JMCXENER Q&A

The JPMCCI Energy Excess Return Index (Bloomberg Code: JMCXENER Index): Questions and Answers

Capitalised terms used in this document and not defined herein shall have the respective meaning ascribed to those terms in the rules (the “Rules”) for the JPMCCI Energy Excess Return Index (Bloomberg Code: JMCXENER Index) (the "Index") which can be accessed on http://www.jpmorgan.com/jpmcci

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What is the Index?

The JPMCCCI Energy Excess Return Index (Bloomberg Code: JMEXENER Index) (the “Index”) is an index comprised of energy commodity futures. Each energy commodity is represented by futures from across the commodity curve with a range of maturities that are weighted according to their “open interest” (see What does Open Interest mean? below). The Index is, therefore, intended to be a benchmark that is representative of a diversified long-only investment across the spectrum of available commodity futures from the energy sector.

What is an Energy Commodity Future?

The Index is comprised of energy commodity futures. An energy commodity future is an agreement where one person agrees to sell and another agrees to buy a specific quantity of an energy commodity at some date in the future at a pre-agreed price. Energy commodity futures are exchange-traded contracts. They are traded on numerous exchanges throughout the world. However only energy commodity futures listed on a Permitted Exchange are eligible to be included in the Index (see How is the Composition of the Index Determined? below). As energy commodity futures are traded on an exchange, the terms of the contracts are generally standardised, although, there may be some differences between contracts traded on different exchanges. In addition, energy commodity futures generally mature in specific months so there may, for instance, be a January, March, June and December contract for a particular energy commodity, for example crude oil, on more than one exchange. Where this is the case, the Index will, generally speaking, only include contracts on crude oil from the exchange with the greatest open interest.

How do Energy Commodity Futures work?

Energy Commodity futures may be cash-settled or physically-settled.

If an energy commodity future is physically-settled, the seller will, at the maturity of such commodity future, deliver the agreed quantity of the relevant energy commodity to the buyer and the buyer will pay the seller the pre-agreed price. If the market price of the relevant energy commodity at that time is higher than the pre-agreed price then the buyer can sell what it receives and make a profit. If, however, the market price of the relevant energy commodity at that time is lower than the pre-agreed price then the seller can buy the relevant quantity of the energy commodity at a price that is less than what the buyer must pay and make a profit.

If an energy commodity future is cash-settled then the contract is settled by payment from one party to the other. If the market price of the relevant energy commodity is higher than the pre-agreed price at maturity then the seller will pay the difference between the market price and the pre-agreed price to the buyer. If, however, the market price of the relevant energy commodity is lower than the pre-agreed price at maturity the buyer will pay the difference between the market price and the pre-agreed price to the seller.

Both cash-settled and physically-settled energy commodity futures
May be included in the Index. However, if both physically-settled and cash-settled contracts on a particular energy commodity are eligible to be included in the Index, the Index will usually only include the contract with the greatest open interest.

All energy commodity futures included in the Index are rolled before maturity into longer dated contracts (see How are the Energy Commodity Futures included in the Index Rolled? below).

What is the Energy Sector?

Generally speaking, the energy sector is that part of the economy dedicated to the production, transformation and handling of various sources of energy. Futures are not available on all commodities in this sector. As of the date of this [pricing supplement/offering memorandum], the following energy commodities futures are eligible for inclusion in the Index: crude oil, gasoline, heating oil, natural gas, brent crude and gas oil. The energy commodities are weighted according to their “open interest” and are selected in accordance with the methodology outlined below (see How is the Composition of the Index Determined? below) and described more fully in the Rules.

What does Open Interest mean?

Open interest represents the total number of outstanding energy commodity futures that are held by market participants either at a certain point in time or over a certain period of time. It may be used to approximate the size of the entire energy commodity futures market, a segment of it or the market for an individual energy commodity futures contract. Energy Commodity futures comprising the Index are weighted by their open interest (see How are the components of the Index Weighted? below).

What does Excess Return mean?

The total return generated by investing in and rolling energy commodity futures comes from three sources: (a) changes in the price of energy commodity futures (which is known as the “price return”), (b) profits and/or losses realised by rolling energy 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 energy commodity futures (which is known as the “collateral return”). The Index is an excess return index which means that it measures the returns accrued from investing in uncollateralized energy commodity futures or, in other words, the sum of the price return and the roll return associated with an investment in and the roll of energy commodity futures.

