

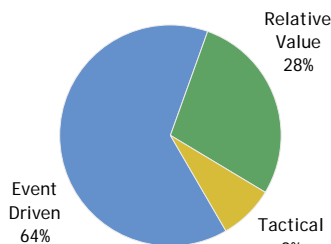


SPI Basket of Funds of Hedge Funds

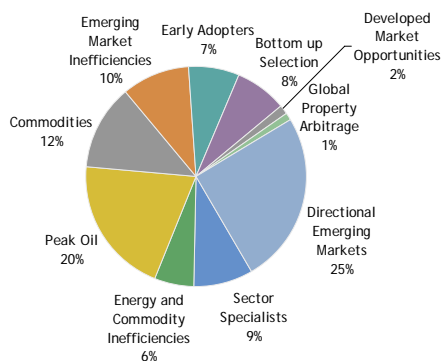


Underlying Funds

Strategy Allocation (as of 31 October 2007)



Strategy Allocation (as of 30 November 2007)



Arden Alternative Adviser SPC (USD Class)

Performance Analysis (from July 2004 to November 2007)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2007	1.25%	0.73%	1.88%	1.73%	2.44%	0.36%	0.03%	-2.55%	1.48%	3.19%	-1.03%		9.79%
2006	1.73%	0.93%	1.25%	1.07%	-0.93%	0.58%	0.59%	0.61%	-1.79%	1.31%	1.81%	1.69%	9.15%
2005	0.38%	0.95%	-0.34%	-1.45%	0.29%	1.16%	1.46%	0.57%	1.90%	-1.53%	1.19%	1.37%	6.04%
2004							0.21%	0.12%	0.29%	0.45%	1.65%	1.27%	4.05%

	Arden Alternative Advisers SPC				S&P 500	JPMorgan Government Bond USD	HFR Fund of Funds
	YTD	12 months	3 years	Since Jul-2004	Since Jul-2004	Since Jul-2004	Since Jul-2004
Annualised Return	9.79%	11.64%	8.77%	8.52%	9.96%	6.32%	9.67%
Annualised Volatility	5.63%	5.43%	4.30%	4.09%	7.94%	5.72%	4.50%
Sharpe Ratio		1.15	0.98	1.06	0.73	0.37	1.22
% Positive Months		83%	81%	83%	73%	59%	73%
Best Month	3.19%	3.19%	3.19%	3.19%	4.43%	3.39%	3.11%
Worst Month	-2.55%	-2.55%	-2.55%	-2.55%	-4.18%	-2.03%	-2.17%
Worst Drawdown				-2.55%	-4.71%	-7.49%	-2.70%
Time to Recovery				4 months	6 months	22 months	6 months
Correlation					50%	-10%	89%

Calburn Strategic Fund (USD Class)

Performance Analysis (from June 2006 to November 2007)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2007	0.64%	2.49%	2.65%	2.67%	2.33%	2.06%	3.24%	-1.64%	3.34%	3.73%	-3.16%		19.67%
2006						-0.70%	0.54%	0.56%	-1.20%	1.80%	2.73%	2.32%	6.16%

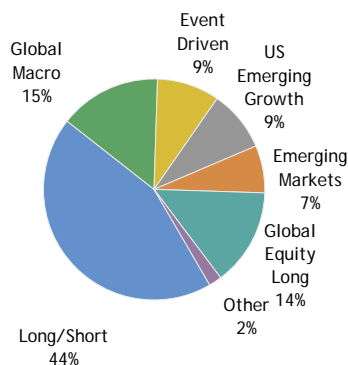
	Calburn Strategic Fund				S&P 500	JPMorgan Government Bond USD	HFR Fund of Funds
	YTD	12 months	3 years	Since Jun-2006	Since Jun-2006	Since Jun-2006	Since Jun-2006
Annualised Return	19.67%	22.45%	17.30%	17.30%	12.88%	9.08%	10.21%
Annualised Volatility	7.60%	7.27%	6.73%	6.73%	8.28%	5.64%	4.66%
Sharpe Ratio		2.34	1.76	1.76	0.90	0.65	1.03
% Positive Months		83%	78%	78%	78%	67%	72%
Best Month	3.73%	3.73%	3.73%	3.73%	4.43%	3.02%	3.11%
Worst Month	-3.16%	-3.16%	-3.16%	-3.16%	-4.18%	-2.03%	-2.17%
Worst Drawdown				-3.16%	-4.71%	-3.15%	-2.17%
Time to Recovery				2 months	3 months	4 months	4 months
Correlation					28%	2%	84%

All information has been sourced from the Investment Manager, except the Performance Analysis information which had been compiled by JPMorgan on the basis of the Investment Manager's data. Returns are net of fees. Source: Arden and Calburn. See Important Disclaimer on the last page of this document.

