

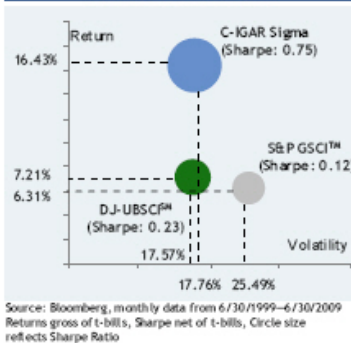
J.P. Morgan Core Commodity-IGAR Sigma Long-Short Index

FACT SHEET
 Commodity Solutions
 September 2009

Index Overview

The JPMorgan Core Commodity Investable Global Asset Rotator Sigma Long-Short Index ("C-IGAR Sigma") is part of the JPMorgan C-IGAR Index family. The C-IGAR Sigma combines momentum investing with constrained volatility and applies a stop loss methodology.

C-IGAR Sigma historical Risk-Return profile



10 Year Performance

Daily Stats	
IRR	16.43%
Annualized Daily Volatility	18.36%
Sharpe Ratio	0.72
Maximum Drawdown	(21.49)%
Monthly Stats	
Median 1-mo Return	0.84%
Avg 1-mo return	1.40%
Annualized Monthly Volatility	17.76%
# of Monthly Profits	72
# of Monthly Losses	48
% Positive Months	60.00%
Avg 1-mo loss	(3.10)%
Worst 1-mo loss	(12.75)%
Rolling 12-month stats	
Median 12-mo Return	19.93%
Avg 12-mo Return	17.56%
# of 12-mo Profits	89
# of 12-mo Losses	20
% Positive 12-mo Returns	81.65%
Avg 12-mo Loss	(7.47)%
Worst 12-mo Period	(16.90)%
Annual Total Returns	
1999	13.92%
2000	35.16%
2001	2.19%
2002	(16.90)%
2003	27.82%
2004	37.89%
2005	(7.88)%
2006	33.13%
2007	25.10%
2008	32.66%

* Data through June 30, 2009
 Sharpe Ratio calculated net of t-bills
 Source: Bloomberg, daily and monthly data as indicated

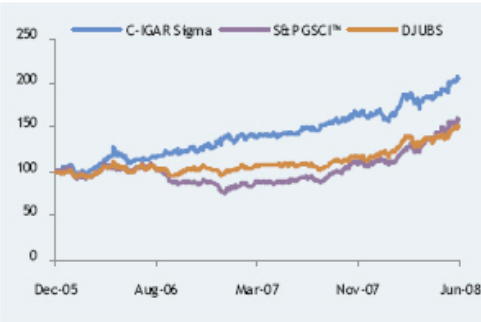
Contact Information

To learn more about C-IGAR Sigma, please contact Commodity Investment Group on +44 (0) 20 7777 3050 or commodity.investments@jpmorgan.com

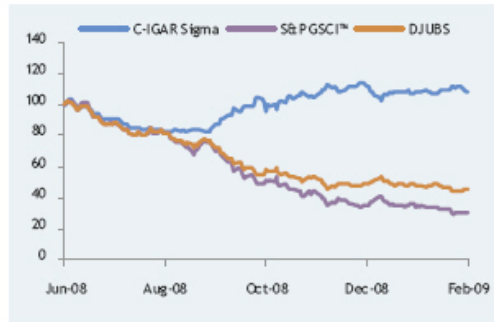
Highlights

- Provides exposure to the global commodities markets
- Formulated to capitalize on historic momentum of commodity markets.
- Designed to replicate a monthly rebalanced synthetic basket that is long single commodity sub-indices that feature consistent positive momentum over the previous 12 months and short consistently poor performing sub-indices over the same time frame.
- Attempts to control volatility by reducing index exposure in response to periods of high historical volatility in commodities markets.
- Long/short strategies aim to capitalize on both bull and bear markets
- Hypothetical historical returns have exhibited relatively low correlation to other asset classes, which has made this index a good asset for portfolio diversification.

Commodity Bull Market Case Study (January 2006 – June 2008)



Commodity Bear Market Case Study (July 2008 – February 2009)



	C-IGAR Sigma	DJUBS	GSCI®
Annualized Returns	33.07%	17.89%	20.46%
Annualized Volatility	15.16%	15.96%	20.90%
Sharpe ratio	1.86	0.82	0.75
Correlation with S&P GSCI™	0.47	0.83	1.00

	C-IGAR Sigma	DJUBS	GSCI®
Annualized Returns	13.63%	(69.26)%	(81.77)%
Annualized Volatility	26.21%	19.72%	23.94%
Sharpe ratio	0.51	(3.52)	(3.42)
Correlation with S&P GSCI™	(0.74)	0.85	1.00

Source: Bloomberg, monthly data from 12/31/2005-2/27/2009
 GSCI refers to S&P GSCI TR™, DJUBS refers to DJUBS TR™
 Past performance is not a guide to future results. Sharpe Ratio net of t-bills.

Product Description

C-IGAR Sigma is a JPMorgan commodity index that compiles and rebalances a synthetic portfolio of commodity indices in a dynamic basket. The main feature of C-IGAR Sigma is monthly rotation of assets governed by an algorithmic allocation strategy based on momentum investing. The rebalancing methodology seeks to capitalize on positive relative commodity market price trends based on two underlying assumptions:

- Commodities that have performed well in the past will likely continue to do so in the future
- A limit on the volatility of underlying constituents helps produce consistent index results.

C-IGAR Sigma is a total return index, which assumes that each dollar invested in commodities is backed by an equal investment in three month treasury bills.