What does Commodity Curve mean?

Futures contracts on energy commodities are available with a range of maturities. For example, at a given point in time you may be able to buy crude oil futures that mature in the following June, September and December. These are called the “monthly contracts” on crude oil and the one maturing in June is called the “June contract”, the one maturing in September is called the “September contract” and so on.

The monthly contracts for an energy commodity will each have a different price. A commodity futures curve is a graph that...
shows the relationship between the price of these monthly contracts and their time to maturity. The curve may slope upwards (which indicates that longer dated contracts are more expensive than shorter dated contracts) or downwards (which indicates that longer dated contracts are cheaper than shorter dated contracts). Generally speaking energy commodity futures curves tend to slope upwards because the price of longer dated futures contracts should generally reflect the price of buying the relevant energy commodity today plus the costs associated with storing that energy commodity until the month in which the contract matures. However, this is not always the case and the curves for energy commodity futures may sometimes slope upwards and sometimes slope downwards depending on numerous factors and market conditions, such as the supply and demand for the underlying commodity and global economic conditions. Moreover, the shape of the curve for any particular energy commodity may not be uniform and parts of it may slope upwards and parts may slope downwards for similar reasons.

Each energy commodity included in the Index is represented by futures from across the commodity curve for that commodity with a range of maturities that are weighted according to their open interest. The Index therefore tracks the weighted average price of futures of various maturities for each energy commodity represented in the Index. This means the level of the Index is, generally speaking, less volatile than it would be if it tracked the price of a single contract of short maturity for each energy commodity, however, it also means that at any point in time the level of the Index may be higher or lower than it would be if it tracked the price of a single contract of short maturity for each energy commodity.

The shape of the commodity curve for any energy commodity will affect the roll return associated with futures on such energy commodity and therefore the level of the Index (see Why do the Energy Commodity Futures included in the Index need to be Rolled? below).

**Why do the Energy Commodity Futures included in the Index need to be Rolled?**

All energy commodity futures included in the Index are rolled before maturity into longer dated contracts. They need to be rolled because although the energy commodity futures included in the Index have specific maturities, the Index itself has an indefinite life. They also need to be rolled because the components of the Index are weighted by open interest. The weight of each component will be adjusted each month to reflect any changes in the open interest for such component (see How are the Energy Commodity Futures included in the Index Rolled? below).

**How are the Energy Commodity Futures included in the Index Rolled?**

If a monthly contract on an energy commodity future you own is about to mature and you wish to maintain your exposure to that energy commodity, you will need to roll your monthly contract before it matures by selling it and using the proceeds to buy a longer dated monthly contract on the same energy commodity. Energy commodity futures included
in the Index that are approaching maturity are rolled out of the Index in the roll period (see below) of the month immediately preceding the month in which they are due to mature. In addition, because the Index is weighted by open interest, all monthly contracts included in the Index are re-weighted on a monthly basis, whether they are approaching maturity or not, to reflect the monthly change in their open interest. The re-weighting is achieved by rolling the monthly contracts included in the Index into contracts with a different maturity.

Monthly contracts included in the Index are rolled over a period (the “roll period”) of ten days at the beginning of the relevant month. Over the roll period the weight of any monthly contract about to mature will be progressively reduced in ten equal increments to zero and the weight of the replacement monthly contract will be progressively increased in ten equal increments until it equals its allocated weight. Similarly, contracts whose weight needs to be reduced or increased to reflect a change in their open interest will have their weight progressively reduced or increased (as the case may be) in ten equal increments until their new target weight is achieved.

A profit or loss may be realised by rolling energy commodity futures. This profit or loss is known as the roll return. If the relevant portion of the commodity futures curve for a particular energy commodity slopes upwards, the roll return will generally be negative because longer dated contracts are more expensive than shorter dated contracts. Conversely, if the relevant portion of the commodity futures curve for a particular energy commodity slopes downwards, the roll return will generally be positive because longer dated contracts are cheaper than shorter dated contracts. The roll return generated by rolling energy commodity futures included in the Index will have an effect, which may be positive or negative, on the level of the Index.

