

JPMORGAN CHASE & CO
Form 424B2
December 17, 2018

The information in this preliminary pricing supplement is not complete and may be changed. This preliminary pricing supplement is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion dated December 17, 2018

December 17, 2018 Registration Statement Nos. 333-222672 and 333-222672-01; Rule 424(b)(2)

JPMorgan Chase Financial Company LLC
Structured Investments

Notes Linked to the S&P Economic Cycle Factor Rotator Index due December 22, 2023

Fully and Unconditionally Guaranteed by JPMorgan Chase & Co.

The notes are designed for investors who seek exposure to any appreciation of the S&P Economic Cycle Factor Rotator Index over the term of the notes, subject to a minimum return of at least 9.00% at maturity.

Investors should be willing to forgo interest and dividend payments, while seeking full repayment of principal at maturity.

The notes are unsecured and unsubordinated obligations of JPMorgan Chase Financial Company LLC, which we refer to as JPMorgan Financial, the payment on which is fully and unconditionally guaranteed by JPMorgan Chase & Co. **Any payment on the notes is subject to the credit risk of JPMorgan Financial, as issuer of the notes, and the credit risk of JPMorgan Chase & Co., as guarantor of the notes.**

Minimum denominations of \$1,000 and integral multiples thereof

The notes are expected to price on or about December 19, 2018 and are expected to settle on or about December 24, 2018.

CUSIP: 48130WLN9

Investing in the notes involves a number of risks. See “Risk Factors” beginning on page PS-8 of the accompanying product supplement, “Risk Factors” beginning on page US-6 of the accompanying underlying supplement and “Selected Risk Considerations” beginning on page PS-6 of this pricing supplement.

Neither the Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of the notes or passed upon the accuracy or the adequacy of this pricing supplement or the accompanying product supplement, underlying supplement, prospectus supplement and prospectus. Any representation to the contrary is a criminal offense.

	Price to Public (1) Fees and Commissions (2)	Proceeds to Issuer
Per note \$1,000	\$	\$
Total	\$	\$

(1) See “Supplemental Use of Proceeds” in this pricing supplement for information about the components of the price to public of the notes.

(2) J.P. Morgan Securities LLC, which we refer to as JPMS, acting as agent for JPMorgan Financial, will pay all of the selling commissions it

receives from us to other affiliated or unaffiliated dealers. If the notes priced today, the selling commissions would be approximately \$37.50 per \$1,000 principal amount note and in no event will these selling commissions exceed \$42.50 per \$1,000 principal amount note. See “Plan of Distribution (Conflicts of Interest)” in the accompanying product supplement.

If the notes priced today, the estimated value of the notes would be approximately \$962.40 per \$1,000 principal amount note. The estimated value of the notes, when the terms of the notes are set, will be provided in the pricing supplement and will not be less than \$950.00 per \$1,000 principal amount note. See “The Estimated Value of the Notes” in this pricing supplement for additional information.

The notes are not bank deposits, are not insured by the Federal Deposit Insurance Corporation or any other governmental agency and are not obligations of, or guaranteed by, a bank.

Pricing supplement to product supplement no. 3-I dated April 5, 2018, underlying supplement no. 2-I dated April 5, 2018 and the prospectus and prospectus supplement, each dated April 5, 2018

Key Terms

Issuer: JPMorgan Chase Financial Company LLC, an indirect, wholly owned finance subsidiary of JPMorgan Chase & Co.	<p>Payment at Maturity:</p> <p>At maturity, you will receive a cash payment, for each \$1,000 note, of \$1,000 <i>plus</i> the Additional Amount, which will not be less than the Minimum Amount.</p>
Guarantor: JPMorgan Chase & Co.	<p><i>You are entitled to repayment of principal in full at maturity, subject to the credit risks of JPMorgan Financial and JPMorgan Chase & Co.</i></p>
Index: The S&P Economic Cycle Factor Rotator Index (Bloomberg ticker: SPECFR6P). The Index’s component equity indices reflect the daily deduction of a notional financing cost.	<p>Additional Amount: The Additional Amount payable at maturity per \$1,000 principal amount note will equal:</p>
Participation Rate: 100.00%	<p>$\\$1,000 \times \text{Index Return} \times \text{Participation Rate}$,</p>
Minimum Amount: At least \$90.00 per \$1,000 principal amount note (to be provided in the pricing supplement)	<p><i>provided that the Additional Amount will not be less than the Minimum Amount.</i></p>
Pricing Date: On or about December 19, 2018	Index Return:
Original Issue Date (Settlement Date): On or about December 24, 2018	<p>$\frac{(\text{Final Value} - \text{Initial Value})}{\text{Initial Value}}$</p>
Observation Date*: December 19, 2023	<p>Initial Value: The closing level of the Index on the Pricing Date</p>
Maturity Date*: December 22, 2023	<p>Final Value: The closing level of the Index on the Observation Date</p>

