

J.P. Morgan Commodity Curve Ex-Front Month Crude Oil Excess Return and Total Return Indices (JMCXXCLE & JMCXXCLT) Risk Disclosure

Capitalised terms used in this section and not defined herein shall have the respective meaning ascribed to each in the rules of the Indices ("Rules").

IMPORTANT NOTICE

THE FOLLOWING LIST OF RISKS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF ALL THE RISKS ASSOCIATED WITH THE INDEX. IT IS NOT INTENDED TO BE AND SHOULD NOT BE RELIED UPON AS A SUBSTITUTE FOR READING THE RULES. YOU SHOULD CAREFULLY READ THE RULES IN THEIR ENTIRETY TO UNDERSTAND THE TERMS OF THE INDEX. IN ADDITION, IF YOU ARE CONSIDERING PURCHASING A PRODUCT OR ENTERING INTO A TRANSACTION REFERENCING THE INDEX YOU SHOULD ALSO READ THE OFFERING DOCUMENT OR AGREEMENT FOR SUCH PRODUCT OR TRANSACTION TO FULLY UNDERSTAND THE TERMS OF, AND THE RISKS ASSOCIATED WITH, SUCH PRODUCT OR TRANSACTION BEFORE MAKING A DECISION ABOUT WHETHER TO INVEST IN OR PARTICIPATE IN SUCH PRODUCT OR TRANSACTION. YOUR DECISION TO INVEST IN ANY PRODUCT OR PARTICIPATE IN ANY TRANSACTION REFERENCING THE INDEX SHOULD BE MADE WITHOUT RELIANCE ON THE INDEX SPONSOR OR ANY OF ITS AFFILIATES AND YOU SHOULD CONSULT WITH YOUR PROFESSIONAL ADVISORS TO THE EXTENT YOU DEEM NECESSARY. THE INDEX SPONSOR DOES NOT SPONSOR, ENDORSE OR PROMOTE ANY PRODUCT OR TRANSACTION REFERENCING THE INDEX AND THE INDEX SPONSOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO THE OWNERS OF ANY PRODUCT OR THE PARTIES TO ANY TRANSACTION REFERENCING THE INDEX OR ANY MEMBER OF THE PUBLIC REGARDING THE ADVISABILITY OF INVESTING IN ANY PRODUCT OR TRANSACTION REFERENCING THE INDEX OR ANY PRODUCT OR TRANSACTION GENERALLY. NOTHING HEREIN CONSTITUTES OR SHOULD BE CONSTRUED AS AN OFFER TO BUY OR SELL ANY SECURITIES, PARTICIPATE IN ANY TRANSACTION OR ADOPT ANY INVESTMENT STRATEGY OR LEGAL, TAX, REGULATORY OR ACCOUNTING ADVICE. THE INDEX SPONSOR SHALL, TO THE FULLEST EXTENT PERMITTED BY LAW, HAVE NO LIABILITY OR RESPONSIBILITY TO ANY PERSON OR ENTITY FOR ANY LOSS, DAMAGES, COSTS, CHARGES, EXPENSES OR OTHER LIABILITIES, INCLUDING WITHOUT LIMITATION LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOST TIME AND GOODWILL), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER ARISING IN TORT, CONTRACT, STRICT LIABILITY OR OTHERWISE, IN CONNECTION WITH THE USE OF THE INDEX OR IN CONNECTION WITH ANY PRODUCT OR TRANSACTION REFERENCING THE INDEX. THE INDEX IS THE EXCLUSIVE PROPERTY OF THE INDEX SPONSOR AND THE INDEX SPONSOR RETAINS ALL PROPRIETARY RIGHTS THEREIN.

Each Index is Synthetic

The J.P. Morgan Commodity Curve Ex-Front Month Crude Oil Excess Return and Total Return Indices (collectively the "**Indices**" and each an "**Index**") are purely synthetic. There is no pool of commodity futures to which any person is entitled or in which any person has any ownership interest or which serve as collateral for the return on any product referencing the Indices.