Potential Constituents

S&P GSCI™ excess return sub-indices	Bloomberg Ticker	S&P GSCI™ excess return sub-indices	Bloomberg Ticker
Sector: Energy		Sector: Agricultural	
■ Natural gas index	SPGCNGP	■ Wheat index	SPGCWHP
■ Gasoline index	SPGCHUP	■ Soybean index	SPGCSOP
■ Heating oil index	SPGCHOP	■ Corn index	SPGCCNP
■ Brent crude index	SPGCBRP	Sector: Industrial metals	
■ WTI crude index	SPGCCLP	■ Nickel index	SPGCIKP
Sector: Precious Metals		■ Lead index	SPGCILP
■ Silver index	SPGCSIP	■ Copper index	SPGCICP
■ Gold index	SPGCGCP	■ Aluminium index	SPGCIAP

Bloomberg Ticker
 CMDLSR<Index>

J.P. Morgan

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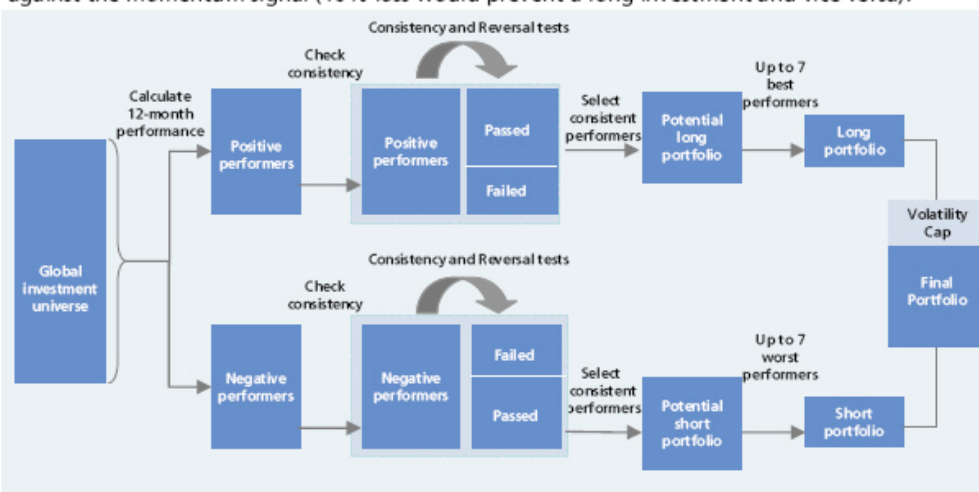
Methodology

The Commodity-IGAR Sigma selects its constituents from a diverse universe of GSCI single commodity sub-indices (as listed under the "potential constituents" section). The allocation among the constituents is rebalanced monthly. The strategy synthetically invests in up to 14 sub-indices (seven long and seven short) based upon:

- Absolute historic performance (momentum)
- Consistent historic momentum (consistency)
- Risk of trend reversals (reversal)

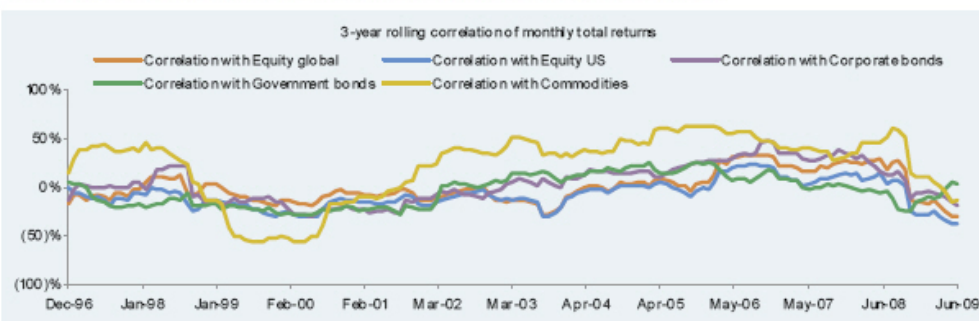
If a sub-index features positive performance for the past 12 months, it faces a "consistency test" that checks for steady past performance (weighted more heavily on recent months) and a "reversal test" that looks for rapid swings in the previous month's returns from past momentum. Those sub-indices that exhibit the strongest consistent positive or negative performance and pass the two tests are selected for the synthetic long and short components of the index. All components selected for the index receive one seventh positive or negative weighting in the synthetic investment. Any remaining sub-indices receive no weight. Finally, a volatility control factor is applied when calculating the index to reduce exposure during periods following high volatility.

The consistency test observes positive/negative signals on monthly returns of the constituent, More recent months having higher weightings. A score of 6/12 is required for an investment. The Reversal test acts to filter out investments in constituents that moved more than 10% against the momentum signal (10% loss would prevent a long investment and vice versa).



¹ For illustration only – For a more detailed description of the algorithm, please refer to the Synthetic Strategy Rules

The C-IGAR Sigma displays low correlation to other asset classes



Source: Bloomberg, data from January 1994 to June 2009

Equity global is represented by the MSCI Daily TR Gross World USD*

Equity US is represented by Standard & Poor's 500 Total Return Index*

Corporate bonds are represented by the JPMorgan Global Aggregate Bond Index –TR Unhedged USD*

Government bonds are represented by JPMorgan Hedged USD GBI Global Index*

Commodities are represented by Standard and Poor's Goldman Sachs Total Return Commodity Index*

Source: Bloomberg. Information is calculated for the period December 1993 to June 2009

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