

October 2006

MANAGING INVESTMENT RISK

Securities (including mutual funds) are not bank deposits and are not FDIC insured, nor are they obligations of or guaranteed by JPMorgan Chase Bank, N.A., J.P. Morgan Trust Company, N.A. or any of their affiliates. Securities (including mutual funds) involve investment risks, including the possible loss of the principal amount invested.

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Primary global investment themes

- Diversification – barbell risk
 - *where* to take risk (fundamental view)
 - *how* to take risk (execution of the investment)
 - *sizing* risk appropriately, across a balanced portfolio
- Creatively finding risk adjusted returns
 - structured equity and fixed income
 - alternative investments
 - enhanced cash

ECONOMIC, MARKET AND INVESTMENT OUTLOOK
Fourth-quarter 2006

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Economic outlook

Fourth-quarter economic outlook

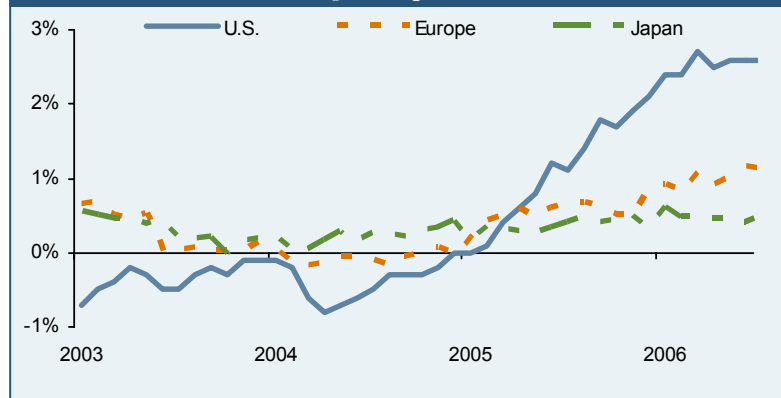
- **Inflation and Growth**
 - Fed has positioned markets to expect inflation to rise further
 - While 2007 will be challenging as growth decelerates, we expect economic growth to remain resilient into next year
 - Inflation risks still ahead
- **Housing market adjustment - a process not an event**
 - Expect speculative housing markets to re-price more aggressively downwards
 - Slow unwinding of the housing bubble will remain a drag on the economy
- **Japanese and European growth peaking**
 - Believe Europe and Japan running at a lag of 6-9 months to U.S.
 - Year end policy rate targets remain +3.5% in Europe and +0.5% in Japan
 - Policy rate tightening above these levels depends on how U.S. economy slows

Real GDP

(% yoy)	2004	2005	2006F	2007F
World	3.8	3.2	3.7	3.3
United States	4.2	3.2	3.5	2.9
Euro Area	1.8	1.5	2.8	2.5
Japan	2.3	2.6	2.8	2.8
Emerging Asia	7.4	7.4	7.3	6.7
Emerging Europe	6.8	5.7	5.6	5.0
Latin America	6.2	4.4	5.2	4.2

Source: J.P. Morgan Securities.

Real central bank policy rates



Source: JPMorgan, MacData.

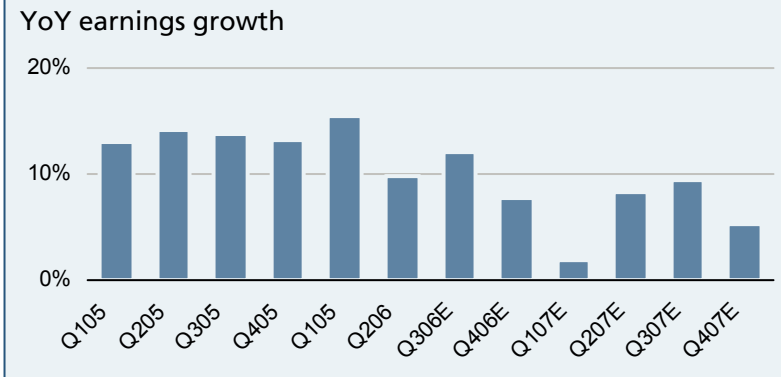
There are additional risks associated with international investing. International investing may not be for everyone. ECB and BOJ stand for the European Central Bank and Bank of Japan respectively.

Market outlook

Fourth-quarter market outlook

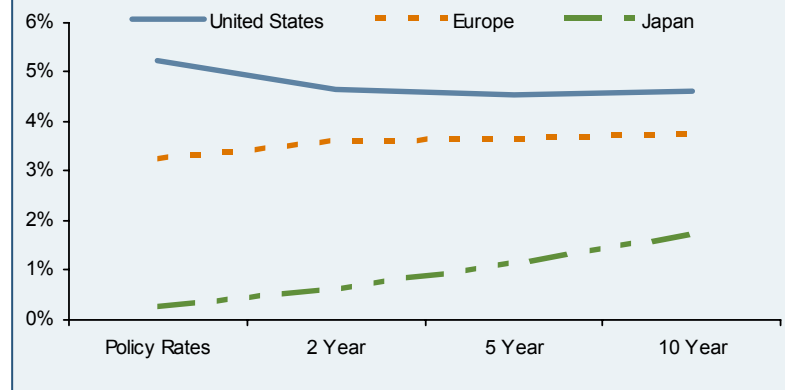
- **A single-digit return environment**
 - 12 month fair value target range for S&P 500: 1320-1420
 - We expect a slowing in second-half earnings, yet solid year-on-year earnings expansion
- **Valuations**
 - Valuations across developed markets are well supported with expected earnings growth of 8-10%
 - Europe looks particularly attractive with a forward P/E of around 12.5x
- **Focus on 10 year bond yields**
 - We remain short duration in our portfolios
 - With short term U.S. interest rates around 5%, we do not believe we are being paid to take meaningful duration risk
- **FX and commodities**
 - Fair value targets on the euro of 1.28-1.32 and yen of 112-116 over the coming quarter
 - Continue to work with \$65 fair value target for oil over next 12 months

S&P 500 earnings growth



Source: Thomson Financial.

Developed markets interest rate term structure



Source: JPMorgan, MacData. Data as of 10/04/2006.

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Source: J.P. Morgan Securities Inc.

How are we investing private client money?

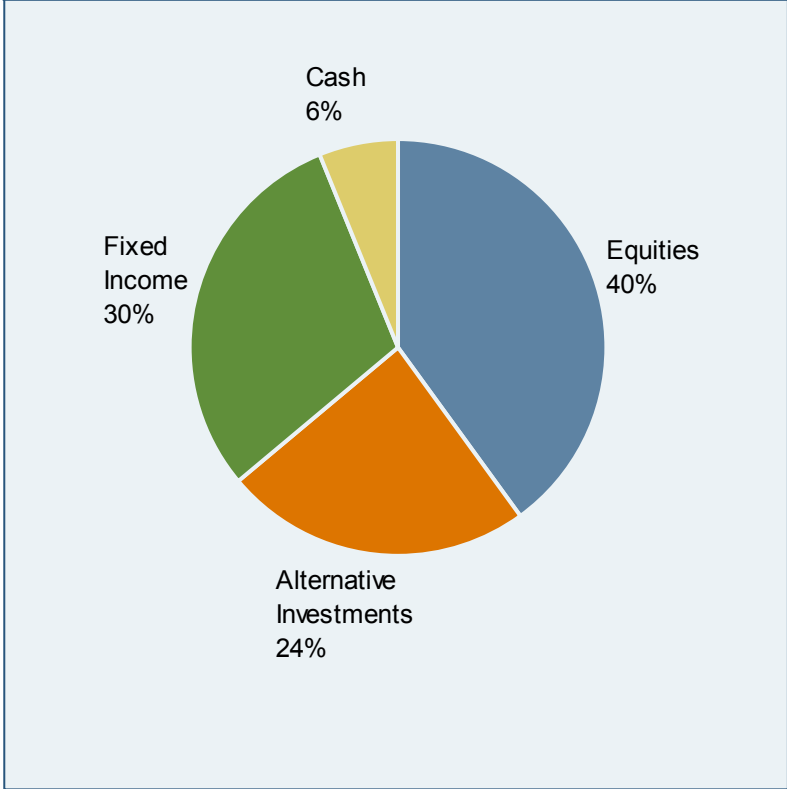
Fourth-quarter investment recommendations

- **Balanced in our global equity allocation**
 - Continue to use quantitative equity strategies to capture excess return
 - Focus on the use of structures with capital protection to remain invested in *bumpy* markets and dampen volatility
 - Add structures with leverage
 - Favor active all-cap managers

- **Fixed income, waiting to extend duration**
 - Global duration target, 2-3 years
 - Greater downside than upside in extending duration at current levels
 - Allocations to enhanced cash make more sense on a risk adjusted basis

- **Alternative investments**
 - Add single-manager hedge fund strategies less correlated to equity markets

Moderate risk, global balanced portfolio *Latin America private clients*



Current Asset Allocation as of October 2006; for Latin America Private clients. Moderate risk, global balanced asset allocation. Subject to change and may not be suitable for all clients.

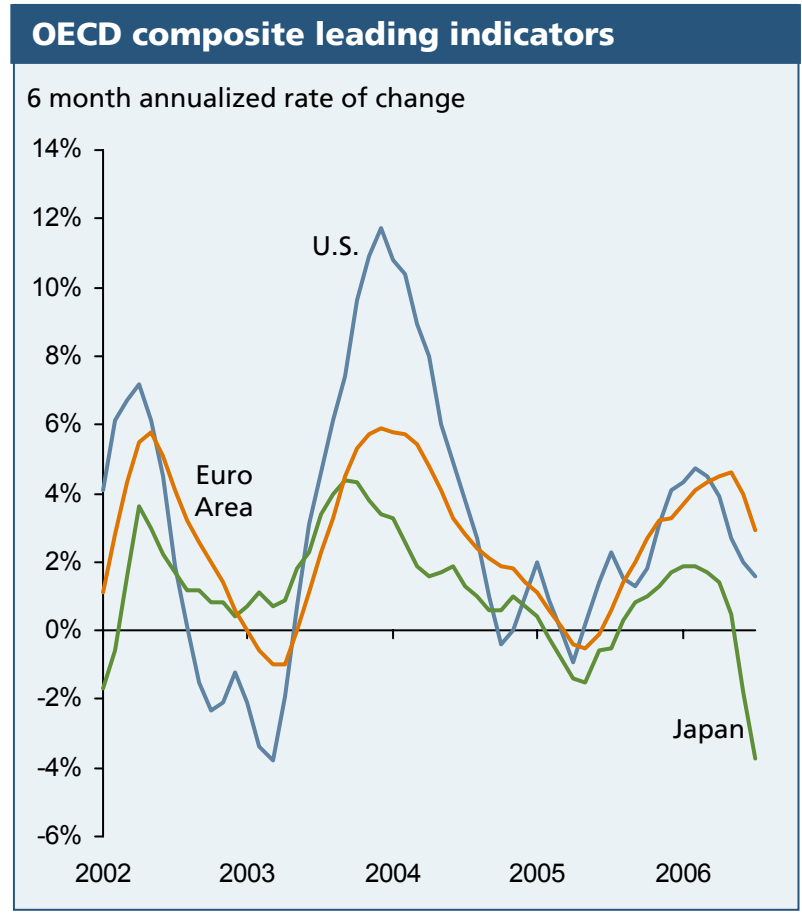
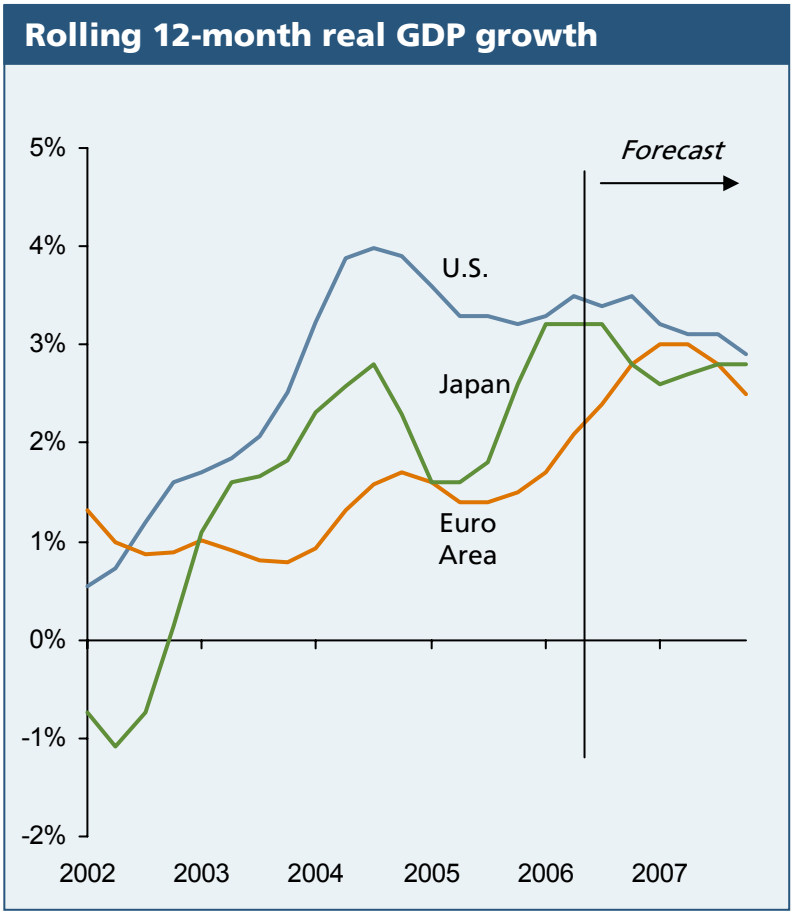
The model portfolio can be implemented across brokerage or managed accounts depending on the unique objectives of each client and is serviced through distinct legal entities licensed for specific activities. Bank and trust services are provided by JPMorgan Chase Bank, N.A. Investment management services are provided through JPMorgan Chase Bank, N.A., J.P. Morgan Trust Company, N.A. and their affiliates. Brokerage and trading activities are provided by J.P. Morgan Securities Inc., member NASD, NYSE, and SIPC. Not all investment ideas referenced are suitable for all investors.

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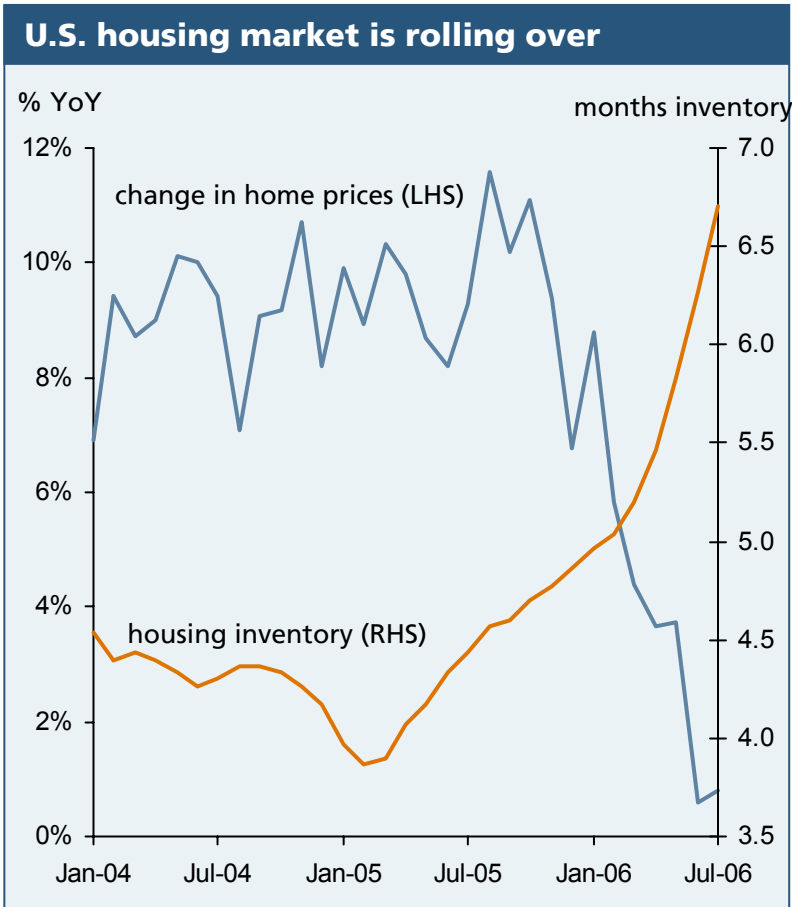
FUNDAMENTAL THEMES
Fourth-quarter 2006

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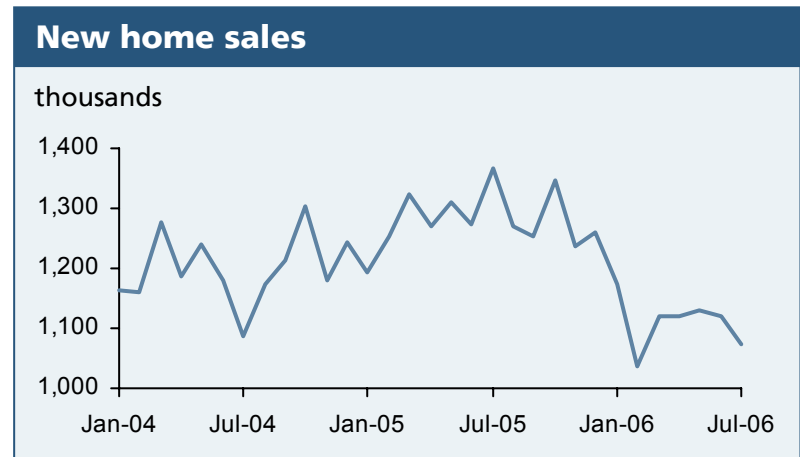
Global growth is peaking



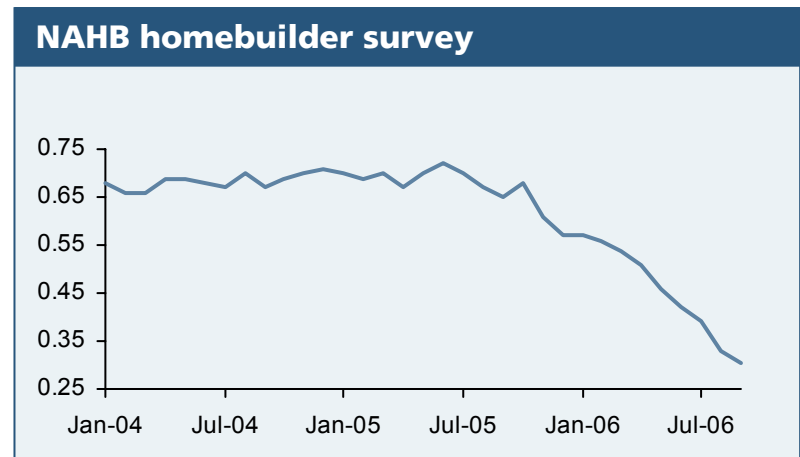
U.S. housing market adjustment ... a process, not an event



Source: JPMorgan, MacData.