If the exchange on which an energy commodity monthly contract is listed does not publish a price for that contract, or it publishes a limit price (which is a price published when there is an unscheduled limitation to, or suspension in, trading a particular monthly contract) on any day in the roll period, then the portion of the roll that is scheduled to occur with respect to all monthly contracts on the relevant energy commodity on that day will be postponed until the relevant exchange publishes a price that is not a limit price across all contracts for the relevant commodity (the “next good day”). The delayed portion of the roll for all monthly contracts on the relevant energy commodity will be executed on the next good day together with the portion of the roll for all such contracts originally scheduled to occur on that day. The incremental change in weight for these contracts on such day will, therefore, be larger than 10% of their target weight. This may have an effect, positive or negative, on the level of the Index.

Although a portion of the roll for the monthly contracts on a particular energy commodity may be delayed in the circumstances set out above, the roll period for such contracts is, in general, not expected to be longer than 10 days because the next good day
will typically occur within a very short space of time. However, it is possible that the delay could be longer in which case the roll period for the affected monthly contracts may also be longer. In addition, if an exchange does not publish a price for a particular monthly contract or it publishes a limit price on the last scheduled day of the roll period, the roll period for the affected monthly contracts will necessarily be longer than 10 days.

What does it mean that the Index is replicable?

The Index is said to be replicable because you can, in theory, buy all the energy commodity futures that comprise the Index. The Index Calculation Agent will publish the components of the Index together with their corresponding weights on a semi-annual basis, once in November, to announce the components of the Index for the following January to June, and once in May, to announce the components of the Index for the following July to December. The publication will be available free of cost at http://www.jpmorgan.com/jpmcci

Armed with this information, you can, in theory, replicate the Index if you want.

So will I get the same return by investing in a product or participating in a transaction referencing the Index as I would if I purchased all the futures that comprise the Index?

No. Investing directly in the energy commodity futures that comprise the Index may generate a very different return (which may be better or worse) from the return you may get by investing in any product or participating in any transaction linked to the Index for a number of reasons including the following:

1. The Index is an excess return index. Therefore it only reflects the price return and the roll return generated by a direct investment in energy commodity futures. It does not reflect the collateral return that would be generated by a direct fully funded investment in energy commodity futures. Nor does it reflect any return you might receive on cash you don’t need to post as collateral. 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. This return may well be different from the rate of return assumed by the Index for the purposes of calculating the collateral return. Any such return is not reflected in the Index.

2. The level of the Index does not reflect any of the transaction costs you may have to pay if you invest directly in energy commodity futures. The issuer of any product or counterparty to any transaction linked to the Index or any distributor thereof may, however, charge you different fees.

3. The roll return reflected in the level of the Index is calculated using settlement prices published by the relevant exchanges. However, if you were trading directly in energy commodity futures you might realise a different
price in respect of any dealing in such futures.

4. The payout at maturity on any product or transaction linked to the Index may, for example, be structured or leveraged.

5. The return on a product or transaction linked to the Index may be affected by the creditworthiness of the product’s issuer or the transaction’s counterparty. If the issuer or counterparty defaults, you may lose money. In contrast, your return from a direct investment in energy commodity futures may be affected by the creditworthiness of the relevant exchange and the value of any collateral posted in relation to those contracts.

Who determines which Energy Commodity Futures are included in the Index?

Subject to approval from the JPMCCCI Supervisory Committee, the Index Calculation Agent determines which energy commodity futures are included in the Index in accordance with the rules and criteria set out in the Rules. The Index Calculation Agent shall present its determinations made in accordance with the Index Rules to the Supervisory Committee. The Supervisory Committee may approve or disapprove any such determinations and the ultimate decision regarding any calculation or determination relating to the Index rests therefore solely with the Supervisory Committee.

The JPMCCCI Supervisory Committee is comprised of voting and non-voting members (see Who is the JPMCCCI Supervisory Committee below). Notwithstanding anything to the contrary however, if all of the voting members of the JPMCCCI Supervisory Committee have resigned or are otherwise unavailable at the time and date of any meeting duly called by the Index Calculation Agent, the non-voting members, who are not directly involved in the marketing, sale or hedging of any product referencing any of the Index, may make any and all determinations on behalf of the JPMCCCI Supervisory Committee and such decisions shall have the same force and effect as decisions made by the voting members of the JPMCCCI Supervisory Committee.

Who is the Index Calculation Agent?

The current Index Calculation Agent is J.P. Morgan Securities Ltd. ("JPMSL"). Any successor to JPMSL or any other third party appointed by JPMSL may replace JPMSL in the future. The Index Calculation Agent is responsible for determining the composition of the Index and making all other calculations and determinations in relation to the Index in accordance with the Index Rules.