Price Return Risk

Each Index is comprised of futures on the relevant commodity. Price movements in the relevant commodity futures can be very volatile; they can change frequently and by large amounts. Prices are influenced by a number of factors including, without limitation, changing supply and demand relationships, the price of the underlying commodity, government policies and programs, political and economic events, changes in applicable interest rates and inflation rates and the emotions of market participants. The price of the relevant commodity may also be correlated to some extent with the price of another commodity, so price movements in one commodity may also affect the price of another. The commodities markets are also subject to temporary trading suspensions, distortions or other disruptions due to various factors, including the lack of liquidity in the markets, the participation of speculators and government regulation and intervention. Any of these factors (alone or in combination) may affect the price of the commodity futures that comprise the Indices and therefore the level of the Indices and the payout on any product referencing the Indices. Historical prices

for commodity futures should not be considered to be indicative of future prices, the level of either Index or the amount that may be due under a product referencing an Index.

Roll Return Risk

Each Index is comprised of commodity futures with a variety of maturity dates (other than front month futures contracts in most circumstances) selected on the basis of historical open interest. Each month, contracts that are (a) about to become the front month contract or cease to be available for trading (while not being the front month contract); or (b) if the contract is front month contract, about to mature or cease to be available for trading, before the end of the next roll period will be rolled into longer dated contracts. In addition, because the Indices are weighted by open interest, all monthly contracts included in the Indices will be re-weighted on a monthly basis, whether they are approaching maturity or close to becoming the front month contract (as the case may be) or not, to reflect the monthly change in their open interest. The re-weighting is achieved by rolling the monthly contracts included in the Indices into contracts with a different maturity. The act of replacing and re-weighting the commodity futures that comprise the Index will generate a profit or loss known as the "roll return" that will be reflected in the level of the Indices. This return will be affected by a number of factors including, without limitation, whether the prices of the relevant longer dated contracts are more or less than the prices of the shorter dated contracts. If the prices of the relevant longer dated contracts are

greater than the prices of the shorter dated contracts then the roll return will generally be negative. Conversely, if the prices of the relevant longer dated contracts are less than the prices of the shorter dated contracts then the roll return will generally be positive. The prices of commodity futures can be volatile and the roll return generated by rolling commodity futures included in the Index will have an effect, which may therefore be positive or negative, on the level of the Index.

Diversification

Diversification is generally considered to reduce the amount of risk associated with investment returns. The Indices only contain NYMEX Crude Oil commodity futures with different maturities. Therefore, there can be no assurance that the Indices are diversified.

Excess or Total Return

The total return generated by investing in commodity futures comes from three sources: (a) changes in the price of the commodity futures (which is known as the **"price return"**), (b) profits and/or losses realised by rolling the commodity futures (which is known as the **"roll return"**) and, (c) interest earned on any cash deposited as collateral or margin for the purchase of the commodity futures (which is known as the **"collateral return"**).

The excess return index measures the returns accrued from investing in uncollateralized futures or, in other words, the sum of the price return and the roll return associated with an investment in and the roll of commodity futures. It does not

reflect the collateral return that would be generated by a direct investment in commodity futures. To buy some assets, for example shares, you must generally pay the full purchase price upfront. However, futures can generally be purchased by posting a fraction of the purchase price as collateral or margin with your broker. You can therefore put the cash you don't need to purchase the futures to use elsewhere and you may earn a return on that cash. Any such return is not reflected in the Index.

The total return index measures the returns accrued from investing in collateralized futures or, in other words, the sum of the price return, the roll return and the collateral return associated with an investment in and the roll of commodity futures. The Index assumes that the collateral return is based on the 91-day auction high rate for U.S. Treasury Bills. This may not be the same return you would get if you were investing directly in commodity futures.