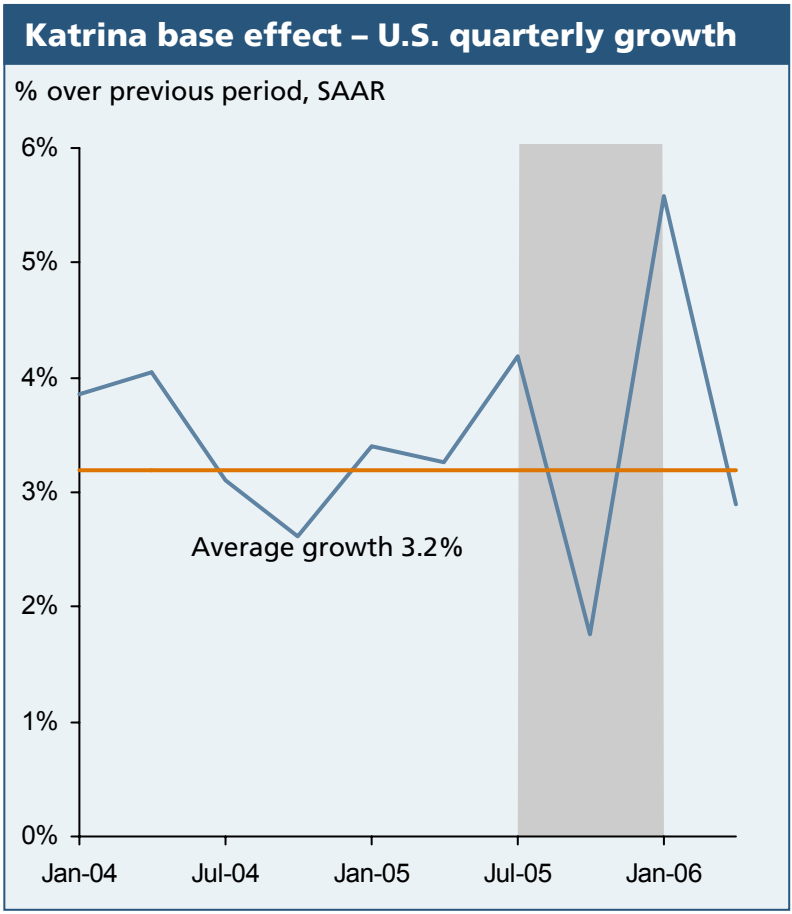


Source: JPMorgan, MacData.

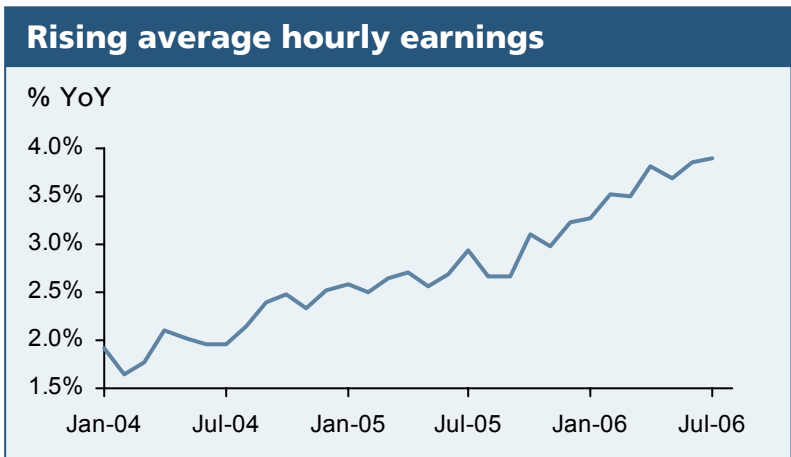


Source: JPMorgan, MacData. NAHB stands for National Association of Home Builders. The survey measures builders' perceptions of the market for new single-family housing.

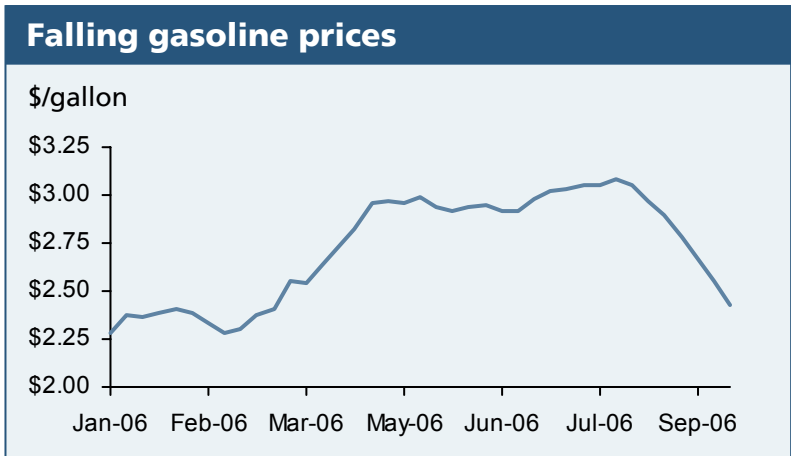
But growth is not breaking ... base effect and consumption should help support growth



Source: JPMorgan, MacData. SAAR stands for seasonally adjusted annual rate. Katrina refers to Hurricane Katrina which had an adverse impact on Q405 U.S. economic growth.



Source: JPMorgan, MacData.

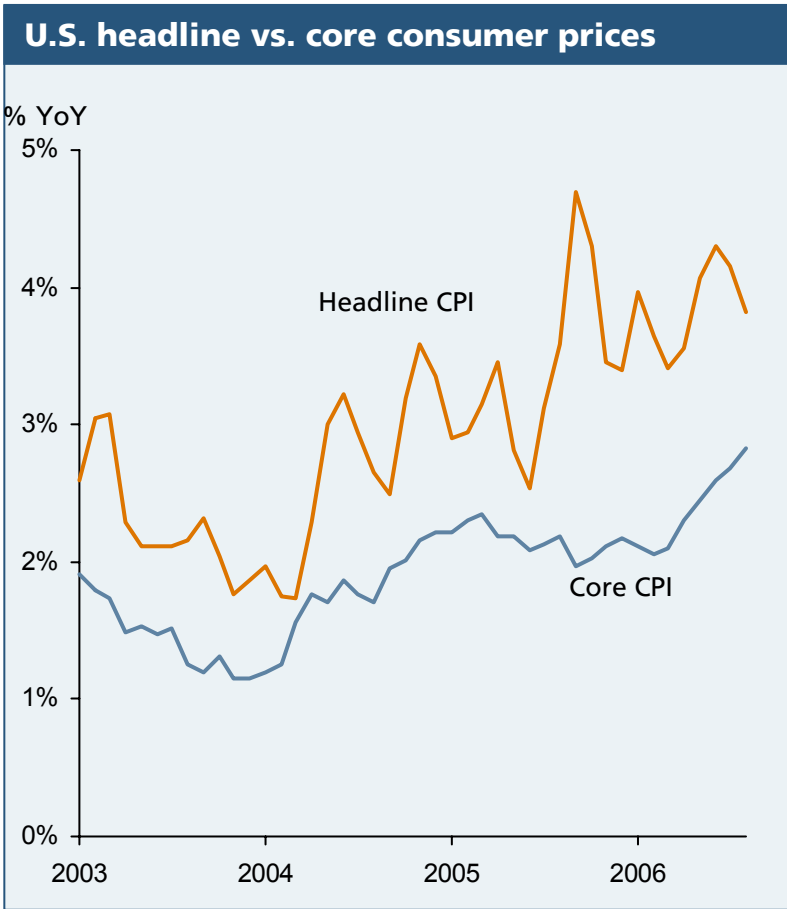


Source: JPMorgan, MacData.

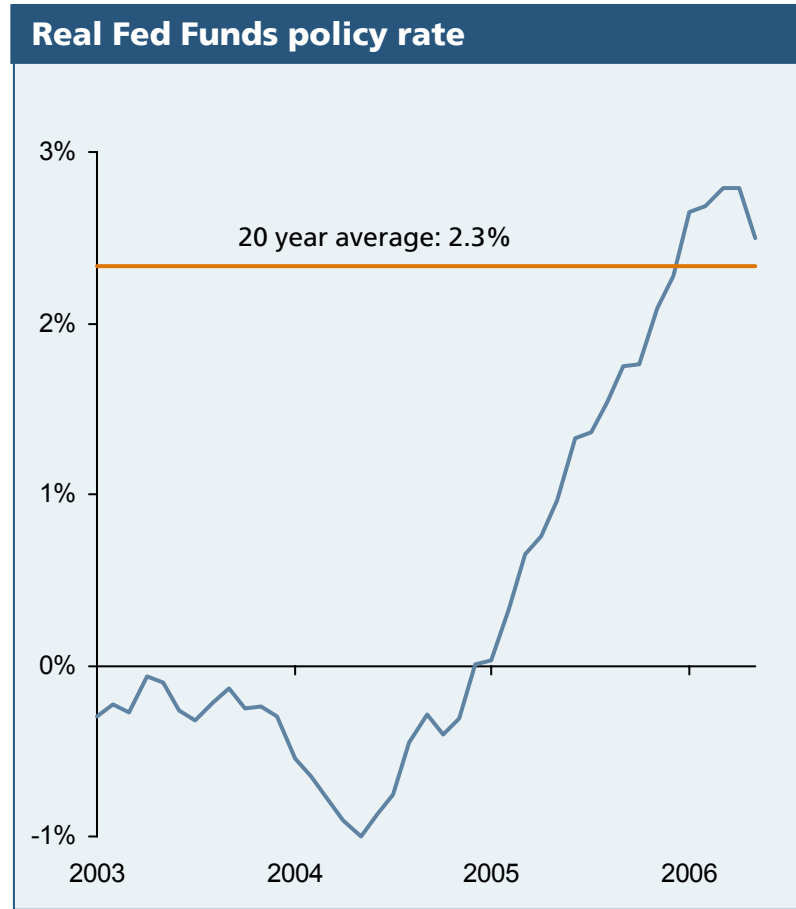
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Inflation risks still ahead

... Fed could be forced to tighten further

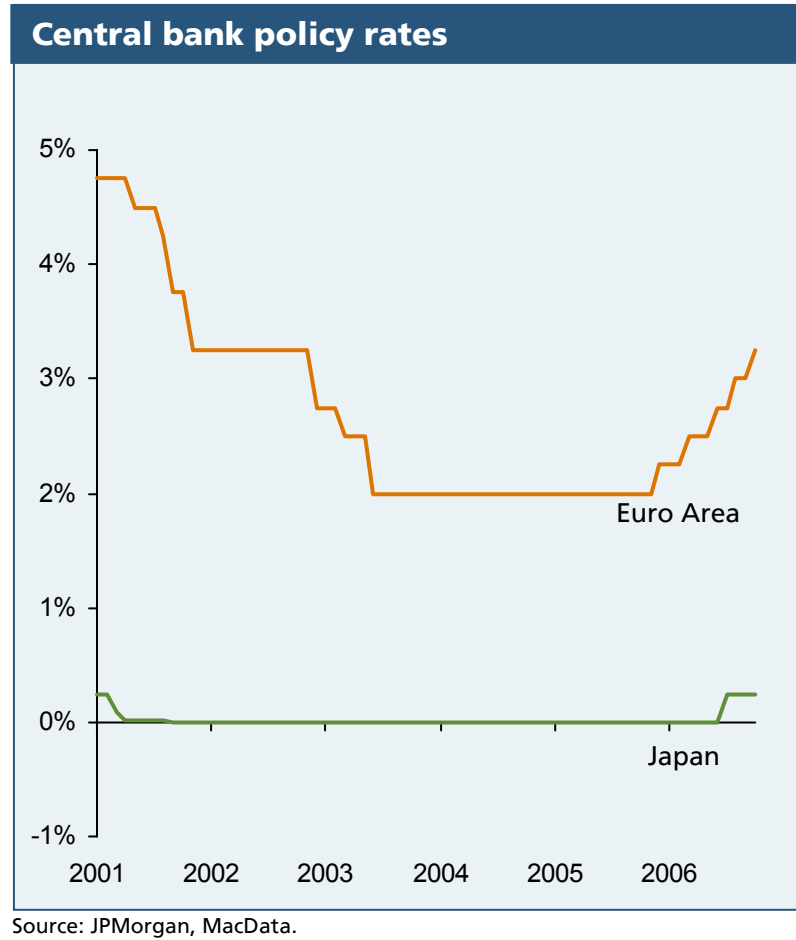
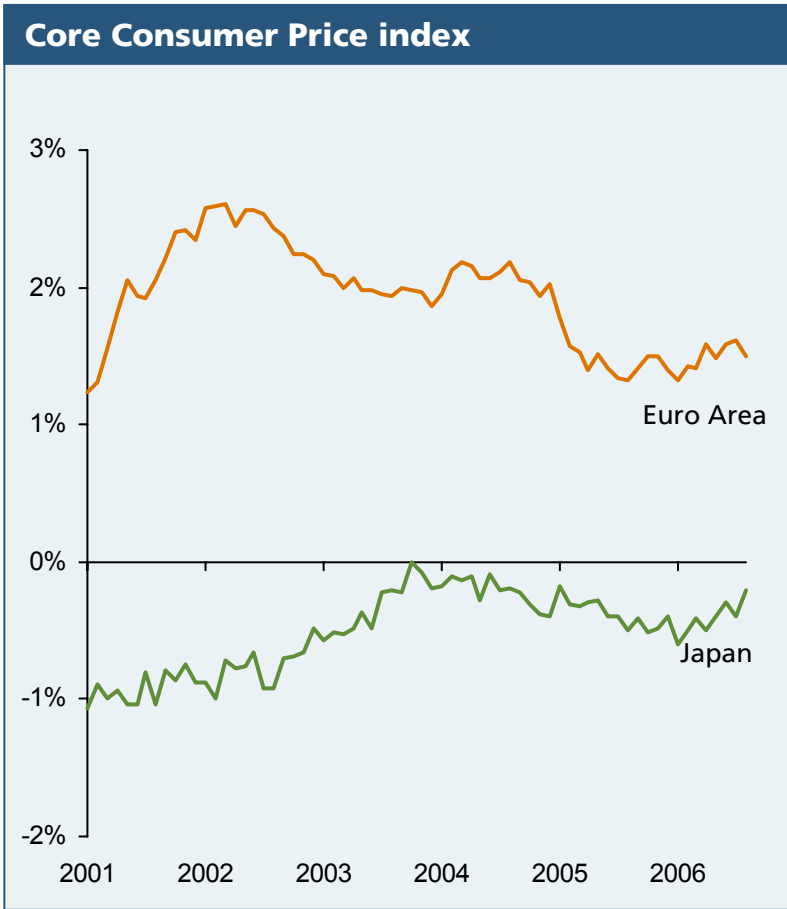


Source: JPMorgan, MacData. Headline CPI refers to the broad Consumer Price Index including food and energy, while Core CPI strips out these components.

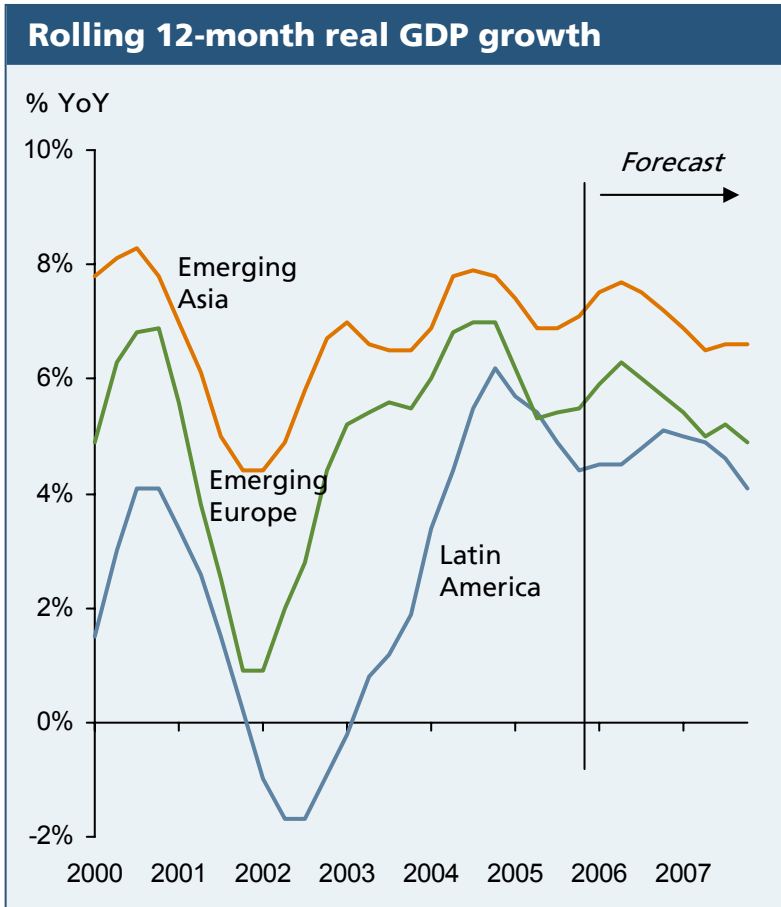


Source: JPMorgan, MacData.

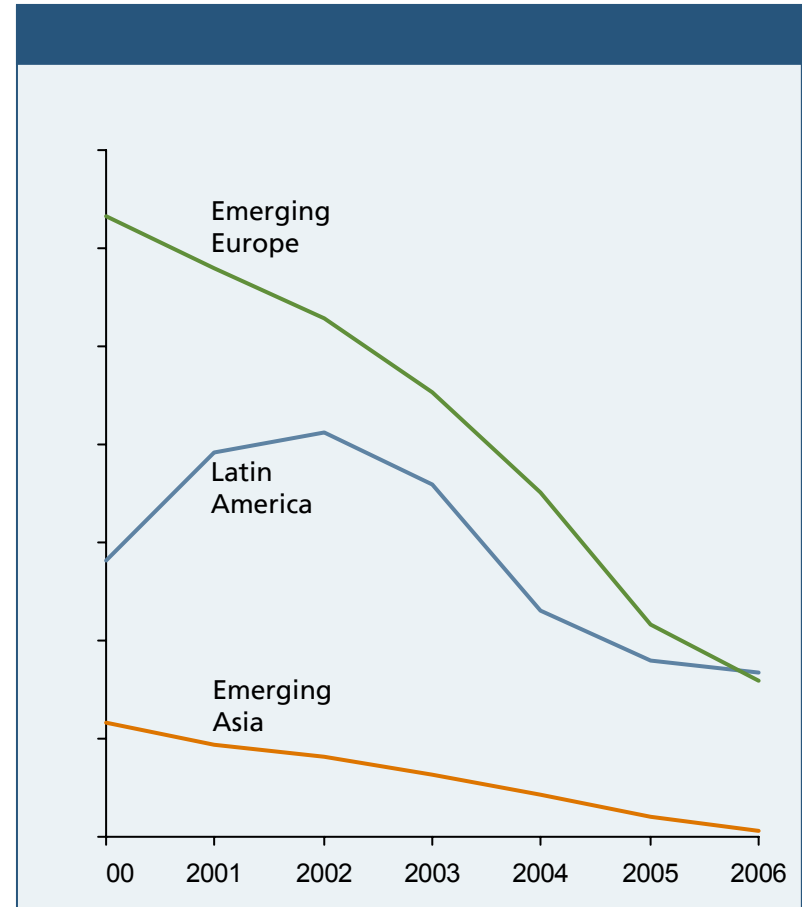
As growth peaks, tightening in Europe and Japan will remain gradual



Strong economic performance across emerging markets ... reduction in external debt provides a cushion for slowdown ahead

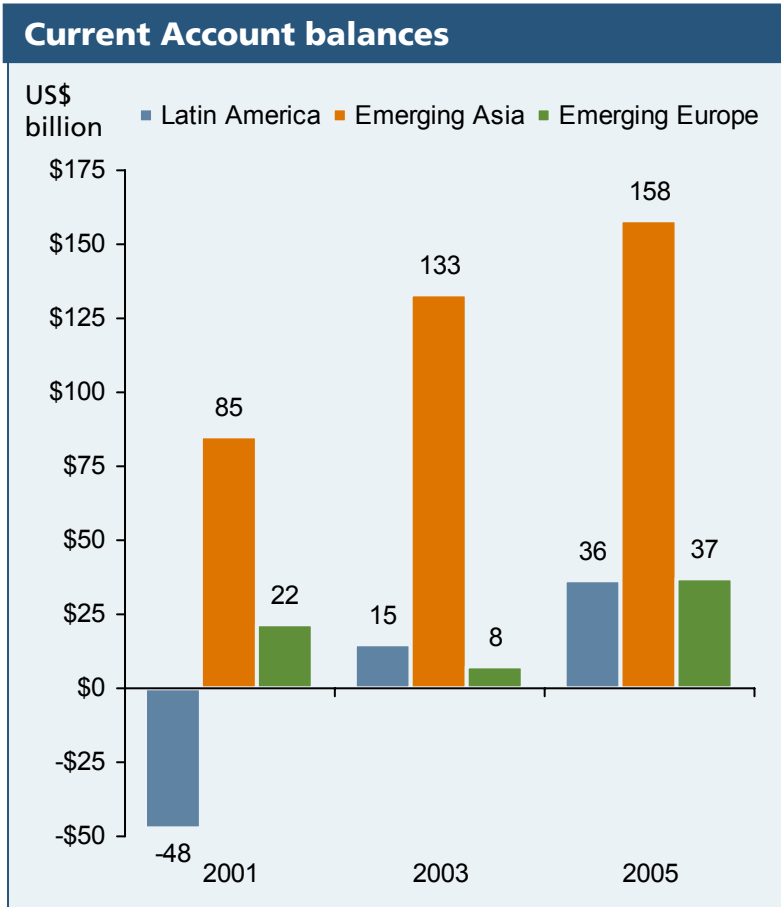


Source: JPMorgan, MacData.