Underlying Funds

Strategy Allocation

(as of 30 November 2007)



Permal Investment Holdings (Class A, USD)

Performance Analysis (from February 1995 to November 2007)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2007	1.23%	0.48%	1.21%	2.61%	2.38%	1.10%	-0.17%	-1.85%	3.09%	3.51%	-1.84%		12.20%
2006	3.60%	-0.07%	2.08%	1.74%	-3.41%	-1.01%	-0.25%	0.97%	-0.05%	1.96%	2.10%	1.66%	9.53%
2005	-0.30%	1.82%	-1.15%	-2.27%	1.39%	2.22%	2.86%	1.61%	2.67%	-2.18%	2.16%	2.58%	11.81%
2004	1.73%	1.04%	0.82%	-1.56%	-0.65%	0.78%	-2.23%	-0.17%	1.78%	1.17%	3.62%	2.00%	8.49%
2003	0.07%	-0.09%	-0.01%	3.89%	4.81%	1.44%	2.15%	1.82%	-0.04%	2.64%	0.58%	2.23%	21.15%
2002	-0.41%	-0.24%	2.37%	0.28%	-0.02%	-1.88%	-3.01%	0.55%	-1.85%	0.61%	1.68%	-1.17%	-3.19%
2001	2.82%	-2.75%	-2.36%	1.57%	0.23%	-0.30%	-1.66%	-1.03%	-3.75%	2.14%	2.10%	2.17%	-1.10%
2000	1.00%	7.75%	-1.21%	-7.37%	-2.99%	4.48%	-0.71%	4.12%	-1.38%	-2.27%	-3.53%	3.11%	0.06%
1999	2.41%	-3.28%	2.13%	3.11%	0.26%	5.59%	0.79%	0.56%	0.24%	1.66%	10.15%	7.67%	35.27%
1998	-1.93%	4.32%	5.62%	-0.27%	-1.81%	1.74%	0.35%	-9.60%	-1.69%	-2.04%	3.04%	4.66%	1.43%

	Permal Investment Holdings N.V.				S&P 500	JPMorgan Government Bond USD	HFR Fund of Funds
	YTD	12 months	3 years	Since Feb-1995	Since Feb-1995	Since Feb-1995	Since Feb-1995
Annualised Return	12.20%	14.07%	11.91%	11.58%	11.26%	6.65%	8.98%
Annualised Volatility	6.30%	6.03%	6.20%	9.10%	14.29%	6.38%	5.71%
Sharpe Ratio		1.43	1.19	0.79	0.48	0.35	0.80
% Positive Months		75%	67%	66%	66%	59%	69%
Best Month	3.51%	3.51%	3.60%	10.15%	9.78%	5.65%	6.85%
Worst Month	-1.85%	-1.85%	-3.41%	-9.60%	-14.46%	-4.30%	-7.47%
Worst Drawdown				-14.65%	-44.73%	-8.14%	-13.08%
Time to Recovery				41 months	73 months	33 months	21 months
Correlation					65%	-8%	92%

All information has been sourced from the Investment Manager, except the Performance Analysis information which had been compiled by JPMorgan on the basis of the Investment Manager's data. Returns are net of fees. Source: Permal. See Important Disclaimer on the last page of this document.



Highlights

- Exposure to attractive Funds of Hedge Funds
- 90% Capital Protection at maturity
- Diversified Basket of Funds of Funds
- Exposure to over 60 Single Hedge Funds on a look-through basis
- Dynamic Fee Structure charged on Risky Asset (not the NAV)

Hypothetical Annualised Rate of Return (based on the simulated performance from October 2004 to November 2007)

Dynamic Basket Level	7.1% p.a.
Underlying Basket	8.8% p.a.