Weighting Limitations

Each Index is intended to be a benchmark weighted across the relevant commodity futures curve by open interest (other than front month futures contracts in most circumstances) so that it is representative of the investment opportunities in the relevant commodity futures market. However, it is impossible to weight by actual open interest because those figures cannot be determined at the time the weightings are calculated. Each Index is therefore weighted using historical average open interest figures, averaged over the previous three years. A three year average was chosen by the

Index Calculation Agent to capture structural and cyclical shifts in liquidity and filter out any short term anomalies. However, there can be no assurance that the historical average open interest figures will resemble the actual open interest for any commodity futures contract and therefore that the Indices will reflect the actual investment opportunities in the market.

The level of each Index

The level of the Index is determined on each Scheduled Index Valuation Day (as defined in the Index Rules). However, the Index Calculation Agent will still publish the level of such Index even if a settlement price is not available on a given day for a particular futures contract. If a settlement price is not available, the Index Calculation Agent will use the most recently available settlement price to determine the level of such Index. In these circumstances the level of the relevant Index will only approximate the actual performance of the commodity futures that comprise the relevant Index.

The price of commodity futures can be volatile and the level of the Indices may therefore vary considerably over time. It may go down as well as up and the past performance of the Indices should not be considered to be an indication of the future performance of the Indices.

Continuity of the Indices

The Index Calculation Agent is under no obligation to continue the calculation, publication and dissemination of the Indices. Should the Index or Indices cease

to exist, this may have a negative impact on the return of any product linked to such Index.

Index Modification or Cancellation

The occurrence of certain events which affect the ability to use commodity futures for hedging purposes may lead to the modification or even the cancellation of an Index by the Index Calculation Agent. These events include (but are not limited to): a change in law which makes it unlawful to hold, acquire or dispose of any commodity future comprising an Index, a lowering in allowable position limits by a trading facility on a certain commodity future which causes positions held on such commodity future to be exceeded, any suspension or limitation imposed on trading commodity futures or any event that causes trading in any commodity futures to cease. In the event of such occurring, the Index Calculation Agent may choose to modify the Index by either replacing a commodity future included in the Index with another commodity future or excluding a commodity future included in the Index. A replacement or exclusion of a commodity future may adversely affect the level of the Index and consequently, the value of any product linked to the Indices. In certain circumstances, the Index Calculation Agent may also decide that it is necessary to cancel the Index.

Amendment to the Index Rules

The J.P. Morgan Commodity Curve Index Rules (the "**Index Rules**") may be amended from time to time by the Index Calculation Agent. Any such amendment may have an

effect, positive or negative, on the level of the Indices.

Index	Calculation	Agent
Discretion		

Subject to the approval from the JPMCCI Supervisory Committee, the Index Calculation Agent is responsible for all calculations and determinations related to the Indices. The Index Calculation Agent may exercise a certain amount of discretion in making these calculations and determinations. The exercise of this discretion may have an adverse impact on the level of the Indices and therefore on the return on any product linked to the Indices.

The Index Calculation Agent may exercise discretion in determinations bearing on the composition of the Indices. For example, futures on a particular commodity may trade on more than one exchange. If the Index Calculation Agent determines, in its discretion, that the terms and conditions of both contracts are sufficiently similar and they are both eligible to be included in an Index, the Index Calculation Agent will, generally speaking, only include the contracts from the exchange with the greatest open interest, but the Index Rules (available at www.jpmorgan.com/jpmcci) do not preclude both contracts being included. Moreover, if the Index Calculation Agent determines that the contracts are sufficiently similar, it may decide, in its discretion, to allocate the open interest figures for the contracts excluded from the relevant Index to the contracts included in the relevant Index thereby increasing the weight allocated to the contracts included in the relevant Index. Although the Index Calculation

Agent will make this determination with the intention of improving the representative nature of the relevant Index, the exercise of such discretion may have a negative impact on the level of the relevant Index and therefore on the return of any products linked to the Indices.