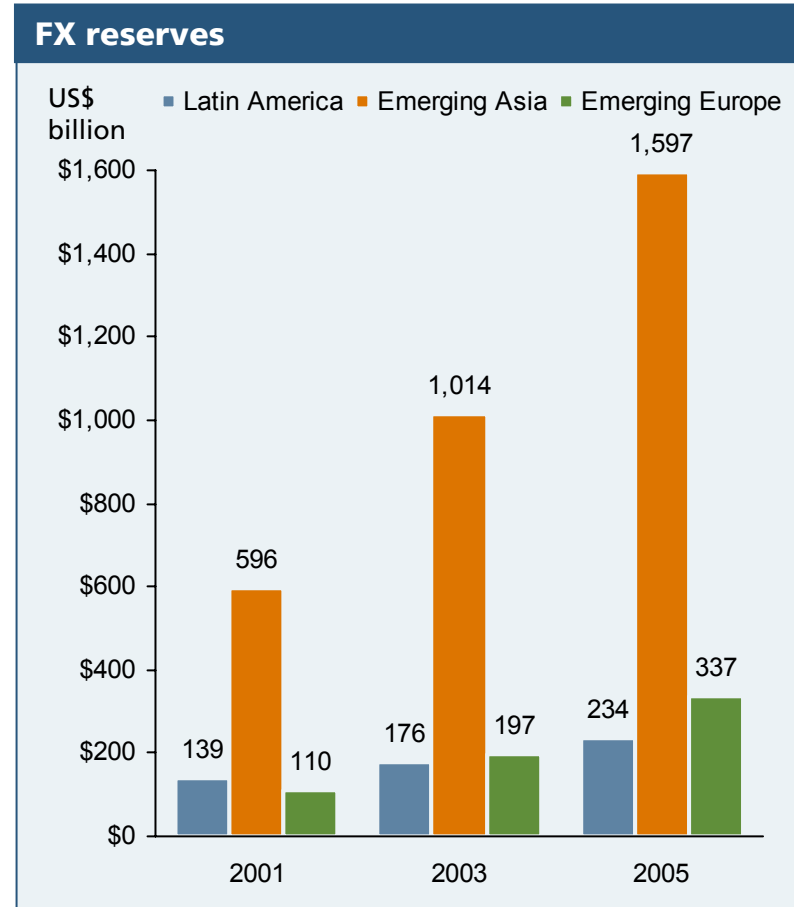


Source: J.P. Morgan Securities Inc.

We believe emerging markets are better prepared for external shocks

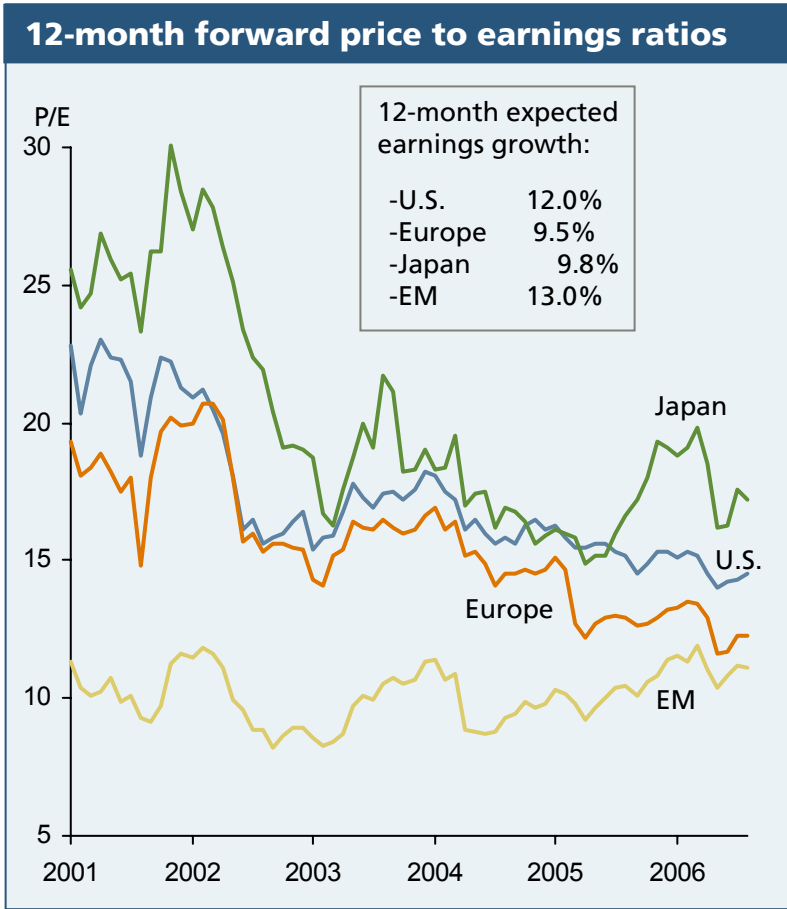


Source: J.P. Morgan Securities Inc.



Source: J.P. Morgan Securities Inc.

We continue to see value across global equity markets



Source: Factset, MSCI.

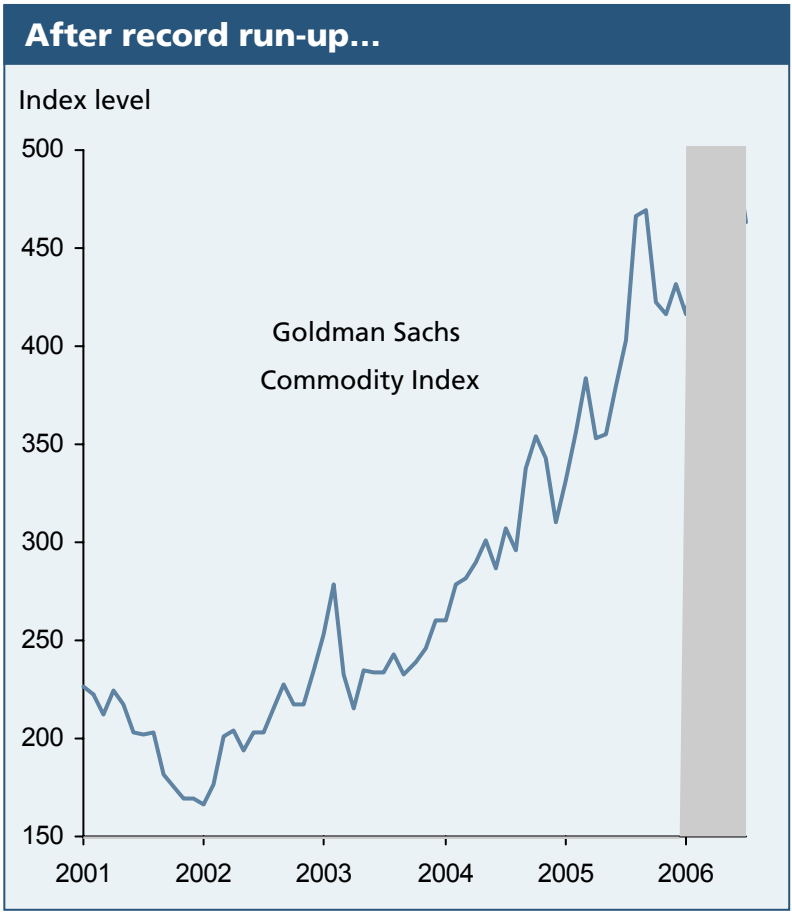


Source: Factset, MSCI.

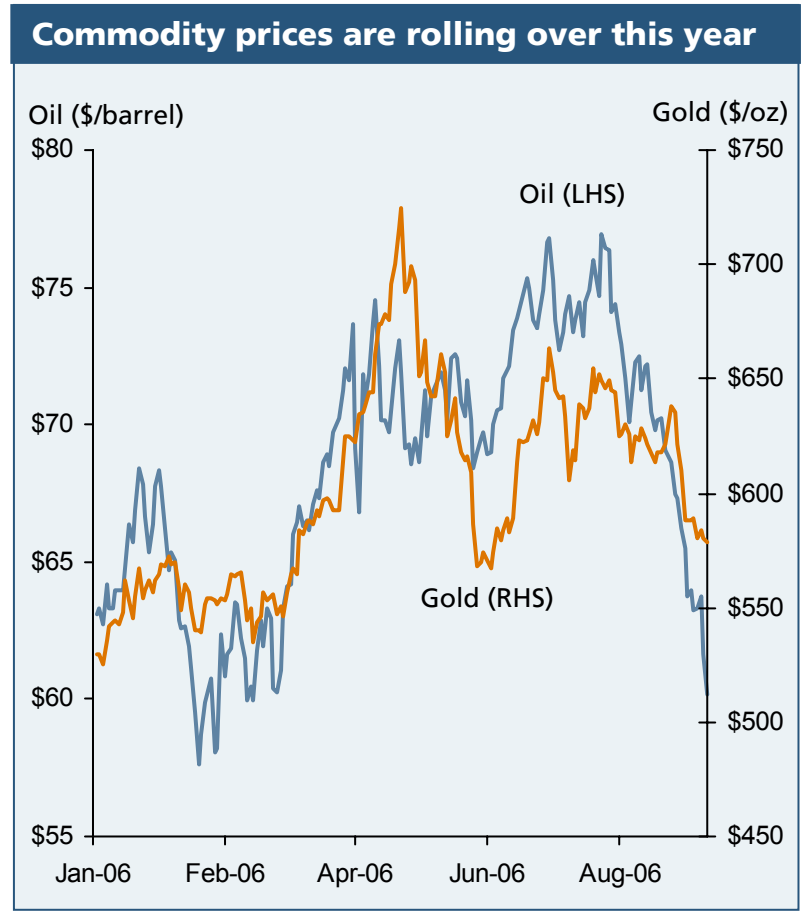
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There are additional risks associated with international investing. International investing may not be for everyone. P/E and P/B ratios calculated for the regional MSCI indices. P/E ratio is a ratio of the market's current share price compared to its per-share earnings. P/B ratio is a ratio of the market's current share price compared to its per share book value. P/E ratios based on consensus earnings forecasts for the subsequent 12 months.

Consolidating commodity markets ... embrace luck, but never count on it



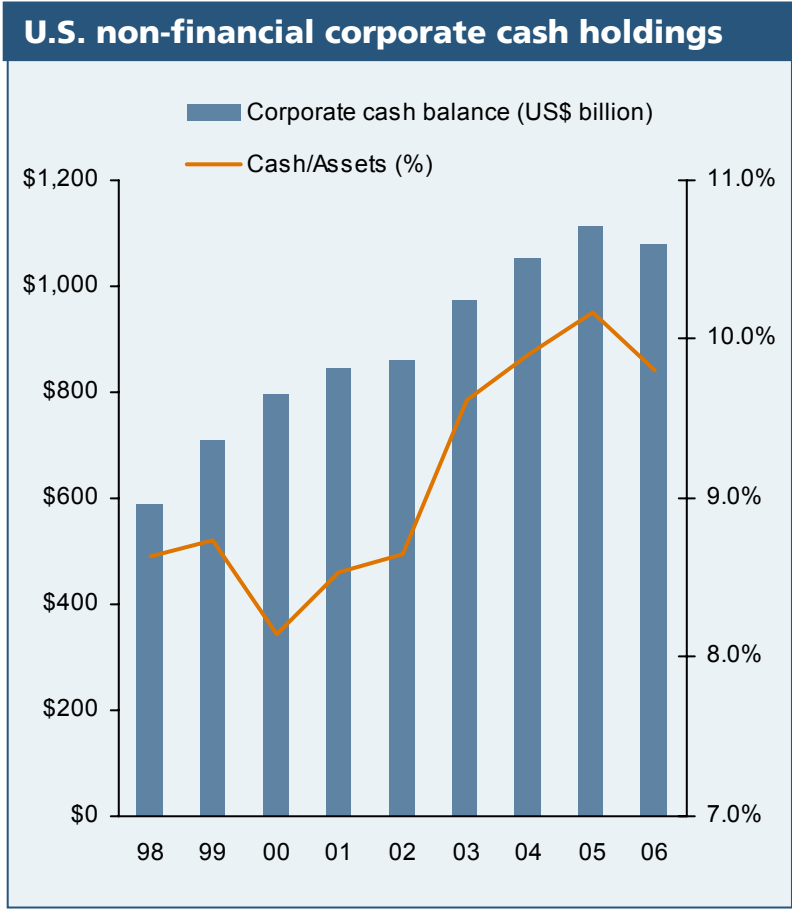
Source: JPMorgan, MacData. It is not possible to invest directly in an index.



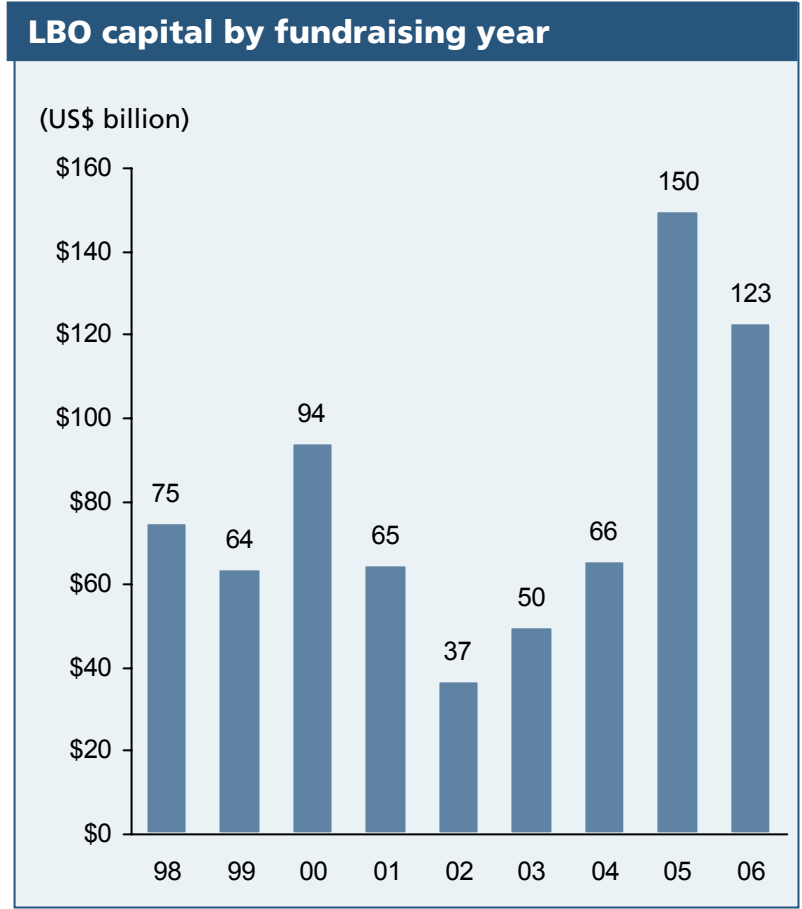
Source: JPMorgan, MacData. Oil price quoted is West Texas Intermediate (WTI).

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Record private sector cash balances ...

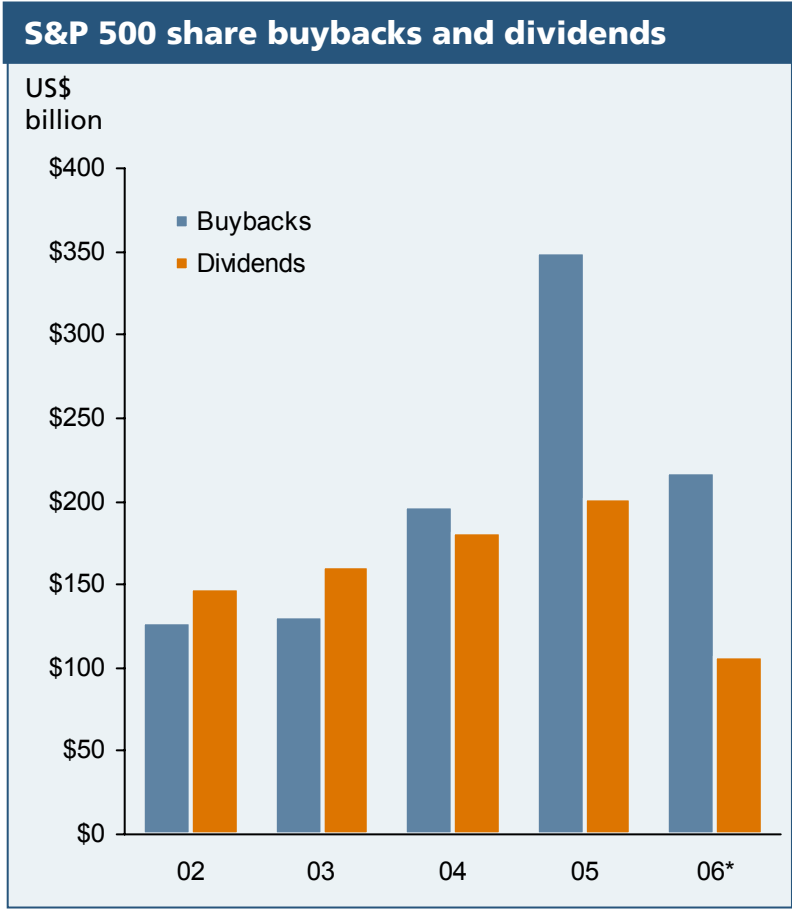


Source: Federal Reserve Board, MacData, J.P. Morgan Securities Inc. Data as of March 2006.

