Assistant Secretary (2011)	Executive Director and Assistant General Counsel, JPMorgan Chase since February 2015; formerly Vice President and Assistant General Counsel, JPMorgan Chase from 2011 to February 2015.
Gregory S. Samuels (1980), Assistant Secretary (2010)	Executive Director and Assistant General Counsel, JPMorgan Chase since 2014; formerly Vice President and Assistant General Counsel, JPMorgan Chase since 2010.
Pamela L. Woodley (1971), Assistant Secretary (2012)	Vice President and Assistant General Counsel, JPMorgan Chase since November 2004.
Zachary E. Vonnegut-Gabovitch (1986), Assistant Secretary (2017)	Vice President and Assistant General Counsel, JPMorgan Chase since September 2016; Associate, Morgan, Lewis & Bockius (law firm) from 2012 to 2016.
Michael M. D'Ambrosio (1969), Assistant Treasurer (2012)	Managing Director, J.P. Morgan Investment Management Inc. (formerly JPMorgan Funds Management, Inc.) since May 2014; formerly Executive Director, JPMorgan Funds Management, Inc. from 2012 to May 2014; prior to joining JPMorgan Chase, Mr. D'Ambrosio was a Tax Director at PricewaterhouseCoopers LLP from 2006 to 2012.
Jeffrey D. House (1972), Assistant Treasurer (2017)*	Vice President, J.P. Morgan Investment Management Inc. (formerly JPMorgan Funds Management, Inc.) since July 2006.
Lauren A. Paino (1973), Assistant Treasurer (2014)**	Executive Director, J.P. Morgan Investment Management Inc. (formerly JPMorgan Funds Management, Inc.) since August 2013; formerly Director, Credit Suisse Asset Management from 2000-2013.
Joseph Parascondola (1963), Assistant Treasurer (2011)**	Vice President, J.P. Morgan Investment Management Inc. (formerly JPMorgan Funds Management, Inc.) since August 2006.
Matthew J. Plastina (1970), Acting Treasurer and Principal Financial Officer (2017), formerly Assistant Treasurer (2011-2017)**	Executive Director, J.P. Morgan Investment Management Inc. (formerly JPMorgan Funds Management, Inc.) since February 2016; Vice President, JPMorgan Funds Management, Inc. from 2010 to January 2016.
Gillian I. Sands (1969), Assistant Treasurer (2012)**	Vice President, J.P. Morgan Investment Management Inc. (formerly JPMorgan Funds Management, Inc.) since September 2012.

The contact address for each of the officers, unless otherwise noted, is 270 Park Avenue, New York, NY 10017.

* The contact address for the officer is 1111 Polaris Parkway, Columbus, OH 43240.

** The contact address for the officer is 4 New York Plaza, New York, NY 10004.

SCHEDULE OF SHAREHOLDER EXPENSES

(Unaudited)

Hypothetical \$1,000 Investment

As a shareholder of the Portfolio, you incur ongoing costs, including investment advisory fees, administration fees and other Portfolio expenses. Because the Portfolio is a funding vehicle for Policies and Eligible Plans, you may also incur sales charges and other fees relating to the Policies or Eligible Plans. The examples below are intended to help you understand your ongoing costs (in dollars) of investing in the Portfolio, but not the costs of the Policies or Eligible Plans, and to compare these ongoing costs with the ongoing costs of investing in other mutual funds. The examples assumes that you had a \$1,000 investment in the Portfolio at the beginning of the reporting period, July 1, 2017, and continued to hold your shares at the end of the reporting period, December 31, 2017.

Actual Expenses

The first line provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line in the table below provides information about hypothetical account values and hypothetical expenses based on the actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Portfolio's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Portfolio and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as sales charges (loads) or redemption fees or the costs associated with the Policies and Eligible Plans through which the Portfolio is held. Therefore, the second line in the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transaction costs were included, your costs would have been higher. The examples also assume all dividends and distributions have been reinvested.

	Beginning Account Value July 1, 2017	Ending Account Value December 31, 2017	Expenses Paid During the Period*	Annualized Expense Ratio
Mid Cap Value Portfolio				
Class 1				
Actual	\$1,000.00	\$1,071.60	\$4.02	0.77%
Hypothetical	1,000.00	1,021.32	3.92	0.77

* Expenses are equal to the Portfolio's annualized expense ratio, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period).