Who is the JPMCCCI Supervisory Committee?

The JPMCCCI Supervisory Committee is a committee that oversees the calculations and determinations made by the Index Calculation Agent. All calculations and determinations made by the Index Calculation Agent are subject to review and approval by the JPMCCCI Supervisory Committee.

The JPMCCCI Supervisory Committee shall be composed of at most seven (7) voting members and at least one (1) voting member and at most seven (7) non-voting members and at least one (1) non-voting member, each of whom will
be appointed by JPMSL. Each voting member serving on the JPMCCI Supervisory Committee shall be independent. For the purposes of determining whether a particular member of the JPMCCI Supervisory Committee is independent, “independent” means that the individual in question is not an employee, director, officer, agent or affiliate of JPMorgan Chase & Co. or any of its affiliates and does not have a personal direct financial interest in JPMCCI or any financial product linked to JPMCCI while serving as a voting member of the JPMCCI Supervisory Committee. All voting members of the JPMCCI Supervisory Committee shall be sufficiently knowledgeable about commodity futures contracts and the commodities markets in general, as determined by JPMSL in a good faith and commercially reasonable manner. JPMSL may from time to time add or remove voting members of the JPMCCI Supervisory Committee; provided that such addition or removal does not coincide with a meeting of the committee or is a result of a particular vote of a specific committee member.

When is the composition of the Index determined?

The composition of the Index is determined in two steps. In the first step the Index Calculation Agent will determine which commodities should be represented in the Index. This determination is made on an annual basis in November of each year. The relevant energy commodities will be represented in the Index from the January following such determination and for that entire calendar year. In the second step the Index Calculation Agent will determine which monthly contracts on the relevant energy commodities should be included in the Index and assign a weight to each of those monthly contracts. This determination is made on a semi-annual basis, once in November, in respect of the following January to June, and once in May, in respect of the following July to December.

Where can I find out what the composition of the Index is?

The Index Calculation Agent will publish the components of the Index together with their corresponding weights on a semi-annual basis, once in November, to announce the components of the Index for the following January to June, and once in May, to announce the components of the Index for the following July to December. The publication will be available free of charge throughout the year at http://www.jpmorgan.com/jpmcci

How is the composition of the Index determined?

The composition of the Index is determined in two steps.

The First Step
The first step is to determine which energy commodities will be represented in the Index. This determination occurs once a year in November in respect of the following year. An energy commodity may only be represented in the Index if futures on that energy commodity meet all of the following criteria:

1. Permitted Exchange: They must be listed on an exchange located in the United States of America or the United Kingdom (or exchanges that satisfy such other criteria that the Index Calculation Agent may determine from time to time and publish free of

2. **Denominated in USD:** They must be denominated in United States Dollars (USD).

3. **Sufficient Estimated Market Size:** If an energy commodity is not already represented in the Index, they must have an Estimated Market Size of at least USD 250 million. If an energy commodity is already represented in the Index, their Estimated Market Size must not have fallen below USD 150 million. The estimated market size for an energy commodity is equal to the three year average historical open interest as published monthly by the Futures Industry Association for such energy commodity multiplied by the settlement price for the monthly contract on such energy commodity with the nearest expiry date at the time the determination is made in November.

4. **Adequate Liquidity:** They must have adequate liquidity as determined by the Index Calculation Agent in its discretion by reference to any information it deems relevant, including historical trading volumes and open interest figures.

5. **Ineligible Contracts:** They must not be a “mini-contract” (as defined by the relevant exchange) or a swap contract, basis contract, spread contract or weather contract (as determined by the Index Calculation Agent).

6. **Sufficient Trading History:** They must have been trading for at least 12 months prior to the beginning of the roll period in the following January, unless the Index Calculation Agent determines, in its discretion, to waive this requirement. The Index Calculation Agent may (by reference to any information it deems relevant, including historical trading volumes and open interest figures) waive this requirement if it determines that there is sufficient investor interest in futures on a particular energy commodity to warrant its inclusion.

7. **Sufficient Data:** There must be sufficient data available on the relevant energy commodity futures, as determined by the Index Calculation Agent in its discretion, to enable the Index Calculation Agent to perform its duties in relation to the Index. The data may be sourced from an independent supplier or be calculated by the Index Calculation Agent.