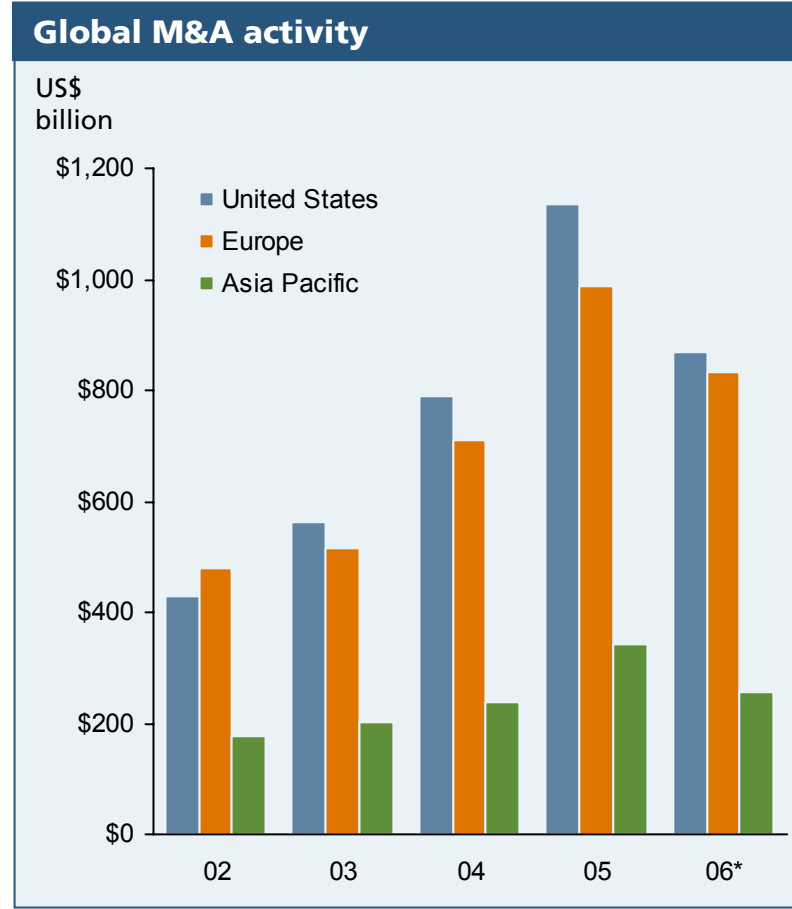


Source: Thomson Venture Economics/National Venture Capital Association, J.P. Morgan Securities Inc. Data as of September 2006.

... are helping to support equity markets

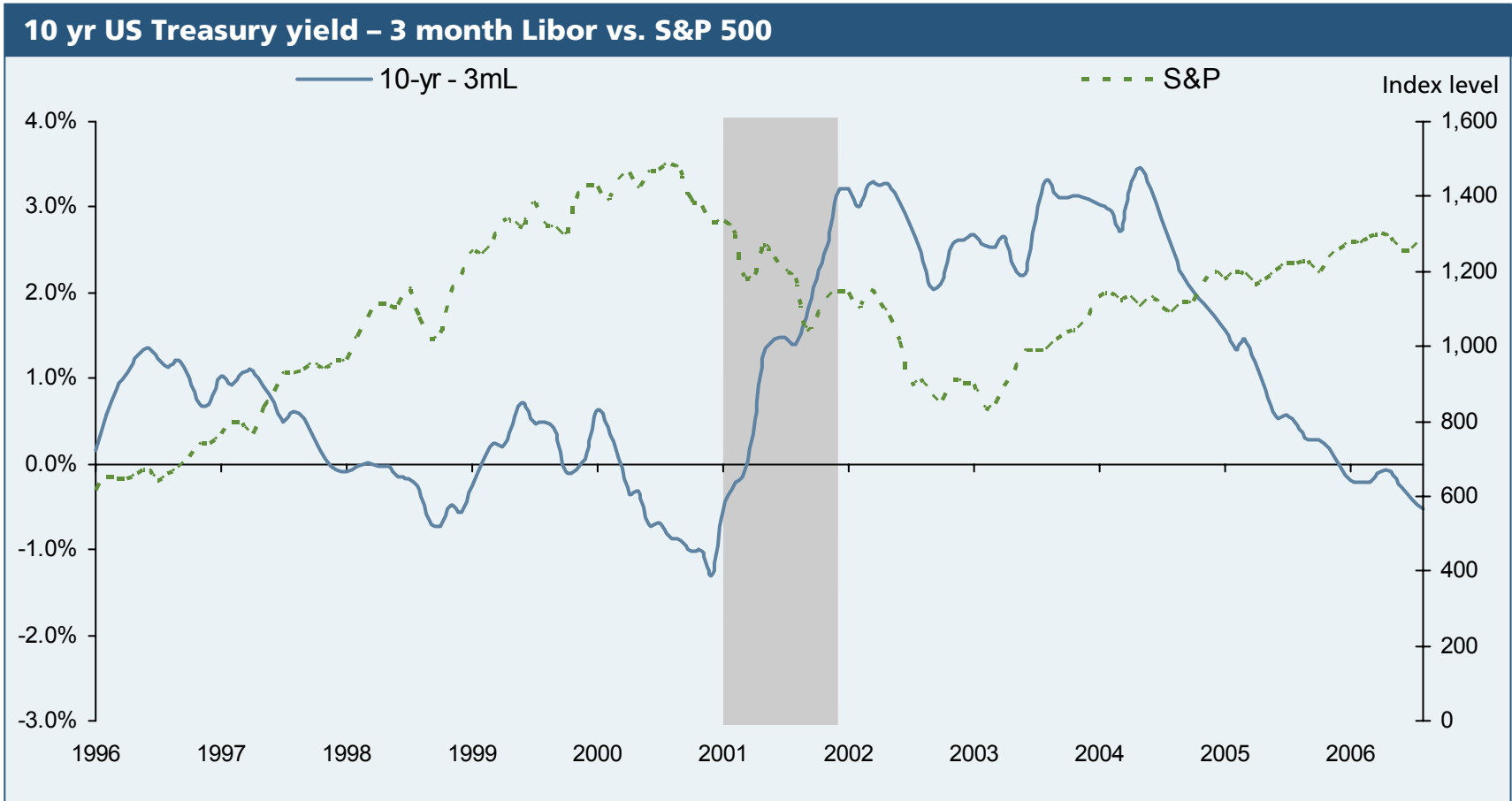


Source: Standard and Poor's. *Data as of June 2006.



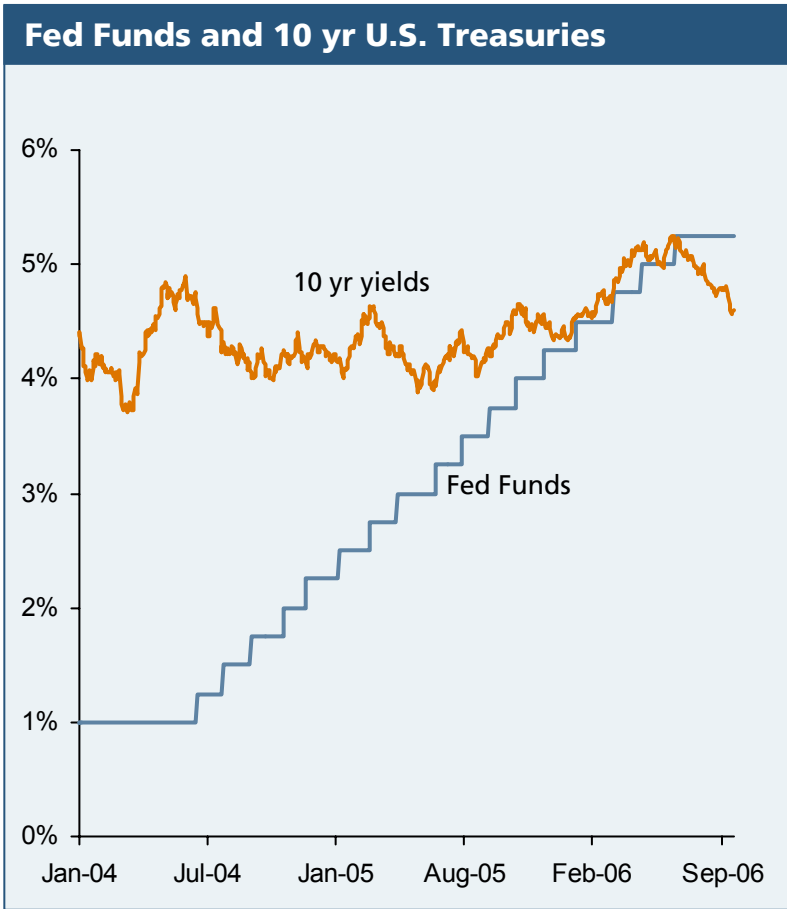
Source: JPMorgan, Thomson Financial. *Data as of 09/07/06.
Note: Excludes withdrawn deals, includes deals above US\$10 million only.

The current U.S. equity and bond market debate ... is the bond market overbought?

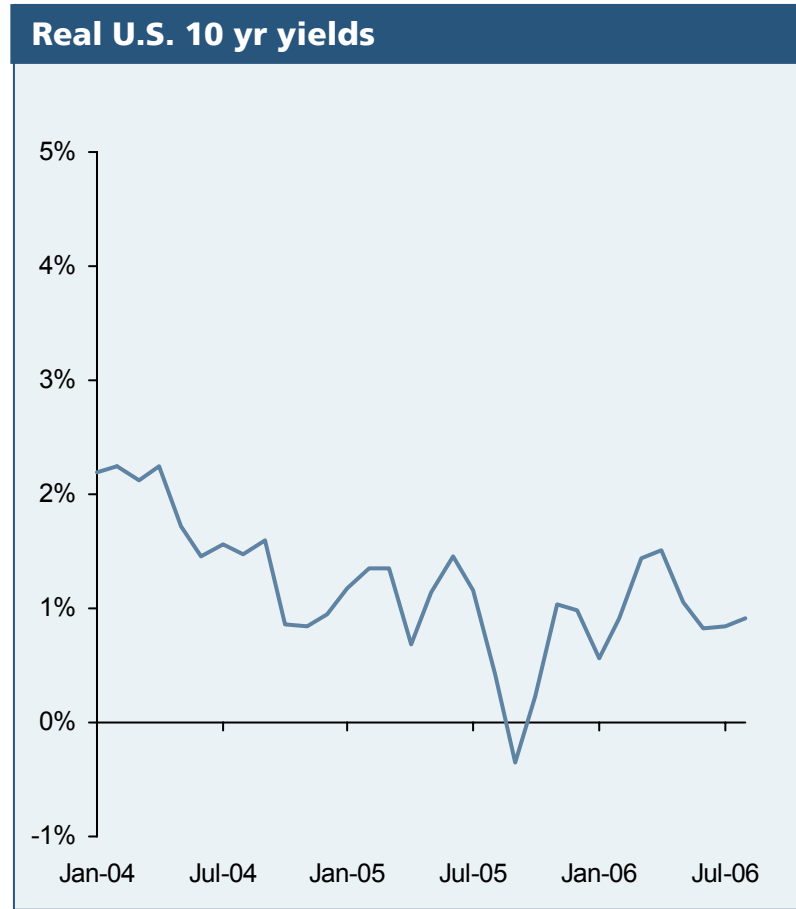


Source: Federal Reserve Board, JPMorgan, MacData. Data as of August 2006.

The bond market is still not paying enough to take duration risk

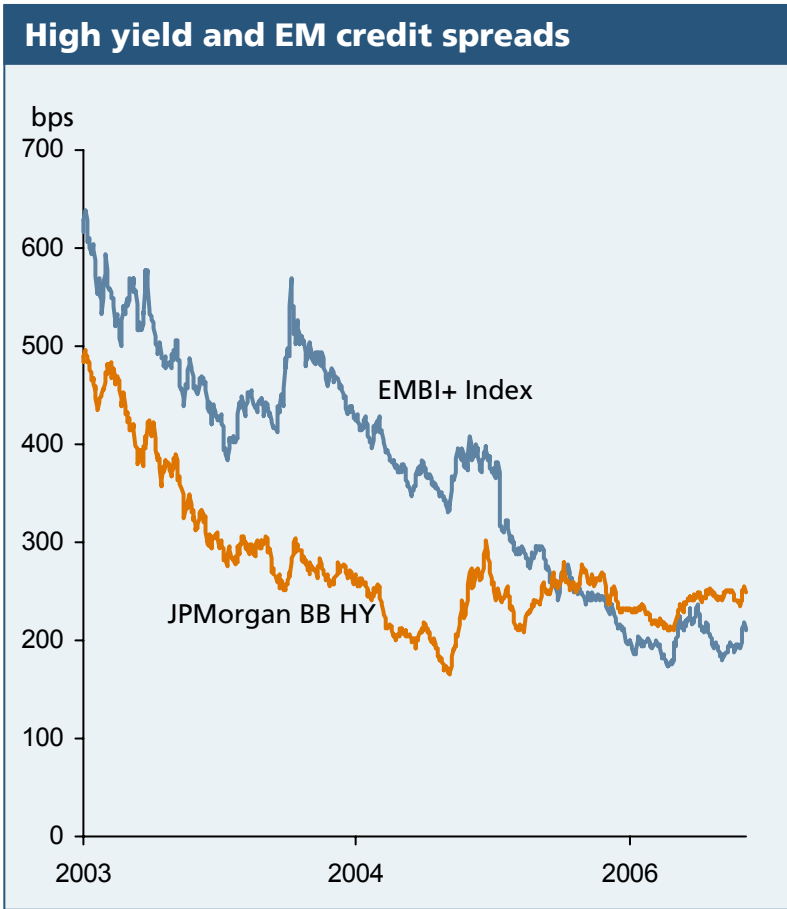


Source: JPMorgan, MacData.



Source: JPMorgan, MacData.

Credit spreads remain too tight



Source: J.P. Morgan Securities Inc.

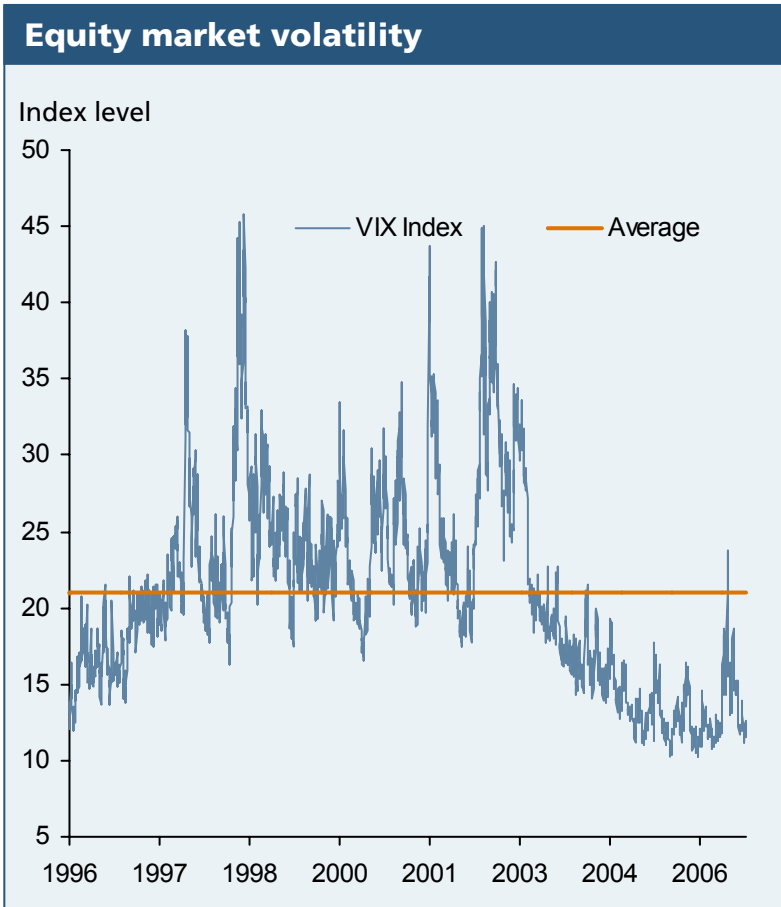


Source: J.P. Morgan Securities Inc.

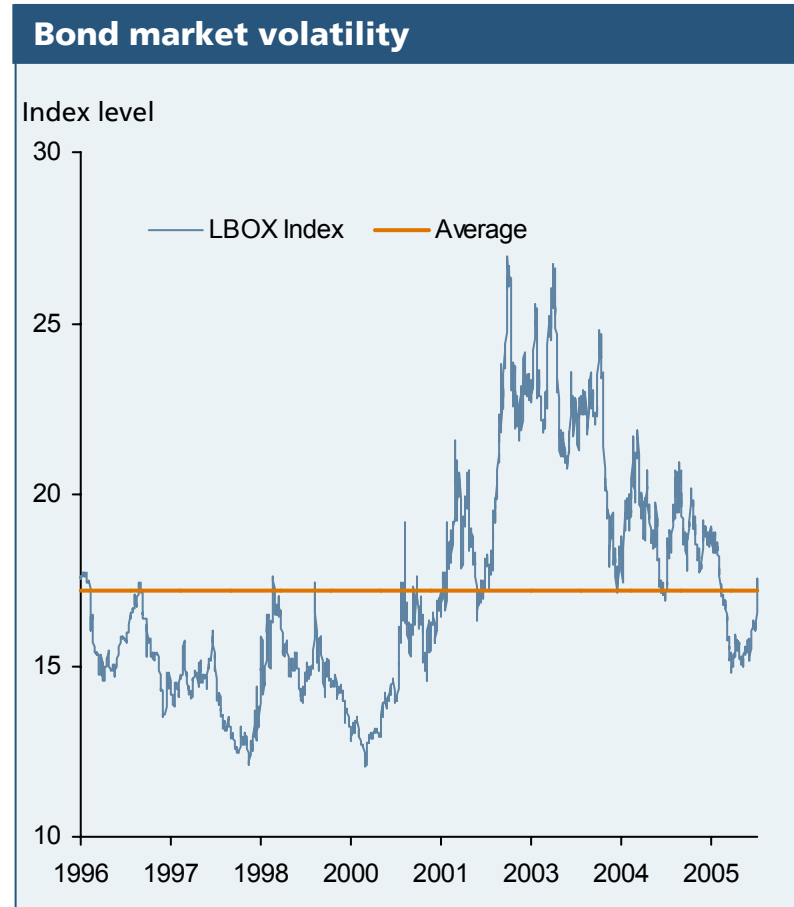
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There are additional risks associated with international investing. International investing may not be for everyone. JPMorgan BB HY is a U.S. below investment grade bond index. EMBI Plus is an emerging market sovereign bond index. USD Investment Grade CDX Index is designed to track North American credit derivatives. EUR Investment Grade iTraxx Index is designed to track European credit derivatives.