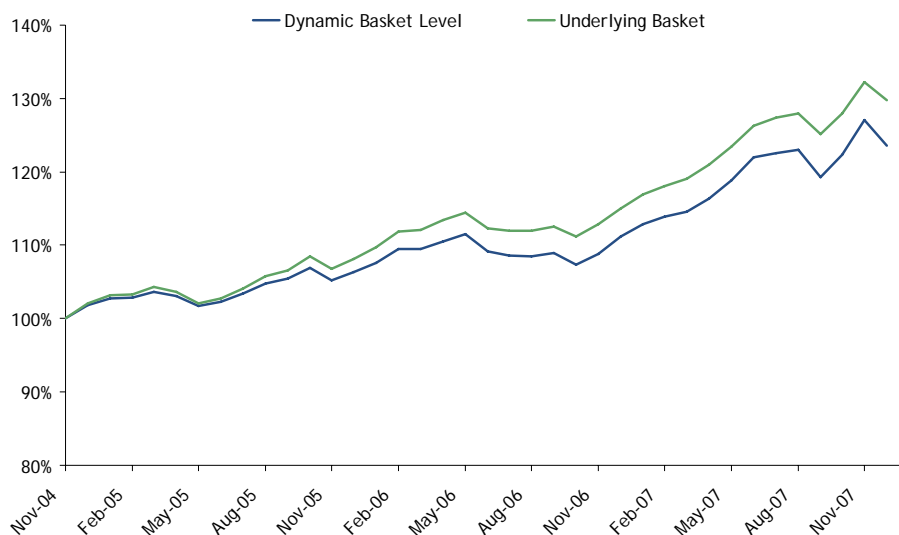
Indicative Terms

Currency	EUR
Structure	90% Capital Protected SPI
Maturity	5 years
Underlying Basket	Permal Investment Holdings (Class A EUR) 40 % Arden Alternative Advisers SPC (EUR) 40 % Caliburn Strategic Fund (EUR) 20 %
Final Redemption	90% + max [Dynamic Basket Level (Final) / Dynamic Basket Level (Initial) - 90%, 0%]
Gearing Factor / Multiplier	25% / 4x
Minimum Allocation to the Funds	20%
Maximum Allocation to the Funds	200%
Initial Target Exposure	[105%]
Borrow Cost for Leverage	Euribor flat
Risky Asset Fees	1.30% pa charged on the Risky Asset Component
Denomination	EUR 100,000 per Note

Simulated Performance from end of October 2004 to end of November 2007

Returns in EUR assuming an issue date of 31st October 2004

Hypothetical performance is no guidance for future performance.



* Performance of the SPI based on the historical performance of the Permal Investment Holdings Fund (Class A EUR), Arden Alternative Advisers SPC (EUR) and Caliburn Strategic Fund (EUR). Important assumption: Returns of the Caliburn Strategic Fund are equal to zero from end of October 2004 to end of May 2006 as inception date of the fund is June 2006. Simplifying assumptions may have been used.

Terminology

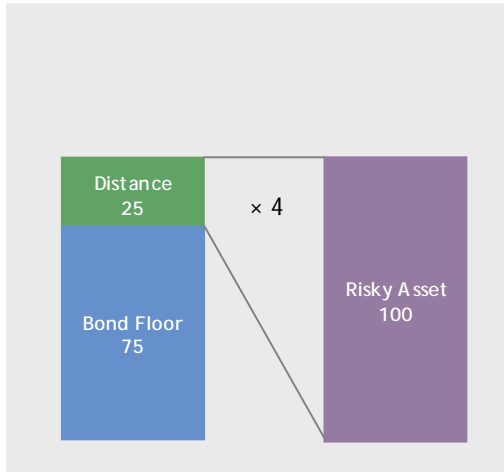
- SPI Mechanism consists of a dynamic allocation between a Risky Asset and a Riskless Asset, which optimises exposure to maximise upside while ensuring that the specific percentage of initial capital can be repaid at maturity.
- The Risky Asset is, in our case, a portfolio of funds or hedge funds.
- The Riskless Asset is usually zero-coupon swap instruments maturing at par at the maturity of the Notes.

Mechanism

- A formula allocates capital between the two components depending on the prevailing amount by which the Net Asset Value of the Balanced Portfolio is above a pre-determined Bond Floor Value (which is called the Distance)
- The Bond Floor represents the present value of the protection at maturity (i.e. the price of a zero coupon maturing at par on the maturity of the Notes).
- Exposure to Risky Asset = $\text{Multiplier} \times (\text{Net Asset Value of the Balanced Portfolio} - \text{Value of the Bond Floor}) = \text{Multiplier} \times \text{Distance}$
- The Multiplier is a constant number determined according to the profile of the Risky Asset: strategy, liquidity, concentration, intrinsic risk

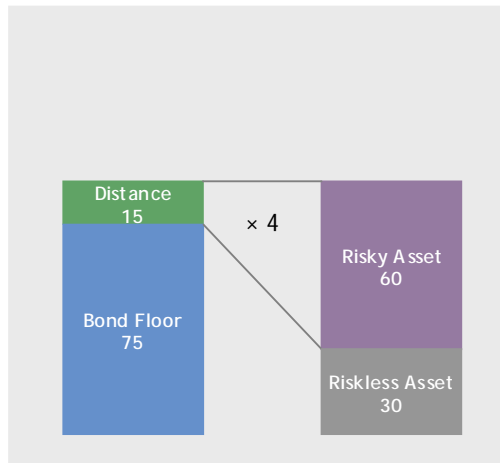
Appendix: Illustration of the SPI Mechanism (Synthetic Portfolio Insurance)