BOARD APPROVAL OF INVESTMENT ADVISORY AGREEMENT

(Unaudited)

The Board of Trustees has established various standing committees composed of Trustees with diverse backgrounds, to which the Board of Trustees has assigned specific subject matter responsibilities to further enhance the effectiveness of the Board's oversight and decision making. The Board of Trustees and its investment committees (money market and alternative products, equity, and fixed income) meet regularly throughout the year and consider factors that are relevant to their annual consideration of investment advisory agreements at each meeting. They also meet for the specific purpose of considering investment advisory agreement annual renewals. The Board of Trustees held meetings in person in June and August 2017, at which the Trustees considered the continuation of the investment advisory agreement for the Portfolio whose annual report is contained herein (the "Advisory Agreement"). At the June meeting, the Board's investment committees met to review and consider performance, expense and related information for the J.P. Morgan Funds. Each investment committee reported to the full Board, which then considered the investment committee's preliminary findings. At the August meeting, the Trustees continued their review and consideration. The Trustees, including a majority of the Trustees who are not "interested persons" (as defined in the 1940 Act) of any party to the Advisory Agreement or any of their affiliates, approved the continuation of the Advisory Agreement on August 16, 2017.

As part of their review of the Advisory Agreement, the Trustees considered and reviewed performance and other information about the Portfolio received from the Adviser. This information includes the Portfolio's performance as compared to the performance of its peers and benchmarks and analyses by the Adviser of the Portfolio's performance. In addition, the Trustees have engaged an independent management consulting firm ("independent consultant") to report on the performance of certain J.P. Morgan Funds at each of the Trustees' regular meetings. In addition, in preparation for the June and August meetings, the Trustees requested, received and evaluated extensive materials from the Adviser, including performance and expense information compiled by Broadridge, using data from Lipper Inc., independent providers of investment company data (together, "Broadridge/Lipper"). Before voting on the proposed Advisory Agreement, the Trustees reviewed the proposed Advisory Agreement with representatives of the Adviser, counsel to the Trust and independent legal counsel and received a memorandum from independent legal counsel to the Trustees discussing the legal standards for their consideration of the proposed Advisory Agreement. The Trustees also discussed the proposed Advisory Agreement in executive sessions with independent legal counsel at which no representatives of the Adviser were present. Set forth below is a summary of the material factors evaluated by the Trustees in determining whether to approve the Advisory Agreement.

The Trustees considered information provided with respect to the Portfolio over the course of the year. Each Trustee attributed

different weights to the various factors and no factor alone was considered determinative. From year to year, the Trustees consider and place emphasis on relevant information in light of changing circumstances in market and economic conditions. The Trustees determined that the compensation to be received by the Adviser from the Portfolio under the Advisory Agreement was fair and reasonable and that the continuance of the Advisory Agreement was in the best interests of the Portfolio and its shareholders.

The factors summarized below were considered and discussed by the Trustees in reaching their conclusions:

Nature, Extent and Quality of Services Provided by the Adviser

The Trustees received and considered information regarding the nature, extent and quality of the services provided to the Portfolio under the Advisory Agreement. The Trustees took into account information furnished throughout the year at Trustee meetings, as well as the materials furnished specifically in connection with this annual review process. The Trustees considered the background and experience of the Adviser's senior management and the expertise of, and the amount of attention given to the Portfolio by, investment personnel of the Adviser. In addition, the Trustees reviewed the qualifications, backgrounds and responsibilities of the portfolio management team primarily responsible for the day-to-day management of the Portfolio and the infrastructure supporting the team. The Trustees also considered information provided by the Adviser and JPMorgan Distribution Services, Inc. ("JPMDS") about the structure and distribution strategy of the Portfolio. The Trustees reviewed information relating to the Adviser's risk governance model and reports showing the Adviser's compliance structure and ongoing compliance processes. The Trustees also considered the quality of the administrative services provided by J.P. Morgan Investment Management Inc. in its role as administrator ("JPMIM").

The Trustees also considered their knowledge of the nature and quality of the services provided by the Adviser and its affiliates to the Portfolio gained from their experience as Trustees of the J.P. Morgan Funds. In addition, they considered the overall reputation and capabilities of the Adviser and its affiliates, the commitment of the Adviser to provide high quality service to the Portfolio, their overall confidence in the Adviser's integrity and the Adviser's responsiveness to questions or concerns raised by them, including the Adviser's willingness to consider and implement organizational and operational changes designed to improve investment results and the services provided to the Portfolio.