Volatility across markets is still low



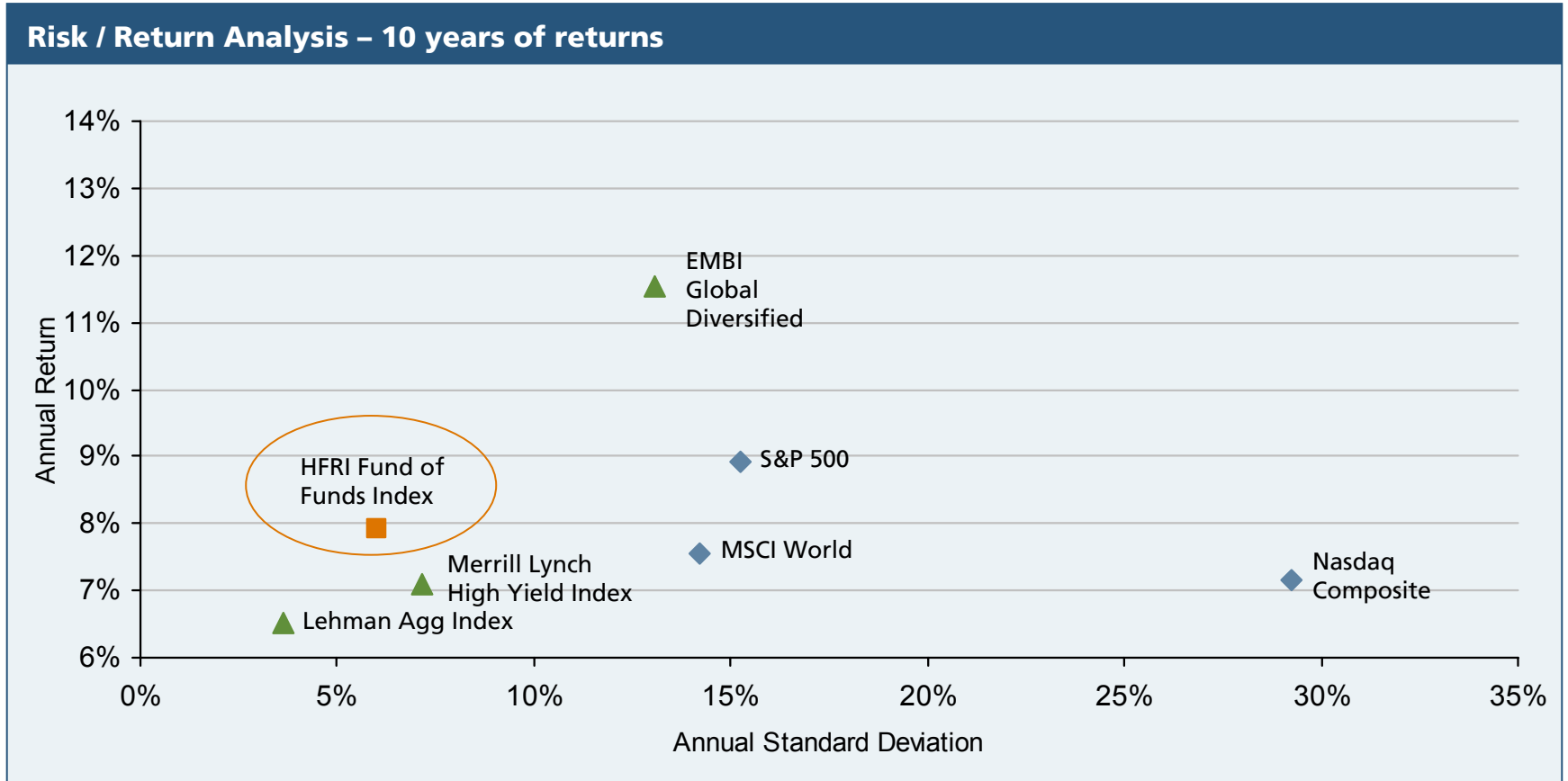
Source: Bloomberg.



Source: Bloomberg.

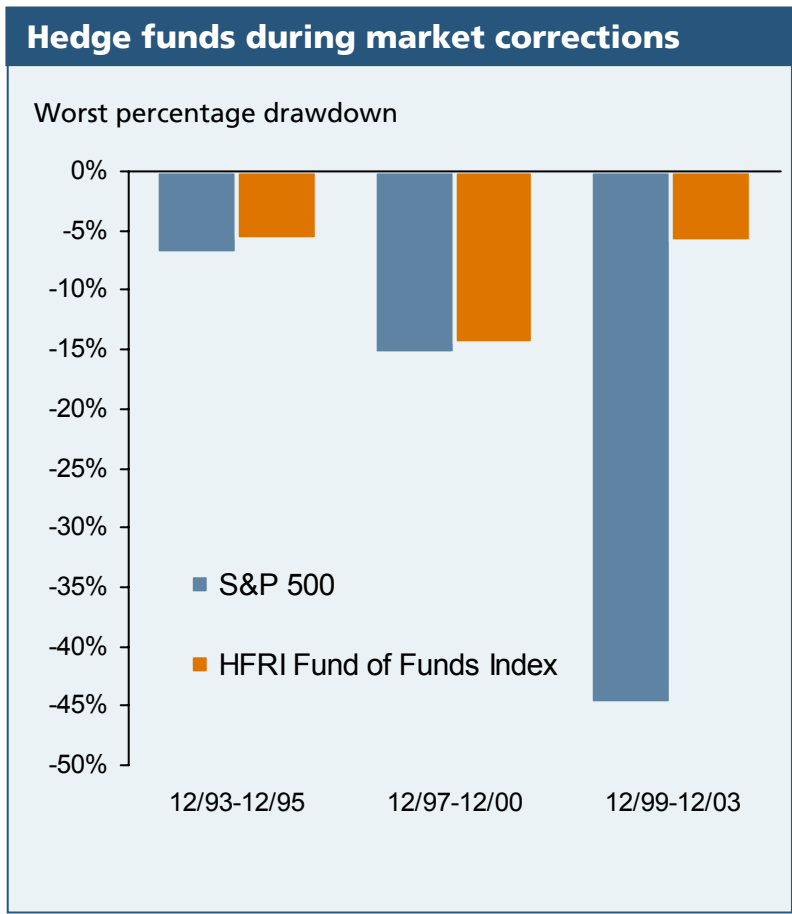
VIX is the ticker symbol for the Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility for the S&P500. LBOX is the ticker symbol for the Lehman Brothers Volatility Index, which shows the market's expectation for short-term volatility for the fixed income markets. Indices are not investment products and may not be considered for investment.

Diversified hedge funds ... closer to fixed income in risk characteristics



Alternative investments involve significant risks, including the risk of loss and are not suitable for all investors. Interest in alternative investments can only be offered to suitable investors through a confidential offering memorandum which fully describes all terms, conditions and risks. Lehman Agg is a general U.S. bond index. Merrill Lynch High Yield is a U.S. below investment grade bond index. HFRI Fund of Funds Index is a diversified hedge fund index. EMBI Global Diversified is an emerging market bond index. S&P 500 is a U.S. large cap equity index. MSCI World is a global equity index. Nasdaq Composite is a specialized equity index focusing on technology. Based on monthly returns through August 2006. Source: Bloomberg, Lehman Brothers.

Hedge funds are a good place to be for the uncertain markets ahead ... protecting capital and adding value



Source: Hedge Fund Research, Mobius. Bars represent the performance dispersion between the 5th percentile and 95th percentile managers relative to the strategy's median (zero percent) to arrive at distribution as depicted on charts.

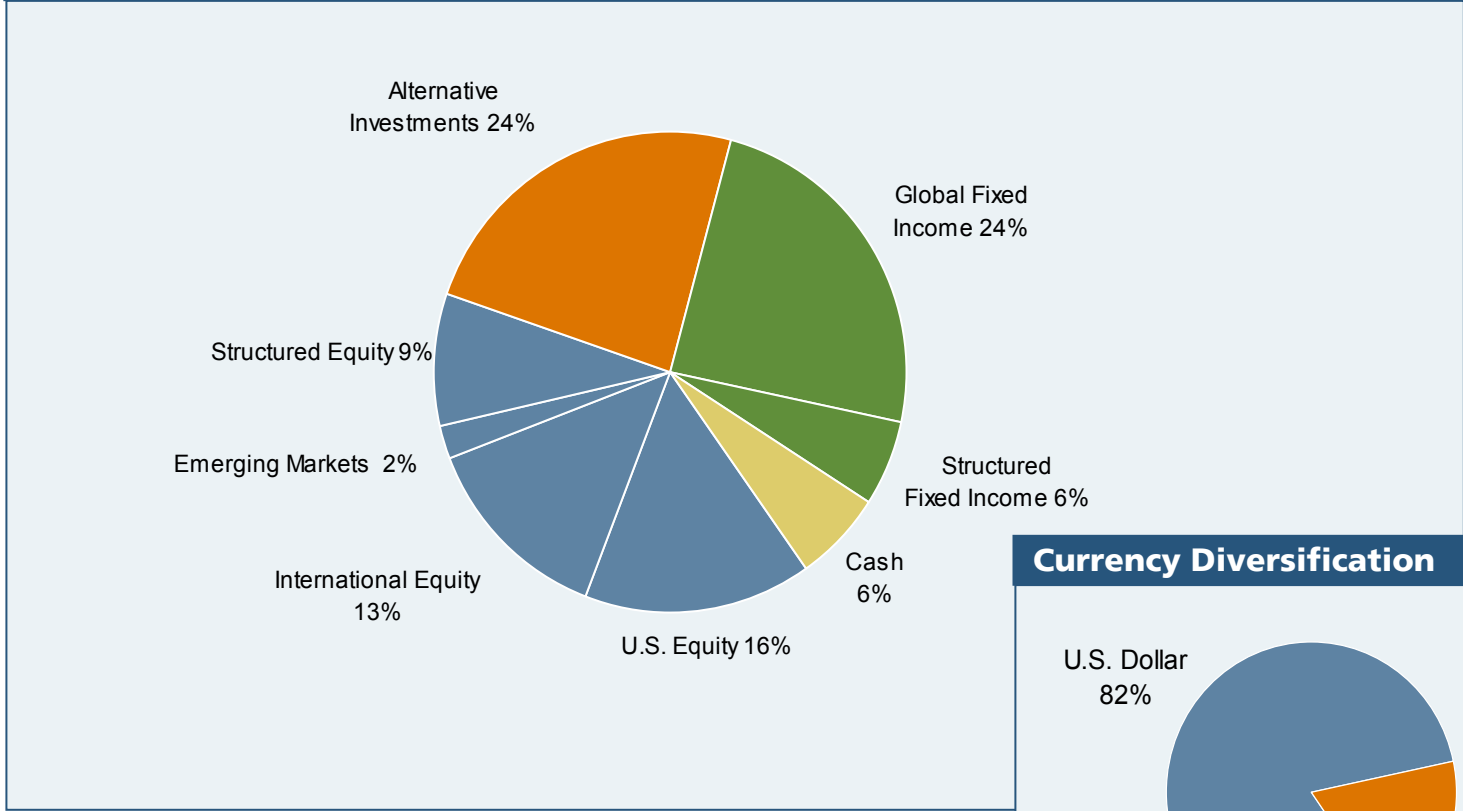
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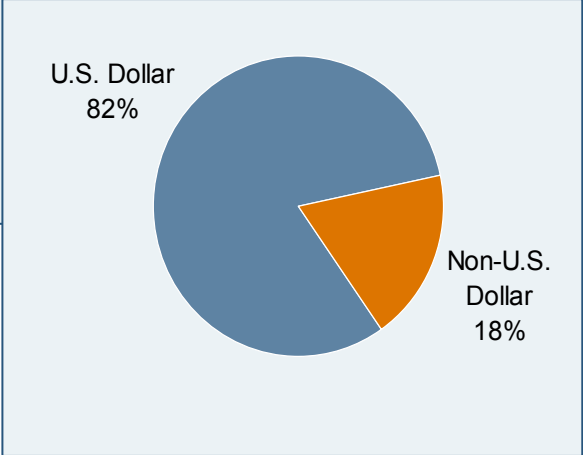
ASSET ALLOCATION
Fourth-quarter 2006

Our current U.S. dollar-referenced moderate risk model portfolio ... for Latin America private clients

Latin America Model Portfolio, *BALANCED ORIENTATION*



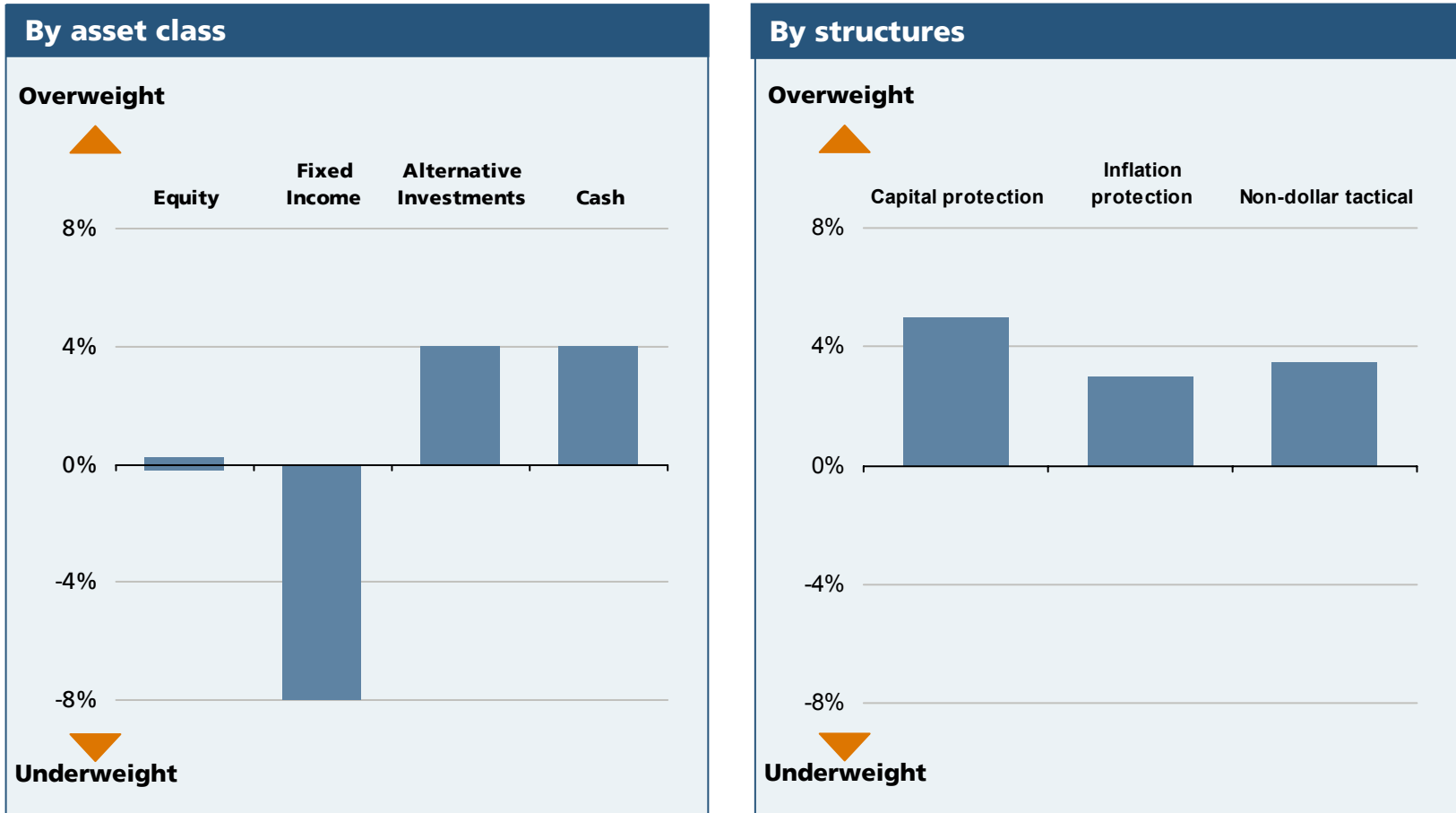
Currency Diversification



Current asset allocation as of October 2006 for Latin America Private clients. Moderate risk, global balanced asset allocation. Subject to change and may not be suitable for all clients. The model portfolio can be implemented across brokerage or managed accounts depending on the unique objectives of each client and is serviced through distinct legal entities licensed for specific activities. Bank and trust services are provided by JPMorgan Chase Bank, N.A. Investment management services are provided through JPMorgan Chase Bank, N.A., J.P. Morgan Trust Company, N.A. and their affiliates. Brokerage and trading activities are provided by J.P. Morgan Securities Inc., member NASD, NYSE, and SIPC. Not all investment ideas referenced are suitable for all investors. Source: JPMorgan.

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Current *tactical tilts* across our model portfolio

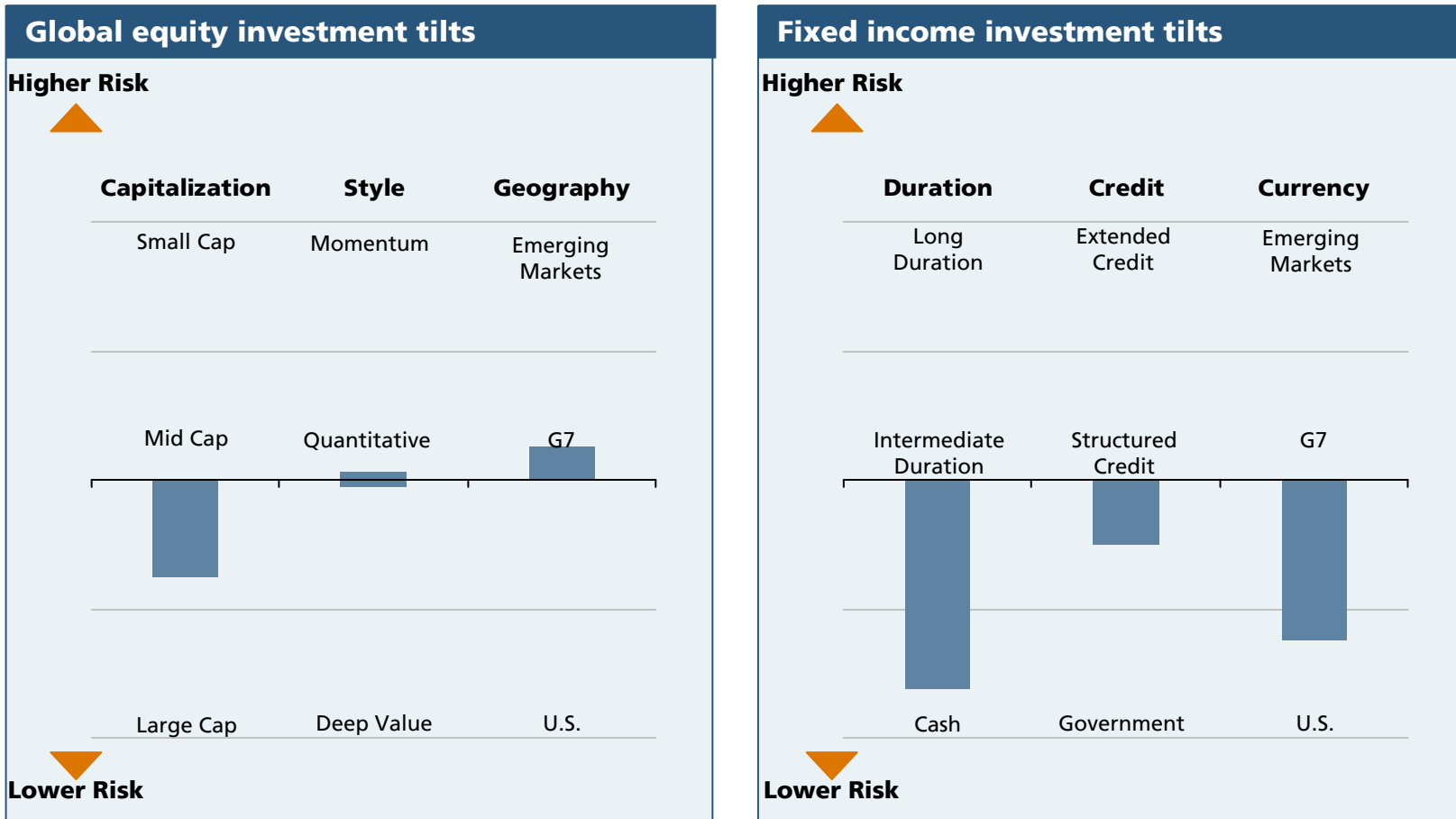


Current tactical tilts as of October 2006. Subject to change and may not be suitable for all clients.