Issue Date



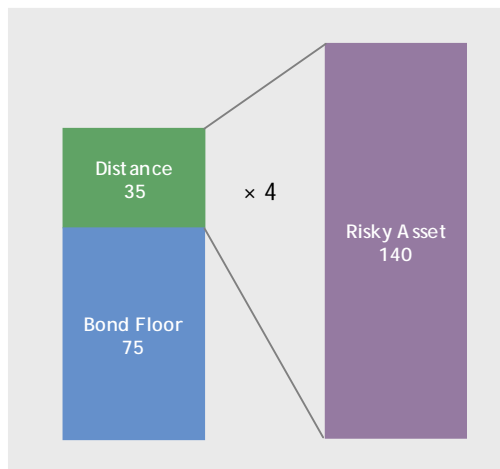
- NAV of the Balanced Portfolio = 100
- Bond Floor = 75
- Distance = NAV - Bond Floor = 25
- Exposure to the Risky Asset = $\text{Multiplier} \times \text{Distance} = 100$

a) Risky Asset is down 10%



- NAV of the Balanced Portfolio = 90
- Bond Floor = 75
- Distance = NAV - Bond Floor = 15
- Exposure to the Risky Asset = $\text{Multiplier} \times \text{Distance} = 60$
- Exposure to the Riskless Asset = $90 - 60 = 30$

b) Risky Asset is up 10%



- NAV of the Balanced Portfolio = 110
- Bond Floor = 75
- Distance = NAV - Bond Floor = 35
- Exposure to the Risky Asset = $\text{Multiplier} \times \text{Distance} = 140$
- 30 is lent to the structure.

Assumptions: the Multiplier is equal to 4, the level of the Bond Floor is constant

Derivatives Marketing

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An investment in the Quantus Centurion Note involves a number of risks:

- The performance of the Quantus Centurion Note depends upon the dynamic allocation strategy. Increased Volatility of the Risky Asset will, generally, adversely impact upon the performance of the Dynamic Basket and the Quantus Centurion Note.
- If the underlying basket performs poorly or becomes particularly volatile, or should interest rates fall significantly there is a risk that the Quantus Centurion Note may be 80% exposed to the Riskless Asset.
- You should consider Quantus Centurion Note as a "buy and hold" investment for the five year term or until any mandatory Early Redemption. Principal Protection is only available when the Quantus Centurion Notes are held until the Maturity Date and where there is no occurrence of an Early Termination Event.

Disclaimers

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Any "backtesting" information provided herein is illustrative only and derived from proprietary models based on certain data (which may or may not correspond with the data that someone else would use to back-test the Notes) and assumptions and estimates (not all of which may be specified herein and which are subject to change without notice). The results obtained from different models, assumptions, estimates and/or data may be materially different from the results presented herein and such "backtesting" information should not be considered indicative of the actual results that might be obtained from an investment or participation in the Notes. JPMorgan expressly disclaims any responsibility for (i) the accuracy or completeness of the models, assumptions, estimates and data used in deriving the "backtesting" information, (ii) any errors or omissions in computing or disseminating the "backtesting" information, and (iii) any uses to which the "backtesting" information may be put by any recipient of such information.

Return linked to Funds of Hedge Funds

The return on the Notes is linked to the performance of three Funds of Hedge Funds. If such Funds collectively perform poorly, the proportion of the Basket which is linked to the Funds will be reduced, to a minimum of 20%. Depending on the performance of the Basket over the life of the Notes, the Notes may redeem at 90% of the amount originally invested.

Credit Risk

The Notes bear the credit risk of JPMorgan Chase Bank, N.A.

Interest Rate Risk

The minimum proportion of the Basket linked to the Riskless Asset (the "Bond Floor", which notionally represents the amount of capital required as of a particular day in order to ensure that the redemption amount payable in respect of each Note at maturity will be at least equal to 90% of the amount originally invested) will fluctuate in response to movements in interest rates. Generally, as interest rates fall, the Bond Floor will rise and as interest rates rise, the Bond Floor will fall. An increase in the Bond Floor as a percentage of the Basket value will increase the likelihood of reduction of the exposure to the Funds. A reduction of the exposure to the Funds that occurs relatively early in the life of the Notes will reduce the potential for capital appreciation of the Notes.

Early Redemption

Certain circumstances may cause the Notes to be redeemed early. These include changes in tax laws and default by the Issuer. If the Notes are redeemed early, you may receive back less than you invested.

90% Capital Protection at Maturity

The 90% capital protection is only applicable at maturity, so if you decide to sell your Notes prior to maturity the price you will receive can be below 90%.

Notional Assets

It should be noted that return on the Notes is linked to a Basket comprised of notional investments and there is no actual portfolio of assets to which any person is entitled or in which any person has an ownership interest. The performance of the Basket will be used as a reference point for the purposes of calculating the performance of the Notes.

Additional Information

This document should be read in conjunction with the Base Prospectus dated 23 May 2007 (as amended) relating to JPMorgan's Structured Products Programme and the Final Terms for the Notes (together, the "Related Documentation"), which contain a full description of the Notes. Copies of such documents are available upon request.

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