Futures on a particular energy commodity may trade on more than one exchange. If futures on more than one exchange are eligible to be included in the Index the Index will, generally speaking, only include futures from the exchange with the greatest open interest. However, in that case the Index Calculation Agent may determine in its discretion to allocate the open interest figures from the futures excluded from the Index to the futures included in the Index. This may change the weight allocated to futures on that energy commodity. As of January 2009, the commodities for which open interest from more than one exchange is utilised are the following:

> Crude Oil;
> Gasoline; and
> Heating Oil.
The Second Step

The second step is to determine which monthly contracts on the energy commodities selected in accordance with the above criteria to include in the Index and assign a weight to such contracts. This determination is made on a semi-annual basis, once in November, in respect of the following January to June, and once in May, in respect of the following July to December.

For each calendar month and a particular energy commodity, the Index Calculation Agent will determine which monthly contracts to include by calculating the average open interest for each monthly contract available in the same month in the previous three years. For example, to determine the monthly contracts on crude oil to include in the Index in February 2009 the Index Calculation Agent will determine the average open interest for each monthly contract available on crude oil in February 2006, February 2007 and February 2008. Let’s assume monthly contracts on crude oil maturing in March, April, May, June, July, August, September, October, November and December are available in each year and that the open interest (expressed as a percentage) is distributed as follows:
The average percentages in the above table represent the preliminary weights to be assigned to the March 2009, April 2009, May 2009, June 2009, July 2009, August 2009, September 2009, October 2009, November 2009 and December 2009 contracts on crude oil in February 2009. These preliminary results are then filtered to exclude:

1. monthly contracts that will mature or cease being available for trading before the end of the next roll period; and
2. monthly contracts with a preliminary weight less than 3%.

If we assume the March 2009 contract matures on March 5th and the roll period in March 2009 ends on March 10th, then this monthly contract will be excluded on the basis that it matures before the end of the next roll period. In addition, since the May 2009, June 2009, July 2009, August 2009, September 2009, October 2009, November 2009 and December 2009 contracts will be excluded on the basis that their preliminary weight is less than 3%. Therefore, in the above example only the April 2009 and December 2009 contracts on crude oil will be included in the Index in February 2009 and their weights will be redistributed proportionally.

<table>
<thead>
<tr>
<th>Contract</th>
<th>February 2006</th>
<th>February 2007</th>
<th>February 2008</th>
<th>Average</th>
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<td>March Contract</td>
<td>64.8</td>
<td>65.2</td>
<td>67.3</td>
<td>65.8</td>
</tr>
<tr>
<td>April Contract</td>
<td>13.6</td>
<td>13.4</td>
<td>13.9</td>
<td>13.7</td>
</tr>
<tr>
<td>May Contract</td>
<td>1.0</td>
<td>1.8</td>
<td>1.9</td>
<td>1.6</td>
</tr>
<tr>
<td>June Contract</td>
<td>1.8</td>
<td>2.4</td>
<td>1.0</td>
<td>1.7</td>
</tr>
<tr>
<td>July Contract</td>
<td>0.5</td>
<td>1.5</td>
<td>0.8</td>
<td>0.9</td>
</tr>
<tr>
<td>August Contract</td>
<td>1.2</td>
<td>1.0</td>
<td>1.0</td>
<td>1.1</td>
</tr>
<tr>
<td>September Contract</td>
<td>0.2</td>
<td>0.7</td>
<td>0.7</td>
<td>0.5</td>
</tr>
<tr>
<td>October Contract</td>
<td>2.5</td>
<td>2.5</td>
<td>1.5</td>
<td>2.2</td>
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<td>November Contract</td>
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<tr>
<td>December Contract</td>
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<td>9.7</td>
<td>11.0</td>
<td>11.3</td>
</tr>
</tbody>
</table>

100  100  100  100

How are the components of the Index weighted?

The weights for the monthly contracts on each energy commodity included in the Index are determined by in the manner described in “How is the composition of the Index determined?” above.

How does the composition of the Index change throughout each year?

Save in exceptional circumstances, the energy commodities represented in the Index will not change more than once a year. However, the composition of the Index may change at any time following modification of the Index due to the occurrence of
certain events (see What type of events may cause the Index to be modified or cancelled?).