A tactical tilt is any deviation from our long term strategic allocation. The model portfolio can be implemented across brokerage or managed accounts depending on the unique objectives of each client and is serviced through distinct legal entities licensed for specific activities. Bank and trust services are provided by JPMorgan Chase Bank, N.A. Investment management services are provided through JPMorgan Chase Bank, N.A., J.P. Morgan Trust Company, N.A. and their affiliates. Brokerage and trading activities are provided by J.P. Morgan Securities Inc., member NASD, NYSE, and SIPC. Not all investment ideas referenced are suitable for all investors.

Source: JPMorgan.

Our risk exposure continues to emphasize diversification ... and reflect caution

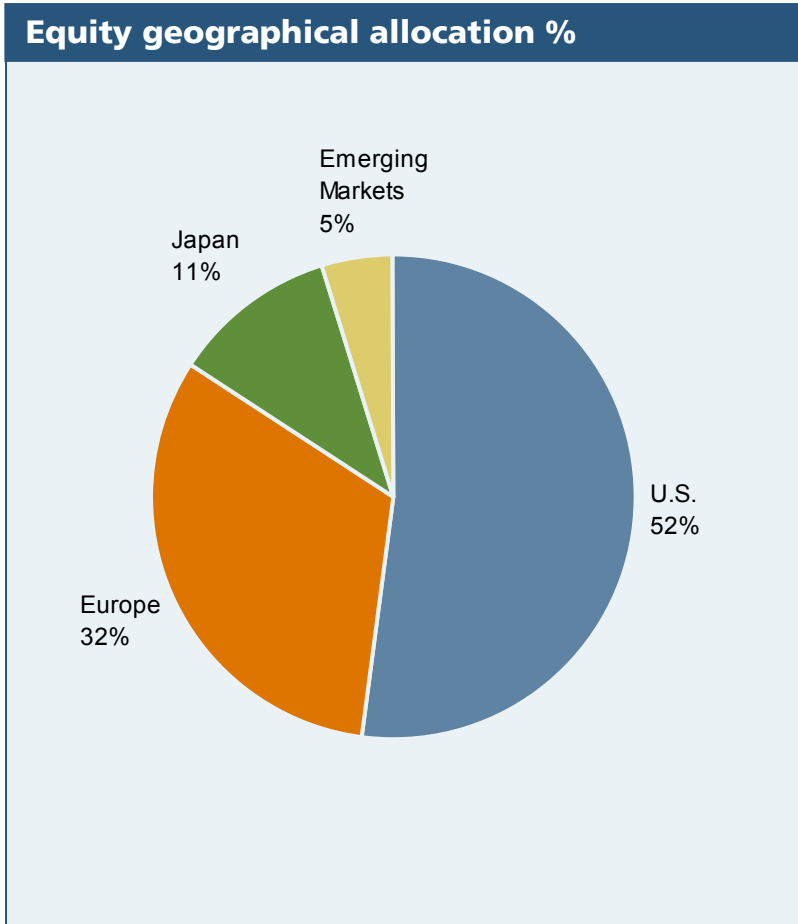


Current tactical tilts as of October 2006. Subject to change and may not be suitable for all clients.

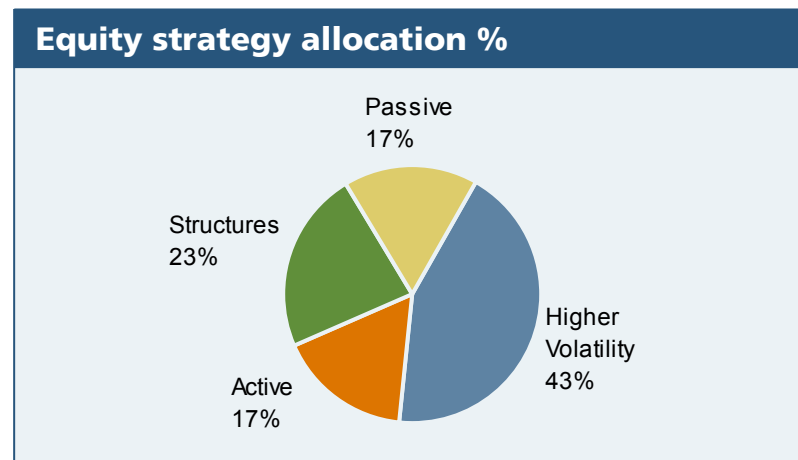
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Source: JPMorgan.

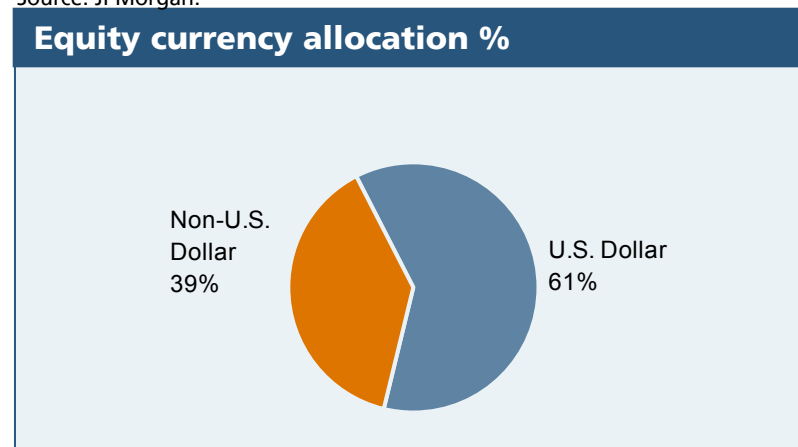
Barbell equity investments to *re-shape* underlying portfolio risk ... top-down and bottom-up asset allocation



Source: JPMorgan.



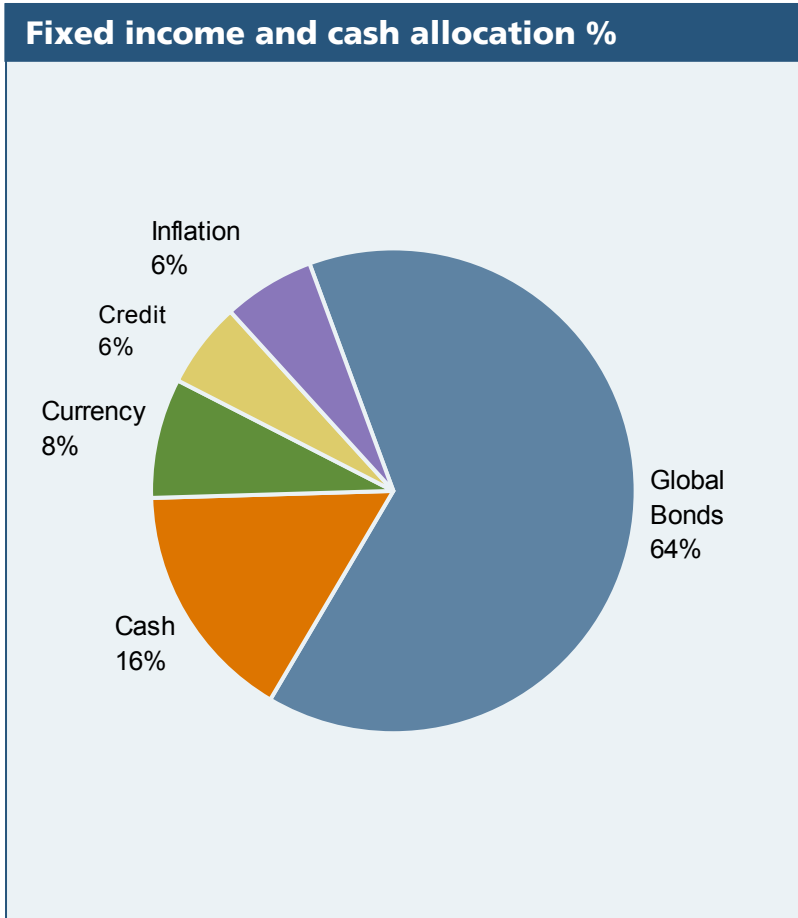
Source: JPMorgan.



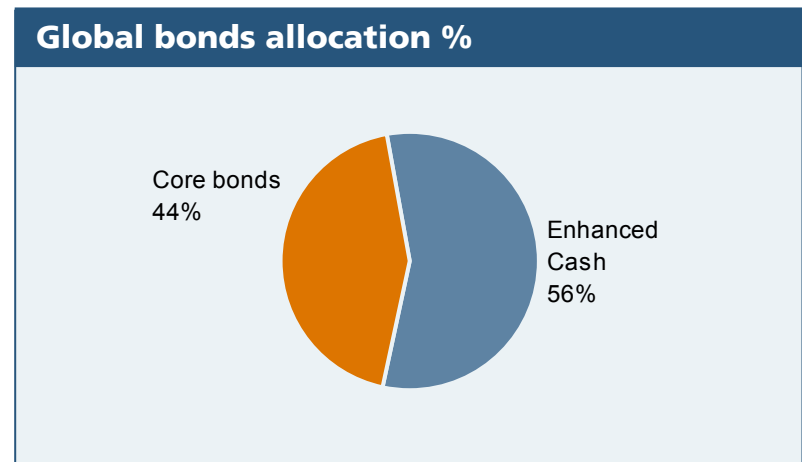
Source: JPMorgan.

Current asset allocation as of October 2006. Subject to change and may not be suitable for all clients.
 Passive strategies reflect more tactical investments including ETFs and disciplined short-dated call overwriting.
 Active Core strategies include investments with a tracking error of less-than 5%.
 Higher Volatility strategies include investments with a tracking error greater-than 5%.

A more detailed look ... at our fixed income investment allocation



Source: JPMorgan.



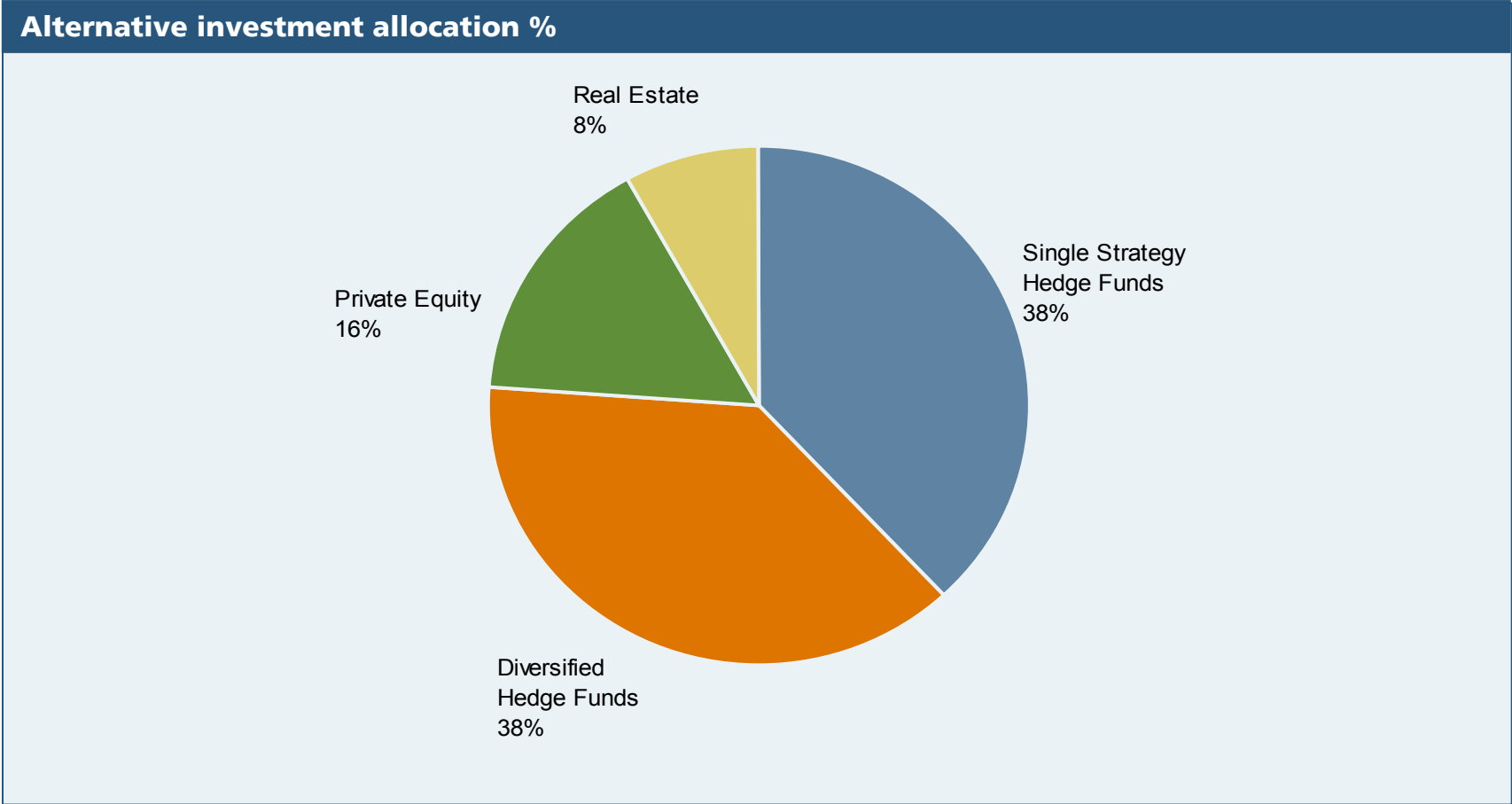
Fixed income portfolio risk metrics

Target Duration	2.0-3.0 Years
Target Yield	4.5%
USD Exposure	92.0%
Non-USD Exposure	8.0%
% in Structures	17.0%

Source: JPMorgan.

Current asset allocation as of October 2006. Subject to change and may not be suitable for all clients.
 Capital protected currency exposure reflects tactical non-U.S. dollar investments where we are using principal protection to limit downside risk.
 Directional currency exposure reflects tactical non-U.S. dollar investment exposure without capital protection.
 Enhanced Cash exposure reflects short dated investments with slightly higher expected return and volatility than cash.

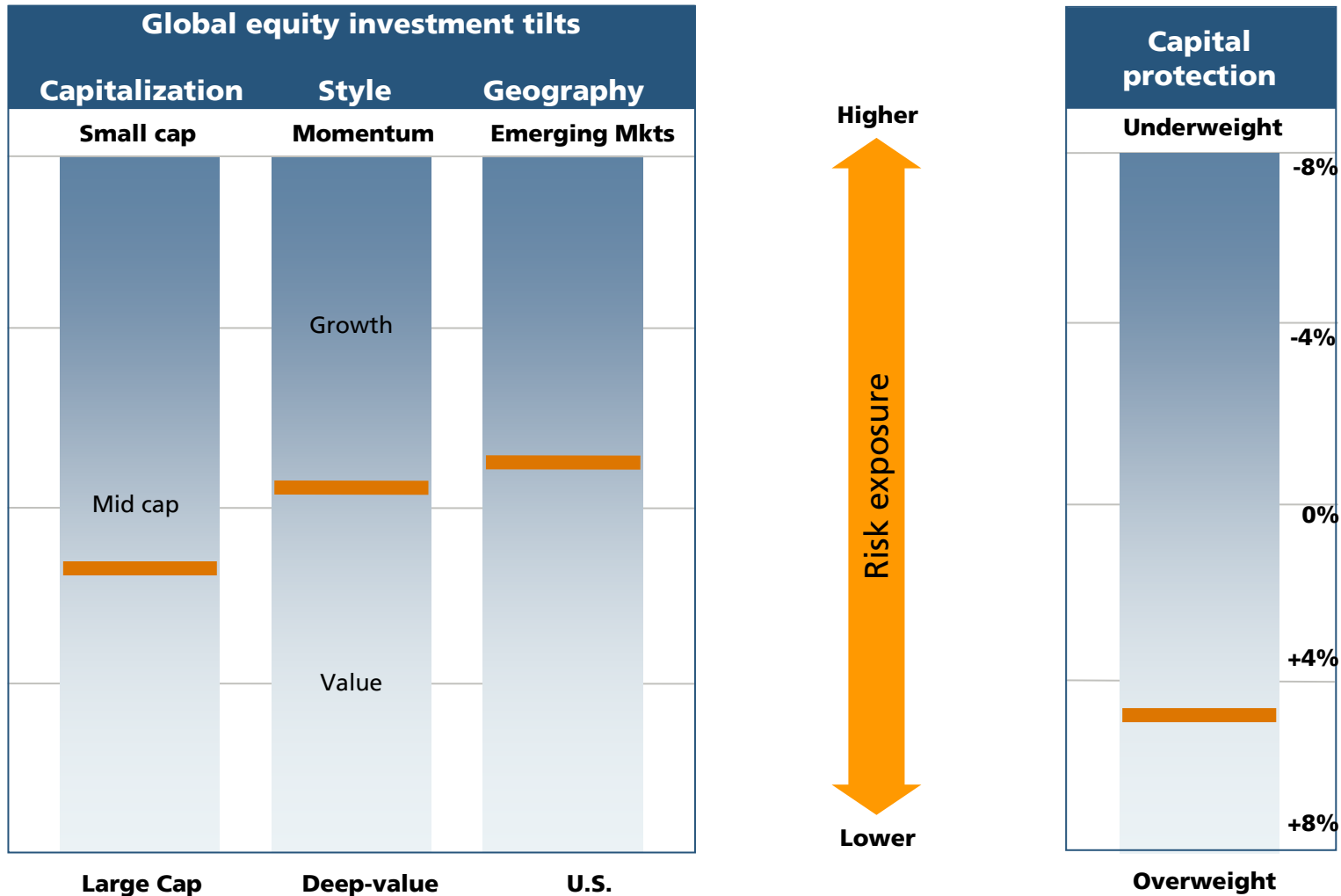
A more detailed look ... at our alternative investment allocation



Source: JPMorgan. Current asset allocation as of October 2006. Subject to change and may not be suitable for all clients.