Based upon these considerations and other factors, the Trustees concluded that they were satisfied with the nature, extent and quality of the investment advisory services provided to the Portfolio by the Adviser.

Costs of Services Provided and Profitability to the Adviser and its Affiliates

The Trustees received and considered information regarding the profitability to the Adviser and its affiliates in providing services to the Portfolio. The Trustees reviewed and discussed this data. The Trustees recognized that this data is not audited and represents the Adviser's determination of its and its affiliates' revenues from the contractual services provided to the Portfolio, less expenses of providing such services. Expenses include direct and indirect costs and are calculated using an allocation methodology developed by the Adviser. The Trustees also recognized that it is difficult to make comparisons of profitability from fund investment advisory contracts because comparative information is not generally publicly available and is affected by numerous factors, including the structure of the particular adviser, the types of funds it manages, its business mix, numerous assumptions regarding allocations and the fact that publicly-traded fund managers' operating profits and net income are net of distribution and marketing expenses. Based upon their review, the Trustees concluded that the profitability to the Adviser under the Advisory Agreement was not unreasonable in light of the services and benefits provided to the Portfolio.

Fall-Out Benefits

The Trustees reviewed information regarding potential "fallout" or ancillary benefits received by the Adviser and its affiliates as a result of their relationship with the Portfolio. The Trustees also reviewed the adviser's allocation of fund brokerage for the J.P. Morgan Funds complex, including allocations to brokers who provide research to the Adviser.

The Trustees also considered that JPMIM earns fees from the Portfolio for providing administrative services. These fees were shown separately in the profitability analysis presented to the Trustees. The Trustees also considered the fees paid to JPMorgan Chase Bank, N.A. ("JPMCB") for custody and fund accounting and other related services.

Economies of Scale

The Trustees considered the extent to which the Portfolio may benefit from economies of scale. The Trustees considered that there may not be a direct relationship between economies of scale realized by the Portfolio and those realized by the Adviser as assets increase. The Trustees considered whether it would be appropriate to add advisory fee breakpoints, but noted that the Portfolio has implemented fee waivers and contractual expense limitations ("Fee Caps") which allow the Portfolio's shareholders to share potential economies of scale from a Fund's inception and that the fees remain competitive with peer funds. The Trustees also considered that the Adviser has shared economies of scale by adding or enhancing services to the Portfolio over time, noting the Adviser's substantial investments in its business in support of the Portfolio, including

investments in trading systems and technology (including cybersecurity improvements), retention of key talent, additions to analyst and portfolio management teams, and regulatory support enhancements. The Trustees concluded that the current fee structure was reasonable in light of the Fee Caps that the Adviser has in place that serve to limit the overall net expense ratios of the Portfolio at competitive levels. The Trustees concluded that the Portfolio's shareholders received the benefits of potential economies of scale through the Fee Caps and the Adviser's reinvestment in its operations to serve the Portfolio and its shareholders.

Independent Written Evaluation of the Portfolio's Chief Compliance Officer

The Trustees noted that, upon their direction, the Chief Compliance Officer for the Portfolio had prepared an independent written evaluation in order to assist the Trustees in determining the reasonableness of the proposed management fees. The Trustees considered the written evaluation in determining whether to continue the Advisory Agreement.

Fees Relative to Adviser's Other Clients

The Trustees received and considered information about the nature and extent of investment advisory services and fee rates offered to other clients of the Adviser, including institutional separate accounts and/or funds sub-advised by the Adviser, for investment management styles substantially similar to that of the Portfolio. The Trustees considered the complexity of investment management for registered mutual funds relative to the Adviser's other clients and noted differences in the regulatory, legal and other risks and responsibilities of providing services to the different clients. The Trustees considered that serving as an adviser to a registered mutual fund involves greater responsibilities and risks than acting as a sub-adviser and observed that sub-advisory fees may be lower than those charged by the Adviser to the Portfolio. The Trustees also noted that the adviser, not the mutual fund, pays the sub-advisory fee and that many responsibilities related to the advisory function are retained by the primary adviser. The Trustees concluded that the fee rates charged to the Portfolio in comparison to those charged to the Adviser's other clients were reasonable.

