

INDICATIVE PRICING—Collar

Entering into OTC options transactions entails certain risks that you should be familiar with. In connection with the information provided below, you acknowledge that you have received the Options Clearing Corporation's "Characteristics and Risks of Standardized Options". If you have not received this document prior to reviewing the information provided below, please contact your Morgan representative or refer to the OCC website at [REDACTED]

Collar Assumptions

Underlying Stock: Microsoft (MSFT) **OTC Option Style:** European
Current Share Price: \$46.43 **Settlement:** Cash or Physical
Number of Shares: 131,875 **Bank Counterparty:** JPMorgan Chase Bank (London Branch)
Assumptions: Dividend Protection (based on a dividend schedule of \$0.30 per quarter)

Structure	Maturity	Put Strike	Call Strike	Premium Receive/(Pay)
A	1 year	90.00% \$41.79	110.00% \$51.07	-2.45% (\$150,012)
B	1 year	90.00% \$41.79	105.00% \$48.75	-1.30% (\$79,598)
C	1 year	85.00% \$39.47	115.00% \$53.39	-2.25% (\$137,767)

Payoff at Maturity for Structure A



Cash Settlement at Maturity

If the Share Price at Maturity (SM) is less than the Put Strike, then JPM owes Client, Number of Shares * (Put Strike - SM)

If the Share Price at Maturity is equal to or between the Put Strike and Call Strike, then no Settlements are due to either party.

If the Share Price at Maturity (SM) is greater than the Call Strike, then Client owes JPM, Number of Shares * (SM - Call Strike)

Share Price at Maturity	Premium	Put Exercised	Put Value (1)	Call Exercised	Call Value (2)	Portfolio Value (3)
\$31.79	(\$1.14)	Y	\$10.00	N	\$0.00	\$40.65
\$36.79	(\$1.14)	Y	\$5.00	N	\$0.00	\$40.65
\$41.79	(\$1.14)	N	\$0.00	N	\$0.00	\$40.65
\$44.88	(\$1.14)	N	\$0.00	N	\$0.00	\$43.74
\$47.97	(\$1.14)	N	\$0.00	N	\$0.00	\$46.83
\$51.07	(\$1.14)	N	\$0.00	N	\$0.00	\$49.93
\$56.07	(\$1.14)	N	\$0.00	Y	(\$5.00)	\$49.93
\$61.07	(\$1.14)	N	\$0.00	Y	(\$10.00)	\$49.93

- (1) Client receives the maximum of (a) zero and (b) the difference between Put Strike and Share Price at Maturity.
- (2) Client pays the maximum of (a) zero and (b) the Share Price at Maturity less the Call Strike.
- (3) The sum of the Share Price at Maturity, the Premium, the Put Value and the Call Value.

The table above illustrates the payoff at maturity for Structure A, assuming cash settlement. Please note that no structure may be unwound before its maturity without the agreement of JPMorgan. If a structure is terminated early, either due to an agreement between Counterparty and JPMorgan or due to any termination event (including certain merger events), the scenario above will not apply. The proceeds from such a termination will not equal the payoff you would expect given the same underlying equity price at maturity. To determine any amounts payable under the structure JPMorgan will take into account a number of variables, including the time remaining on a structure, the market price of the underlying, interest rates, volatility levels, and dividend yields.

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