Otherwise, the monthly contracts included in the Index that are due to mature will be rolled into longer dated contracts before they mature (see How are the Energy Commodity Futures included in the Index Rolled? above). In addition, because the Index is weighted by open interest, all monthly contracts included in the Index are re-weighted on a monthly basis, whether they are approaching maturity or not, to reflect the monthly change in their open interest. The re-weighting is achieved by rolling the monthly contracts included in the Index into contracts with a different maturity.

How will the Index be modified or cancelled?

If the Index Calculation Agent determines that a certain event (see What type of events may cause the Index to be modified or cancelled?) has occurred which makes it necessary to modify the Index, the Index Calculation Agent can do so in one of two ways. The Index Calculation Agent could either replace a commodity represented in the Index with a new replacement commodity or exclude a commodity represented in the Index.

If the Index Calculation Agent is replacing a commodity represented in the Index with a new replacement commodity, the new replacement commodity (selected by the Index Calculation Agent) must fulfil the criteria set out in the paragraph entitled "The First Step" in "How is the composition of the Index determined" above. The replacement commodity should also be a natural substitute for the commodity being replaced. The weight assigned to the replacement commodity will generally be equal to the weight of the commodity that it is replacing. However, the Index Calculation Agent may assign a different weight to replacement commodity if it determines that it would be appropriate to do so in order to maintain the objective of the Index.

If the Index Calculation Agent decides to exclude a commodity represented in the Index, the
Index Calculation Agent will adjust the weighting of the remaining commodities comprising the Index so that the aggregate weight of all such remaining commodities add up to 100%.

In the event that a replacement and re-weighting (if any) or exclusion and re-weighting (if any) is necessary, the Index Calculation Agent will announce the methodology by which such actions will be carried out as soon as reasonably practicable at www.jpmorgan.com/jpmcci.

In certain circumstances, the Index Calculation Agent may decide that the objective of the Index can no longer be achieved and therefore may decide to cancel the Index. If this occurs, the Index Calculation Agent is under no obligation to continue the calculation and publication of the Index.

Prior to carrying out the actions described above, the Index Calculation Agent is required to obtain the approval of the JPMCCI Supervisory Committee. All determinations by the Index Calculation Agent will be done in good faith and in a commercially reasonable manner.

When is the level of the Index Calculated?

The level of the Index is determined on each day on which at least half of the exchanges on which the energy commodity futures comprising the Index are listed are scheduled to be open and publish a settlement price for such energy commodity futures. The level of the Index will generally be published free of charge at http://www.jpmorgan.com/jpmcci by 9 a.m. London time on the following day.

How is the level of the Index Calculated?

The level of the Index is calculated using settlement prices published by the relevant exchanges. For those energy commodity futures listed on exchanges not scheduled to be open on any day on which the level of the Index is due to be calculated, the last available settlement price published by the relevant exchange will be used to calculate the level of the Index. In addition, if any exchange scheduled to be open on a day on which the level of the Index is due to be published does not actually publish a settlement price on a particular day or publishes a limit price (which is a price published when there is a limitation to, or suspension in, trading a particular commodity future) for any energy commodity future included in the Index, the level of the Index will nevertheless be calculated using (a) in the absence of an actual settlement price, the last available settlement price published by the relevant exchange and, (b) in the case of a limit price, such limit price.

Where can I find out what the level of the Index is?

The level of the Index will be published free of charge at http://www.jpmorgan.com/jpmcci by 9 a.m. on the day following the day for which the level was calculated.
Will the level of the Index be stable?

No. The price of energy commodity futures can be volatile and the level of the Index may therefore vary considerably over time. It may go down as well as up and the past performance of the Index should not be considered to be an indication of the future performance of the Index.

What currency is the Index calculated in?

The Index is denominated in USD.

Does anyone actually purchase the Energy Commodity Futures that comprise the Index?

No. The Index is synthetic and only references the energy commodity futures selected in accordance with the Index Rules (attached hereto). Therefore, there is no real portfolio of energy commodity futures to which anyone is entitled or which could act as collateral for the return on any product or transaction linked to the Index.

May the Index Rules be amended?

Yes. The Index Calculation Agent may amend or supplement the Rules from time to time in its discretion without prior notice to any person and will promptly publish any such amendment or supplement within thirty (30) calendar days of such amendment or supplement. The Index Calculation Agent is not obliged to consider the circumstances of any person or entity when amending and/or supplementing the Rules and any such amendment and/or supplement may have adverse consequences for any person or entity that has exposure to the Index via an investment in any product or the participation in any transaction linked to the Index.