Investment Performance

The Trustees received and considered absolute and/or relative performance information for the Portfolio in a report prepared by Broadridge/Lipper. The Trustees considered the total return performance information, which included the ranking of the Portfolio within a performance universe made up of funds with the same Broadridge/Lipper investment classification and objective (the "Universe"), as well as a sub-set of funds in the Universe (the "Peer Group"), by total return for applicable one-, three- and five-year periods. The Trustees reviewed a description of Broadridge/Lipper's methodology for selecting mutual

BOARD APPROVAL OF INVESTMENT ADVISORY AGREEMENT

(Unaudited) (continued)

funds in the Portfolio's Peer Group and Universe. The Broadridge/Lipper materials provided to the Trustees highlighted information with respect to a representative class to assist the Trustees in their review. As part of this review, the Trustees also reviewed the Portfolio's performance against its benchmark and considered the performance information provided for the Portfolio at regular Board meetings by the Adviser. The Broadridge/Lipper performance data noted by the Trustees as part of their review and the determinations made by the Trustees with respect to the Portfolio's performance are summarized below:

The Trustees noted that the Portfolio's performance for Class 1 shares was in the first quintile based upon both the Peer Group and Universe, for the one-, three-, and five-year periods ended December 31, 2016. The Trustees discussed the performance and investment strategy of the Portfolio with the Adviser and, based upon this discussion and various other factors, concluded that the Portfolio's performance was satisfactory.

Advisory Fees and Expense Ratios

The Trustees considered the contractual advisory fee rate paid by the Portfolio to the Adviser and compared that rate to the information prepared by Broadridge/Lipper concerning man-

agement fee rates paid by other funds in the same Broadridge/Lipper category as the Portfolio. The Trustees recognized that Broadridge/Lipper reported the Portfolio's management fee rate as the combined contractual advisory fee and administration fee rates. The Trustees also reviewed information about other expenses and the expense ratios for the Portfolio. The Trustees considered the fee waiver and/or expense reimbursement arrangements currently in place for the Portfolio and considered the net advisory fee rate after taking into account any waivers and/or reimbursements. The Trustees recognized that it is difficult to make comparisons of advisory fees because there are variations in the services that are included in the fees paid by other funds. The Trustees' determinations as a result of the review of the Portfolio's advisory fees and expense ratios are summarized below:

The Trustees noted that the Portfolio's net advisory fee for Class 1 shares was in the third and fourth quintiles based upon the Peer Group and Universe, respectively, and that actual total expenses for Class 1 shares were in the third quintile based upon both the Peer Group and Universe. After considering all of the factors identified above, the Trustees concluded that the advisory fee was reasonable in light of the services provided to the Portfolio.

TAX LETTER

(Unaudited)

Dividend Received Deductions (DRD)

The Portfolio had 100.00% or maximum allowable percentage, of ordinary income distributions eligible for the 70% dividend received deduction for corporate rate shareholders for the fiscal year ended December 31, 2017.

Long Term Capital Gain

The Portfolio distributed \$25,669,250 or maximum allowable amount, of long-term capital gain dividends for the fiscal year ended December 31, 2017.

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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.

Contact JPMorgan Distribution Services, Inc. at 1-800-480-4111 for a portfolio prospectus. You can also visit us at www.jpmorganfunds.com. Investors should carefully consider the investment objectives and risk 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.

The Portfolio files a complete schedule of its portfolio holdings for the first and third quarters of its fiscal year with the SEC on Form N-Q. The Portfolio's Forms N-Q are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330. Shareholders may request the Form N-Q without charge by calling 1-800-480-4111 or by visiting the variable insurance portfolio section of the J.P. Morgan Funds' website at www.jpmorganfunds.com.

A description of the Portfolio's policies and procedures with respect to the disclosure of the Portfolio's holdings is available in the prospectus and Statement of Additional Information.

A copy of proxy policies and procedures is available without charge upon request by calling 1-800-480-4111 and on the Portfolio's website at www.jpmorganfunds.com. A description of such policies and procedures is on the SEC's website at www.sec.gov. The Trustees have delegated the authority to vote proxies for securities owned by the Portfolio to the Adviser. 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 at the Portfolio's 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.

J.P.Morgan
Asset Management

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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, J.P. Morgan Investment Management Inc., Security Capital Research & Management Incorporated and J.P. Morgan Alternative Asset Management, Inc.