Managing Equities in a Single Digit Environment
Adding Structural Alpha

Our risk exposure continues to emphasize diversification ... and reflect caution – how and where we are taking risk



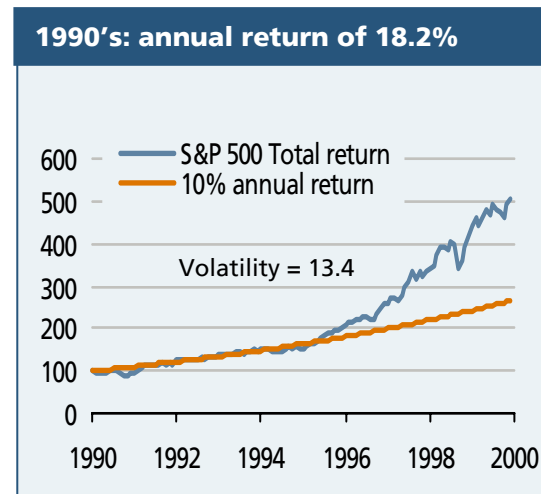
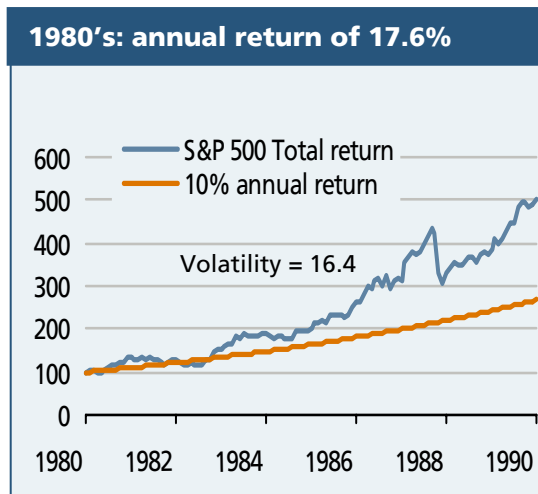
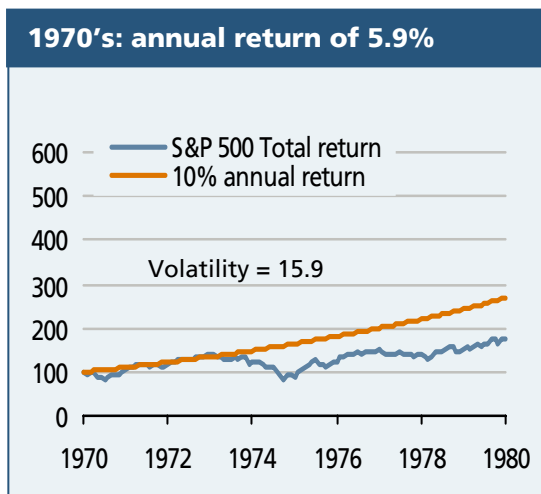
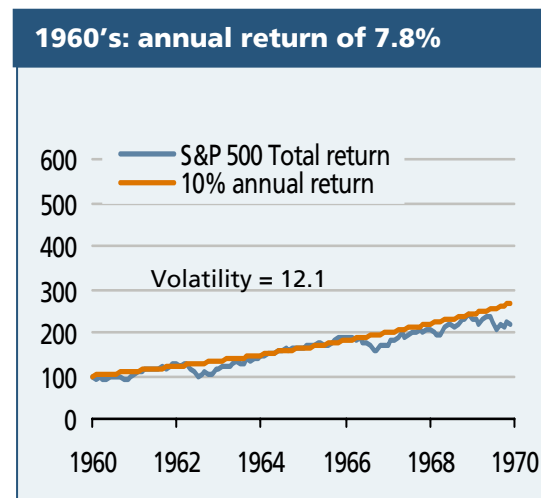
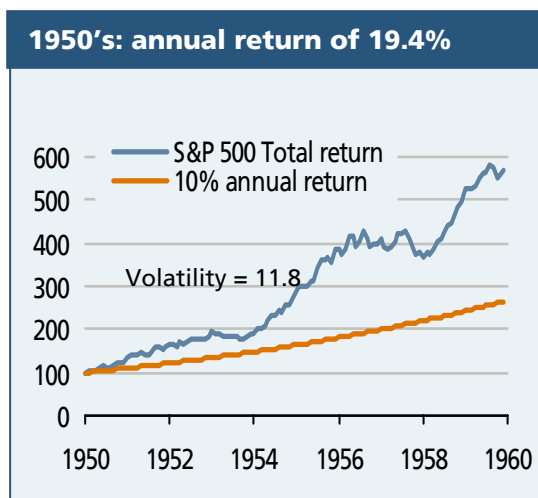
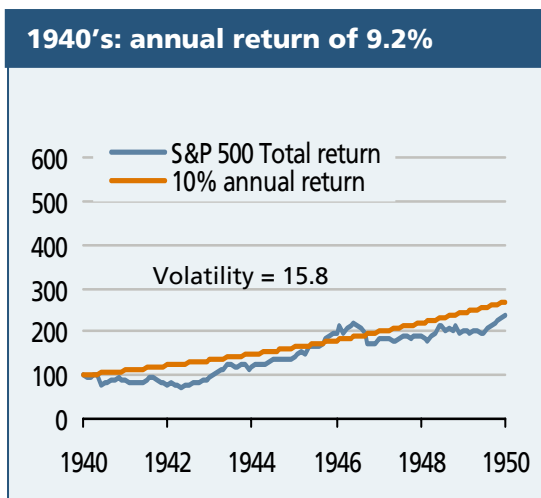
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Source: JPMorgan.



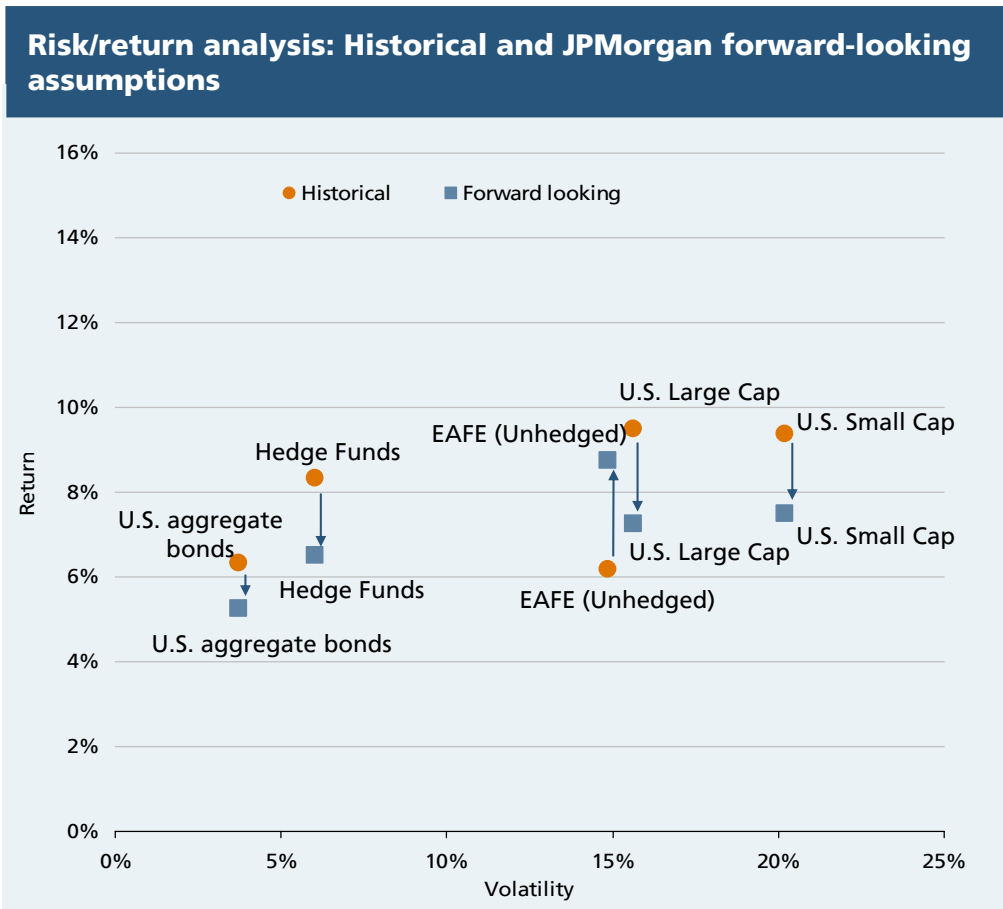
Past performance is not a guarantee of comparable future results.

U.S. equities have provided an annual return of 10% over the very long term, however returns are unique when broken down into time periods



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Strategic assumptions of risk/return for major asset and strategy classes – expected long term annualized compound return



	Historical return ¹	Forward looking ² Return	Volatility
U.S. cash	3.77%	4.25%	0.51%
U.S. bonds	6.55	5.25	3.71
World ex U.S. bonds (hedged)	7.54	4.75	2.56
U.S. large cap	9.49	7.25	15.64
U.S. mid cap	14.14	7.50	17.55
U.S. small cap	9.37	7.50	20.19
EAFE (unhedged)	6.18	8.75	14.86
EM equity	6.10	8.75	23.61
Direct real estate	11.63	6.75	7.13
Hedge funds ³	8.32	6.50	6.02

Note: Assumptions herein are for illustrative purposes and do not represent investment in any particular vehicle.

¹ Historical returns have been calculated from 10/95–9/05. Direct real estate historical data is based on quarterly returns from the NCREIF Property Index from 10/95–9/05. Past performance is not indicative of future results.

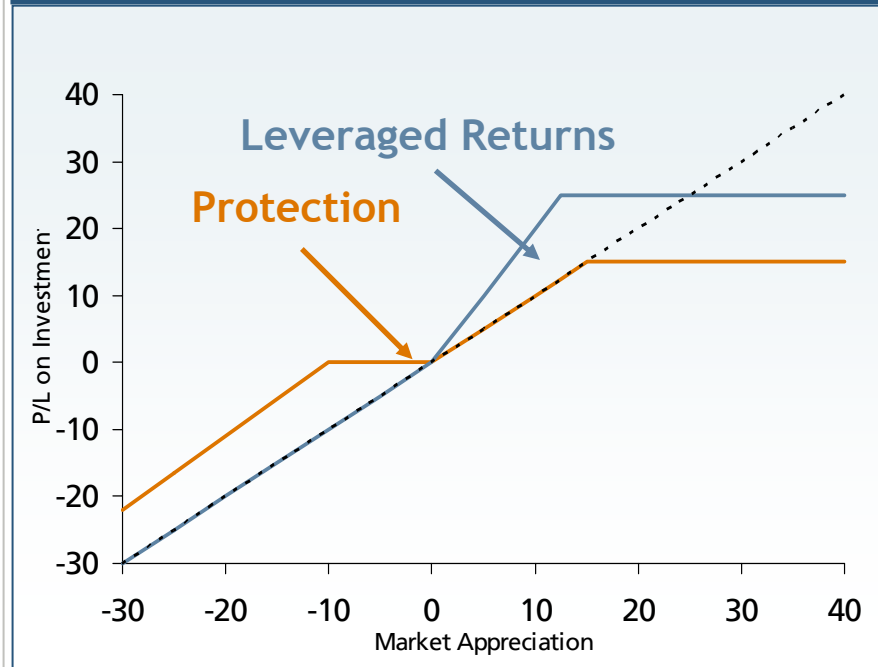
² The term "forward looking return" and "forward looking volatility" represent equilibrium estimates described in greater detail on Appendix page entitled "Understanding equilibrium estimates." References to expected returns are not predictors of future performance. Estimates shown are those used by JPMorgan as of Jan 2006.

³ Alternative investments involve significant risks, including the risk of loss and are not suitable for all investors. Interest in alternative investments can only be offered to suitable investors through a confidential offering memorandum which fully describes all terms, conditions and risks.

It is not possible to invest directly in an index

Structured Equity can be tailored to potentially maximize returns in single digit equity markets

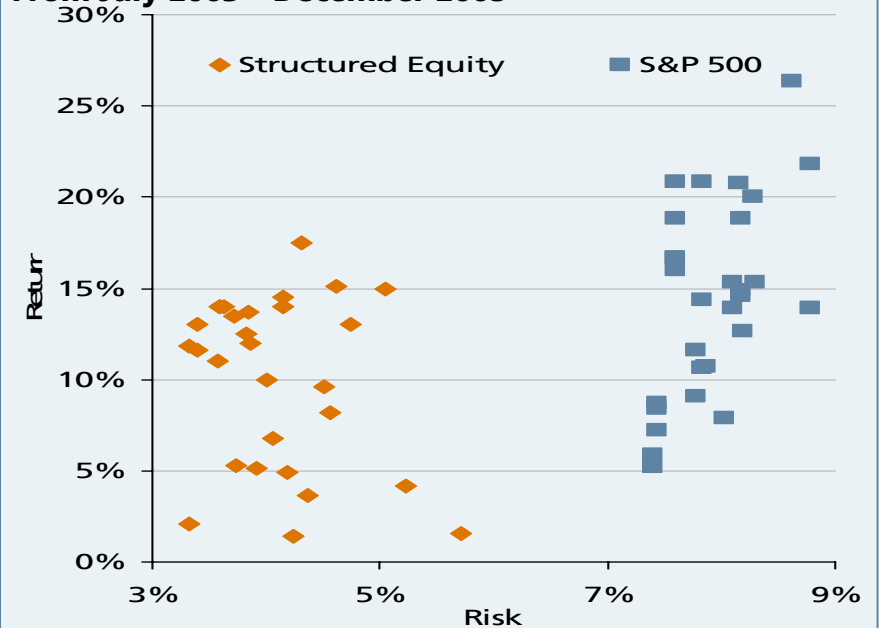
Investors can sacrifice upside in exchange for protection



- Achieve specific investment characteristics for expected outcomes
- Sacrifice unlikely returns on the upside for downside protection
- Ideal investments for rangebound markets - can provide downside risk protection, leverage returns and can pay if markets are flat

Limit upside, add leverage and protection

From July 2003 – December 2005



- Strategies with downside protection have reduced volatility by 50%
- Capped strategies will trade away upside to reduce portfolio volatility

Note: Chart incorporates all Buffered Return Equity Notes offered to clients. The analysis above incorporates all structured investments offered linked only to the S&P 500 since July 2003 and have either matured or at least 6 months of market to market values. Total returns are holding period returns for matured structures and non-annualized market to market gains/losses on outstanding structures. All structure returns are as of December 2005 and are shown net of fees. Volatility of all structures are calculated using annualized structure monthly market to market values. Comparable indices returns and volatility uses all S&P 500 data based on the exact holding period of individual structures. **Past performance is no guarantee of future results**

Note: This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The purchase of interests in any of the investments above (the "Notes") is suitable only for sophisticated investors who fully understand and are willing to assume the risks involved in the Notes. Please consult your Private Bank representative regarding your particular situation. An offer in the Notes can be made only by the Notes' confidential Offering Memorandum (the "OM"), which contains important information regarding terms, conditions, and risks, and which should be carefully read prior to any investment in the Notes. This material is distributed with the understanding that it is not rendering tax advice. Please consult your tax advisor concerning such matters.

Structured products can be constructed to meet specific market views and alpha objectives

Strategy	Description	Market View		Structural Alpha		
		Directional	Sideways	Leverage	Buffer	Capital Protection
Return Enhanced Note	Leverage single digit returns up to a cap	✓		✓		
Buffered Return Enhanced Note	Buffer downside and leverage single digit returns up to a cap	✓		✓	✓	
Annual Review Note	Earn coupon when markets remain at current level		✓		✓	
BXM Call Overwrite Index Note	Monthly Call Overwrite Strategy		✓		✓	
Principal Protected Note	Capital Protection and participation in upside	✓				✓

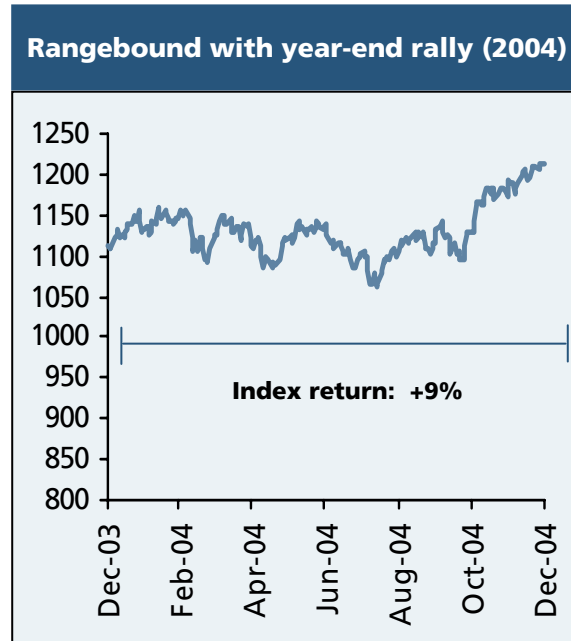
Different strategies can be appropriate in different time periods



Optimal Strategy:

REN

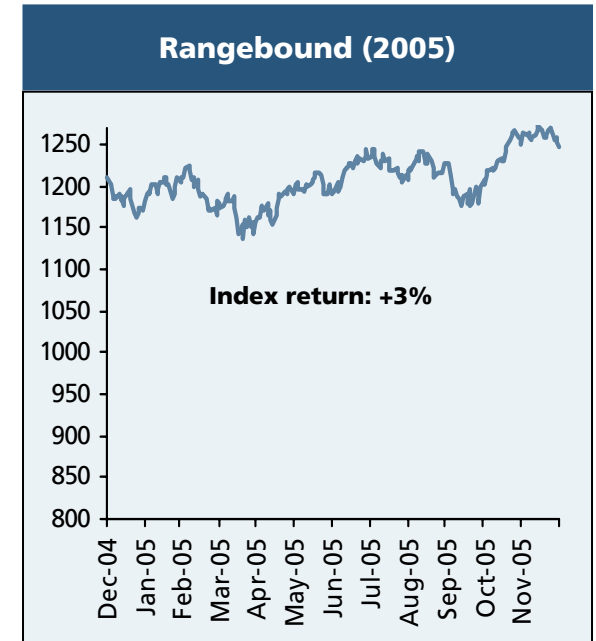
BREN



Optimal Strategy:

BREN

ARN



Optimal Strategy:

ARN

BXM

BREN

In single digit/ range bound markets Structured Equity are an increasingly important component of your equity exposure

Portfolio Context	Risks to Consider
<ul style="list-style-type: none">• Structures are tailored to fit our investment view:<ul style="list-style-type: none">– 2006 S&P fair target value of 1,260 – 1,360 (using 16x – 17 P/E)– Structures are designed to maximize payout in this environment• Structures have attractive risk adjusted investment properties:<ul style="list-style-type: none">– Nonsymmetrical payoff minimizes loss in downturn, enhances return in modest up market– Low volatility (2%-3.5% in the case of the Semi Annual Review Note) and attractive absolute return– Opportunity to leverage single digit returns• We employ these investments:<ul style="list-style-type: none">– In a portfolio context– With discipline– With a focus on simplicity– Tax-efficiently	<ul style="list-style-type: none">• Credit Risk:<ul style="list-style-type: none">– These notes are unsecured debt obligations of JPMorgan Chase BankIssuer JPMorgan Chase BankRating of JPMorgan Chase Bank Moody's: Aa2 (senior unsecured debt) Standard & Poor's: AA- (LT local issuer credit) Fitch: A+ (senior unsecured debt)• Capital Protection/ Buffer only guaranteed at maturity<ul style="list-style-type: none">– Sales prior to maturity may result in a loss

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Structured equity implementation recommendations

Nikkei 225 Return Enhanced Certificate

Sideways/modestly bullish view – provides leveraged upside up to a cap

Benefits

- 3x leverage in the upside of the underlying index up to a cap
- Daily unwinds may be available at JPMorgan’s discretion*

Issues to consider

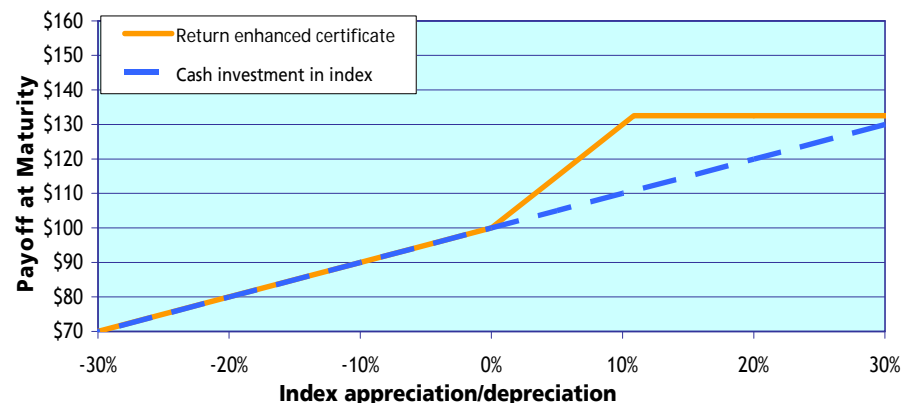
- No downside protection
- Investor does not earn any returns above the cap
- Investment is non-transferable
- The certificates are not publicly listed or traded on an exchange and are not liquid instruments*
- No interest or dividend payments or voting rights

Terms

Underlying index	Nikkei 225
Currency	USD
Upside leverage factor	3x up to Cap
Cap On Index	10.85%
Maximum potential gain	32.55%
Maximum potential loss	100%
Maturity date	12 month

*Daily unwinds may be provided at JPMorgan’s discretion. However, the proceeds of an unwind may fall short of the expected payout at maturity given the same underlying value. The proceeds will depend on many variables including stock price at termination, interest rates, time to maturity and stock volatility. This information is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Products may not be suitable for all individual Investors and are subject to investment risks. Typically, such investment ideas can be offered to suitable investors through a confidential offering document which fully describes all terms, conditions and risks. Investors may get back less than they invested.

