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Cc: Schaffer, Susannah [REDACTED] Giuffrida, David
From: Barrett, Paul S
Sent: Thur 9/13/2012 12:47:05 PM
Subject: New mortgage bond to buy

Jeffrey

I think we should buy this bond to replace the other mortgage we sold 2 weeks ago. Would be spending around \$1.5MM on this.

Paul

US Onshore Clients – Blue Sky (U.S. State Securities Law): Please confirm Blue Sky eligibility before soliciting to a US Onshore client by entering the CUSIP into the web tool located at: <http://pscppv1.amer.jpmchase.net:8080/BlueSkyPage.html> and review to see if your client's state of residence is listed. If you receive 'NO SECURITY FOUND', 'NO STATES FOUND' or the security DOES NOT HAVE A CUSIP or is not USD-denominated, then please contact your SM or local compliance officer and provide the requested security and client information. Please note that a suitability review and other pre-trade procedures must still be followed.

The WFMBS 04-EE B1 is a Prime 5/1 Subordinate bond backed by 102 months seasoned Prime 5/1 ARM mortgages. The average balance of the loans is approximately \$389k with an average updated LTV of 56%. 91% of these borrowers have never missed a payment in the past 24 months. While our base case scenario does not price in the fact that this bond may potentially be called at par + accrued in the future, we see the bonds being callable starting Dec 2016.

There are no guarantees that this bond will trade at this level but please call the desk with all bids/inquiries related to this bond. X32124

HIGHLIGHTS

- HPI Updated LTV = 91%
- 56% of the borrowers have not missed a payment in the past 2 years

- 102 months seasoned
- 736 FICO
- \$389k average balance

**Source: Bloomberg

WFMB 2004-EE B1 Offered @ 73-00

BOND DESCRIPTION	
Cusip:	949779AD4
Original Face:	16,939,000
Current Face:	10,650,131
Bond Type:	Prime 5/1 Sub
Ratings (S&P/Moodys/Fitch):	CCC/NR/-
Current Coupon:	2.712%
Yield @ Base Case	7.295%
WAL @ Base Case	7.98
Principal Window @ Base Case	Oct12 to Jun34
Writedown %	12.27%
Current Credit Enhancement:	2.08%
60+ Delinquencies	4.34
60+ Delinquency Coverage	0.48x

UNDERLYING COLLATERAL DESCRIPTION	
Average Loan Balance (\$,000s)	389
Loan Count	812
Mortgage Type	Prime 5/1 Hybrid ARMs
Wtd Avg Mortgage Coupon	2.941%
Wtd Avg FICO Score	736
Wtd Avg Orig Loan-to-Value	55.07%

Prepay Rate	
Default Rate	2 fo
Default Severity	

Price @ 73-00
Yield
Spread over Tsy
Duration
WAL
Principal Window
Principal Writedown
Total Collat Loss
Total Liquidation

HISTORICAL PERFORMANCE
CPR
CDR
SEV

HPI Adj LTV	55.90%
Weighted Avg Loan Age	102
Owner Occupied	93.86
Top 1 Geo Concentration	CA 53%
Top 2 Geo Concentration	FL 5%
Top 3 Geo Concentration	IL 5%
Always Current (24 mos)	90.98%

IMPORTANT DISCLAIMER:

Non-agency RMBS is a complex fixed income product and is not suitable for all investors. Please note that while desk assumptions are based on historical performance, **performance of a deal is not indicative of its future performance.** Additionally, this message is a product of sales and trading and is not intended to be used as a basis for investment decisions.

All investments are subject to possible loss of principal

Non-Agency bonds may have limited liquidity and clients should be aware that the secondary market for mortgage-backed securities is illiquid. Illiquidity means that there may not be any purchasers for your class of certificates. Although any class of certificates may experience illiquidity, non-investment grade related may experience greater illiquidity than more senior, investment-grade rated classes.

High Yield Non-Agency bonds are speculative non-investment grade bonds that have higher risk of default or other adverse credit events.

Non-Agency bonds are intended for clients with a minimum total net worth of \$50mm. Please make sure your client fulfills this requirement.

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