The Index Calculation Agent is also responsible for calculating and publishing the level of the Indices. The level of each Index will reflect the prices of the commodity futures included in such Index. In the event that the price published by any exchange for a particular futures contract is subsequently corrected, the Index Calculation Agent may, if it determines in its discretion that it is practicable and the correction is material, correct the level of the relevant Index in respect of the relevant days to reflect the price correction. A correction will only be made if the Index Calculation Agent determines, in its discretion, that the price correction is material and it is practicable to make the correction to the level of the relevant Index. The exercise of this discretion will therefore affect the level of the relevant Index.

The foregoing is not meant to be an exhaustive list of the discretion that the Index Calculation Agent may exercise in relation to the Indices. It is only meant to illustrate some of the areas in which the Index Calculation Agent may exercise discretion and provide an indication of how the exercise of such discretion may impact the level of the Indices and therefore the return on any products linked to the Indices. Investors should refer to the Rules and read them carefully to

ensure they understand when and how the Index Calculation Agent may exercise discretion in relation to the Indices.

All calculations and determinations made by the Index Calculation Agent in relation to the composition of the Indices are subject to review and approval by the JPMCCI Supervisory Committee that will, except in exceptional circumstances, always be composed of at least three (3) voting members, each of whom shall be appointed by the Index Calculation Agent. Each voting member of the JPMCCI Supervisory Committee shall be independent. For these purposes "independent" means that the individual in question is either (a) an employee of the Global Index Research Group (such person, a **"GIRG Member"**), a "walled off", non-broker dealer entity within JPMorgan Chase Bank, National Association or (b) not an employee, director, officer, agent or affiliate of JPMorgan Chase & Co. or any of its affiliates (such person, a **"Third Party Unaffiliated Member"**) and does not have a personal direct financial interest in the Indices or any product directly referencing one or more of the Indices for as long as they serve as a voting member of the JPMCCI Supervisory Committee. The JPMCCI Supervisory Committee must have at all times at least two Third Party Unaffiliated Members and at least one GIRG Member. Each decision made by the JPMCCI Supervisory Committee must be approved by at least one Third Party Unaffiliated Member to be effective. All voting members of the JPMCCI Supervisory Committee shall be knowledgeable about commodity futures and the commodities markets in general, as determined by the Index

Calculation Agent in a good faith and commercially reasonable manner. The Index Calculation Agent may from time to time add or remove voting members of the JPMCCI Supervisory Committee; provided that such addition or removal is a result of a particular vote of a specific committee member.

Potential Conflicts of Interest

Potential conflicts of interest may exist in the structure and operation of the Indices and the course of normal business activities for the Index Calculation Agent or any of its affiliates or subsidiaries or their respective directors, officers, employees, representatives, delegates or agents of their normal business activities.

During the course of their normal business, the Index Calculation Agent or any of its affiliates or subsidiaries or their respective directors, officers, employees, representatives, delegates or agents may enter into or promote, offer or sell transactions or investments (structured or otherwise) linked to the Indices or any of their components. In addition, any of the foregoing entities or persons may have, or may have had, interests or positions, or may buy, sell or otherwise trade positions in or relating to the Indices or any of their components, or may invest or engage in transactions with other persons, or on behalf of such persons relating to any of these items. Such activity could give rise to a conflict of interest, and such conflict may have an impact, positive or negative, on the level of the Indices. Neither the Index Calculation Agent nor any of its affiliates or subsidiaries or

their respective directors, officers, employees, representatives, delegates or agents has any duty to consider the circumstances of any person when participating in such transactions or to conduct themselves in a manner that is favourable to anyone with exposure to the Indices through any product referencing the Indices.

The foregoing list of risk factors is not intended to be exhaustive. All persons should seek such advice as they consider necessary from their professional advisors, legal, tax or otherwise, without reliance on the Issuer, the Index Calculation Agent or any of their affiliates or subsidiaries or any of their respective directors, officers, employees, representatives, delegates or agents.