Return enhanced certificate versus cash investment in portfolio payoff at maturity (assuming \$100 initial investment)



Payout at maturity

Index level at maturity	REC payoff at maturity	REC total return at maturity	
23,550.00	50.00%	32.55%	
21,980.00	40.00%	32.55%	
20,410.00	30.00%	32.55%	
18,840.00	20.00%	32.55%	
17,403.45	10.85%	32.55%	Max. gain
17,270.00	10.00%	30.00%	
16,485.00	5.00%	15.00%	
15,700.00	0.00%	0.00%	
14,130.00	-10.00%	-10.00%	
12,560.00	-20.00%	-20.00%	
9,420.00	-40.00%	-40.00%	
6,280.00	-60.00%	-60.00%	
0.00	-100.00%	-100.00%	Max. loss

S&P 500 Buffered Return Enhanced Certificate

Bullish/sideways/modestly bullish view – defined amount of downside protection with leveraged upside up to a cap

Benefits

- 2x leverage in the upside of the underlying index up to a cap
- Full protection at maturity for a defined amount of decline in the underlying (“Buffer Zone”)
- Outperforms an outright equity investment in all bearish scenarios at maturity
- Daily unwinds may be available at JPMorgan’s discretion*

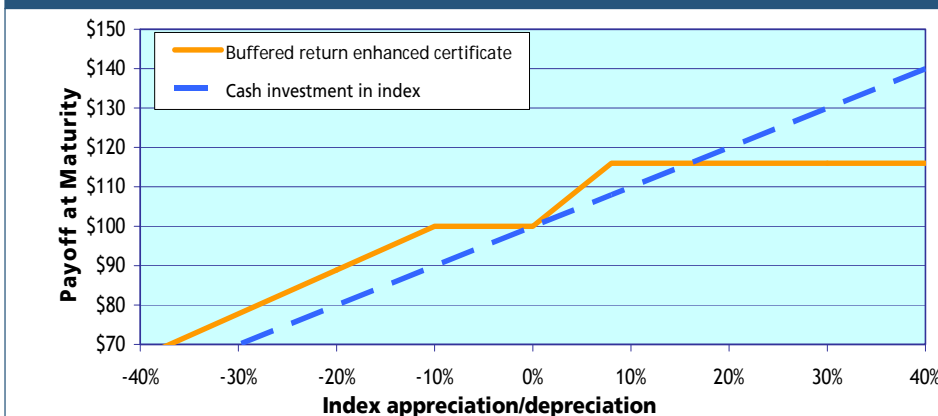
Issues to consider

- No downside protection below the “Buffer Zone”
- Investor does not earn any returns above the cap
- Investment is non-transferable
- The certificates are not publicly listed or traded on an exchange and are not liquid instruments*
- No interest or dividend payments or voting rights

Terms

Underlying Index	S&P 500
Currency	USD
Upside leverage factor	2x up to Cap
Cap on Index	8.00%
Buffer amount	10.00%
Downside leverage factor	1.1111
Maximum potential gain	16.00%
Maximum potential loss	100%
Maturity date	18 month

Buffered return enhanced certificate versus cash investment in portfolio payoff at maturity (assuming \$100 initial investment)



Payout at maturity

Index level at maturity	Buffered REC payoff at maturity	Buffered REC total return at maturity	
1,950.00	50.00%	16.00%	
1,820.00	40.00%	16.00%	
1,690.00	30.00%	16.00%	
1,560.00	20.00%	16.00%	
1,430.00	10.00%	16.00%	
1,404.00	8.00%	16.00%	Max. gain
1,365.00	5.00%	10.00%	
1,300.00	0.00%	0.00%	Buffer zone
1,170.00	-10.00%	0.00%	Buffer zone
1,040.00	-20.00%	-11.11%	
780.00	-40.00%	-33.33%	
520.00	-60.00%	-55.56%	
0.00	-100.00%	-100.00%	Max. loss

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DJ Euro Stoxx 50 Buffered Return Enhanced Certificate

Bullish/sideways/modestly bullish view – defined amount of downside protection with leveraged upside up to a cap

Benefits

- 2x leverage in the upside of the underlying index up to a cap
- Full protection at maturity for a defined amount of decline in the underlying (“Buffer Zone”)
- Outperforms an outright equity investment in all bearish scenarios at maturity
- Daily unwinds may be available at JPMorgan’s discretion*

Issues to consider

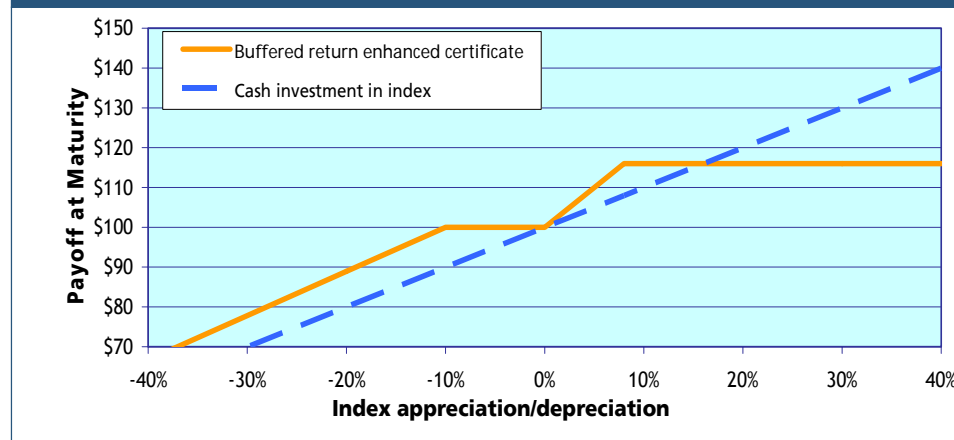
- No downside protection below the “Buffer Zone”
- Investor does not earn any returns above the cap
- Investment is non-transferable
- The certificates are not publicly listed or traded on an exchange and are not liquid instruments*
- No interest or dividend payments or voting rights

Terms

Underlying Index	DJ Euro Stoxx
Currency	USD
Upside leverage factor	2x up to Cap
Cap on Index	8.00%
Buffer amount	10.00%
Downside leverage factor	1.1111
Maximum potential gain	16.00%
Maximum potential loss	100%
Maturity date	12 month

*Daily unwinds may be provided at JPMorgan’s discretion. However, the proceeds of an unwind may fall short of the expected payout at maturity given the same underlying value. The proceeds will depend on many variables including stock price at termination, interest rates, time to maturity and stock volatility. This information is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Products may not be suitable for all individual investors and are subject to investment risks. Typically, such investment ideas can be offered to suitable investors through a confidential offering document which fully describes all terms, conditions and risks. Investors may get back less than they invested.

Buffered return enhanced certificate versus cash investment in portfolio payoff at maturity (assuming \$100 initial investment)



Payout at maturity

Index level at maturity	Buffered REC payoff at maturity	Buffered REC total return at maturity	
5,250.00	50.00%	16.00%	
4,900.00	40.00%	16.00%	
4,550.00	30.00%	16.00%	
4,200.00	20.00%	16.00%	
3,850.00	10.00%	16.00%	
3,780.00	8.00%	16.00%	Max. gain
3,675.00	5.00%	10.00%	
3,500.00	0.00%	0.00%	Buffer zone
3,150.00	-10.00%	0.00%	Buffer zone
2,800.00	-20.00%	-11.11%	
2,100.00	-40.00%	-33.33%	
1,400.00	-60.00%	-55.56%	
0.00	-100.00%	-100.00%	Max. loss

Annual Review Certificate

Provides a fixed return if markets maintain current levels. Certificate extends (e.g., from 12 to 36 months) if markets depreciate

Selected Purchase Considerations

- Appreciation potential – if the underlying index closing level is greater than or equal to the strike on a review date, your investment will yield a payment per certificate
- Potential early exit with appreciation as a result of automatic call feature
- Limited protection against loss – If the certificates are not called and the underlying index level on the relevant measurement date has declined by no more than 10% as compared to the index level on the pricing date you will be entitled to receive the full principal amount of your certificates at maturity.

Selected Risk Considerations

- Your investment in the certificates may result in a loss
- Limited return on the certificates – Your potential gain on the certificates will be limited to the fixed payment applicable for a review date, regardless of the appreciation in the index.
- No interest or dividend payments or voting rights
- Certain built-in costs are likely to adversely affect the value of the certificates prior to maturity
- Daily unwinds may be available at JPMorgan's discretion*

* Daily unwinds may be provided at JPMorgan's discretion. However, the proceeds of an unwind may fall short of the expected payout at maturity given the same underlying value. The proceeds will depend on many variables including stock price at termination, interest rates, time to maturity and volatility of the underlying.

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Annual Review Certificate

TERMS	<i>Underlying</i>	<i>S&P 500</i>
	<i>Maturity</i>	<i>36 months</i>
	<i>Strike 1 (12 months)</i>	<i>100% of the level of S&P 500</i>
	<i>Strike 2 (24 months)</i>	<i>100% of the level of S&P 500</i>
	<i>Strike 3 (36 months)</i>	<i>100% of the level of S&P 500</i>
	<i>Buffer zone at maturity</i>	<i>10%</i>
	<i>Currency</i>	<i>USD</i>
	<i>Fixed Payment if called</i>	<i>8.15%</i>

Pay-out schedule		
12M	<i>If SPX >= Strike 1</i>	$100\% + (1 \times 8.15\%) = 108.15\%$
	<i>If < Strike 1</i>	
24M	<i>If SPX >= Strike 2</i>	$100\% + (2 \times 8.15\%) = 116.3\%$
	<i>If < Strike 2</i>	
36M	<i>If SPX >= Strike 3</i>	$100\% + (3 \times 8.15\%) = 124.45\%$
	<i>If < Strike 3</i>	

	Level of Underlying* at maturity	Underlying return	ARC return at maturity
	1950.00	50.00%	24.45%
	1820.00	40.00%	24.45%
	1690.00	30.00%	24.45%
	1560.00	20.00%	24.45%
	1430.00	10.00%	24.45%
Current	1300.00	0.00%	24.45%
	1170.00	-10.00%	0.00%
	1040.00	-20.00%	-11.11%
	650.00	-50.00%	-44.44%
	520.00	-60.00%	-55.56%
	260.00	-80.00%	-77.78%
	0.00	-100.00%	-100.00%

Products may not be suitable for all individual investors and are subject to investment risks.

*The table above assumes an Initial Index Level of 1300. The actual Initial Index Level will be set on the Pricing Date.

Structured strategy: Call Overwrite Investment Notes

Track performance of the index

Benefits

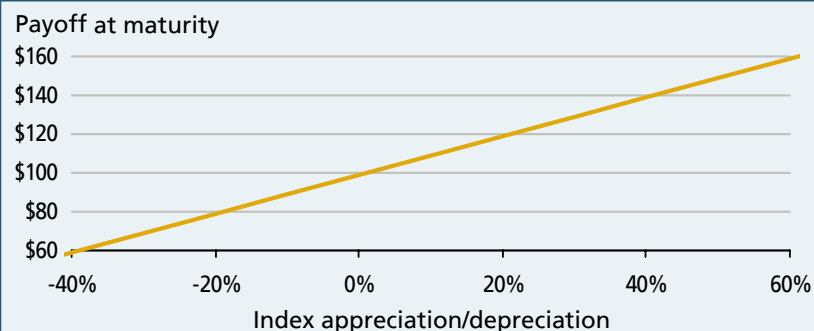
- Return based on performance of the BXM
- Unlimited upside potential
- Final payment at maturity:
 $I * (1 + R - F)$
 I = initial investment value
 R = return on the index
 F = daily accrued fee
- Daily unwinds may be available at JPMorgan's discretion*

Risks to consider

- No principal protection
- Loss of entire principal possible
- Investor returns are negative if underlying falls below original level
- Investment is non-transferable
- The notes are not publicly listed or traded on an exchange and are not liquid instruments*

Underlying index	BXM call overwrite
Fee**	150 bps per annum
Principal protection	0%
Initial Premium**	100%
Maximum total return	Unlimited
Maturity	1 year

Investment payoff at maturity (assuming \$100 initial inv.)



BXM appreciation/ depreciation at maturity	Call Overwrite Index Note total return at maturity
100%	98.5%
90%	88.5%
80%	78.5%
70%	68.5%
60%	58.5%
50%	48.5%
40%	38.5%
30%	28.5%
20%	18.5%
10%	8.5%
0%	-1.5%
-10%	-11.5%
-20%	-21.5%
-30%	-31.5%
-40%	-41.5%
-50%	-51.5%
-60%	-61.5%
-70%	-71.5%
-80%	-81.5%
-90%	-91.5%
-100%	-100.0%

* Daily unwinds may be provided at JPMorgan's discretion. However, the proceeds of an unwind may fall short of the expected payout at maturity given the same underlying value. The proceeds will depend on many variables including stock price at termination, interest rates, time to maturity and volatility of the underlying

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What is the BXM Call Overwrite Index?

The BXM Index:

- The CBOE S&P 500 BuyWrite Index (BXM) is a benchmark index designed to track the performance of a hypothetical buy-write strategy on the S&P 500 (SPX)
- Every month, one month just-out-of-the-money calls* on the S&P 500 are written covering all the index shares owned
- The return of the index is the sum of the S&P 500 return, the dividend yield on the S&P 500, and the gain/loss from the option overwrite

Advantages of index:

- Cushions downside moves
- Enhances range bound returns

Risks of index:

- Limits upside in exchange for monthly option premium

Overall benefit**:

- Provides attractive returns in flat / cyclical markets
- Helps manage volatility in portfolios

* S&P 500 Index call option listed on the CBOE with the closest strike above the last value of the S&P 500 index reported before 11am (ET).

**Based on historical data from 1988-2005. Past performance does not guarantee future results. It is not possible to invest directly in an index.

Lesser of DJ Euro Stoxx 50 and Nikkei 225, 100% Principal protected Note

Bullish view – combines principal protection with potential upside participation

Benefits

- 100% principal protection at maturity
- Appreciation potential subject to a cap: the notes provide the opportunity for exposure to the lesser performing underlying index, up to a cap, in addition to principal protection at maturity
- Daily unwinds may be available at JPMorgan's discretion*

Issues to consider

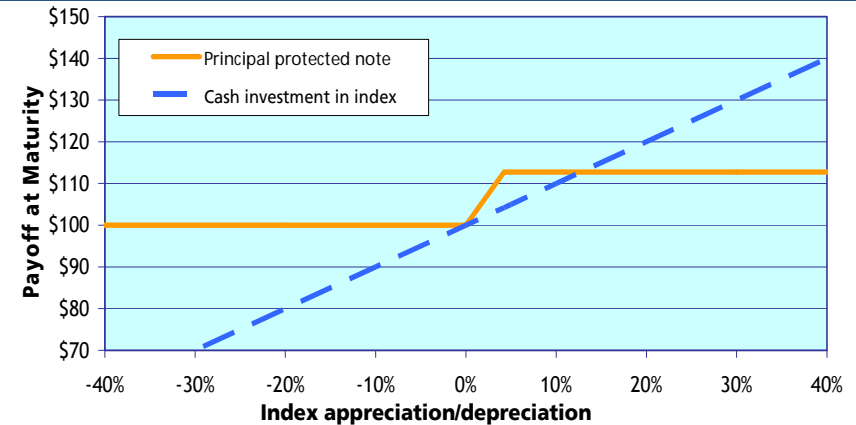
- If the lesser performing underlying investment does not appreciate, the investor receives only the protected amount at maturity
- Investment is non-transferable
- The certificates are not publicly listed or traded on an exchange and are not liquid instruments*

Terms

Underlying index	Lesser of DJ Euro Stoxx / Nikkei 225
Currency	USD
Principal protection	100%
Cap on index	4.25%
Participation rate	300%
Maximum return	12.75%
Maturity	12 month

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100% principal protected equity-linked note versus cash investment in index at maturity (assuming \$100 initial investment)



*At 100% index depreciation your return on the notes will be 0%

Ending Index Level	Index Return	Total Return on Certificates	
160.00	60.00%	12.75%	
150.00	50.00%	12.75%	
140.00	40.00%	12.75%	
130.00	30.00%	12.75%	
110.00	10.00%	12.75%	
105.00	5.00%	12.75%	
104.25	4.25%	12.75%	Max. gain
100.00	0.00%	0.00%	
90.00	-10.00%	0.00%	
80.00	-20.00%	0.00%	
60.00	-40.00%	0.00%	
40.00	-60.00%	0.00%	
0.00	-100.00%	0.00%	Max. loss

Details on major indices

- Equity Indices
 - **S&P 500:** index comprised of 500 large capitalization U.S. companies.
 - **MSCI United States:** a free float-adjusted market capitalization index that is designed to measure equity performance in the United States.
 - **MSCI Europe:** a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe. As of June 2006, the index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.
 - **MSCI Japan:** a free float-adjusted market capitalization index that is designed to measure equity performance in Japan.
 - **MSCI EM:** a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of June 2006 the Index consisted of the following 25 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.
 - **MSCI World:** is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance. As of June 2006 the MSCI World Index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States.
- Bond Indices
 - **Lehman Brothers Aggregate Bond Index:** index comprised of investment grade fixed rate bonds using government and corporate bonds, mortgages and asset backed securities.
 - **USD Investment Grade CDX Index:** index designed to track the performance of North American investment grade credit derivatives.
 - **EUR Investment Grade iTraxx Index:** index designed to track the performance of European investment grade credit derivatives.
 - **JPMorgan BB HY:** index comprised of U.S. below investment grade corporate bonds.
 - **EMBI Plus:** index comprised of emerging market foreign currency denominated sovereign bonds.
- Alternative Investments
 - **HFRI Fund of Funds:** diversified hedge fund index. HFRI Distressed Securities, HFRI Equity Hedge, HFRI Event-Driven, HFRI Macro, HFRI Relative Value Arbitrage, HFRI Short Selling are the breakdown of the broad HFRI Composite Index by strategy.
 - **CISDM:** index that measures the performance of Commodity Trading Advisors.
 - **Goldman Sachs commodity spot price index:** The GSCI is designed to provide investors with a reliable and publicly available benchmark for investment performance in the commodity markets comparable to the S&P 500 or FT equity indices. As such, the GSCI is a composite index of commodity sector returns, representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities.

It is not possible to invest directly in an index.

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