* Subject to postponement in the event of a market disruption event and as described under “General Terms of Notes — Postponement of a Determination Date — Notes Linked to a Single Underlying — Notes Linked to a Single Underlying (Other Than a Commodity Index)” and “General Terms of Notes — Postponement of a Payment Date” in the accompanying product supplement

The S&P Economic Cycle Factor Rotator Index

The S&P Economic Cycle Factor Rotator Index (the “Index”) was developed by S&P Dow Jones Indices LLC and J.P. Morgan Securities LLC and is calculated, maintained and published by S&P Dow Jones Indices LLC. S&P Dow Jones has granted a license to JPMorgan Chase & Co. and certain of its affiliates or subsidiaries, including JPMorgan Financial, which was previously exclusive, and JPMorgan Chase & Co. intends to renew the exclusivity of its license. The Index was established on August 16, 2016.

The Index tracks the return of a notional dynamic portfolio consisting of (a) one of four excess price return U.S. equity indices (each, an “Underlying Equity Index”) as set forth below and (b) the S&P 5-Year U.S. Treasury Note Futures Excess Return Index (the “Underlying Treasury Index”), while seeking to maintain an annualized realized volatility approximately equal to 6.0% (the “Target Volatility”).

Each Underlying Equity Index seeks to provide exposure to the price change, less a notional financing cost deducted on a daily basis, of U.S. companies exhibiting one of the following sets of characteristics: momentum, value, high buybacks and free cash flows, or high dividends and low volatility. On a monthly basis, the Index selects one of the four Underlying Equity Indices based on the stage of the U.S. business cycle inferred from the recent trend and average level of the Chicago Fed National Activity Index (“CFNAI”). The CFNAI is a weighted average of 85 monthly indicators of national economic activity. See “Background on the Chicago Fed National Activity Index” in this underlying supplement for additional information about the CFNAI. Each Underlying Equity Index is an “excess price” return index because it does not reflect reinvestment of dividends and other distributions and its performance is reduced by a notional financing cost.

The Underlying Treasury Index seeks to track the performance of a rolling position in the 5-Year U.S. Treasury Note futures contract. The Underlying Treasury Index is an “excess return” index and not a “total return” index because it does not reflect interest that could be earned on funds notionally committed to the trading of futures contracts. Negative roll returns associated with futures contracts may adversely affect the performance of the Underlying Treasury Index. For additional information, see “Background on the S&P 5-Year U.S. Treasury Note Futures Excess Return Index” below.

To achieve this, the Index selects from four sub-indices (each, a “Sub-Index”), each tracking the return of a notional dynamic portfolio consisting of one Underlying Equity Index and the Underlying Treasury Index, while seeking to maintain an annualized realized volatility approximately equal to the Target Volatility. The relevant Underlying Equity Index and the Underlying Treasury Index are each referred to as an “Underlying Index.” The Index allocates its entire exposure to one Sub-Index based on the stage of the U.S. business cycle inferred from the recent trend and average level of the CFNAI. For additional information, see “— Allocation to a Sub-Index Based on U.S. Business Cycle Stage” below.

Under normal market conditions, each Underlying Equity Index’s realized volatility has tended to be relatively more variable than the Underlying Treasury Index’s realized volatility. Consequently, and because the Index and each Sub-Index seek to maintain an annualized realized volatility approximately equal to the Target Volatility, the Index and each Sub-Index’s methodology may be more likely to shift exposure from the relevant Underlying Equity Index to the Underlying Treasury Index during periods of relatively higher market volatility and to shift exposure from the Underlying Treasury Index to the relevant Underlying Equity Index under normal market conditions exhibiting relatively lower market volatility.

In general, equity markets have historically been more likely to outperform fixed-income markets during periods of relatively lower market volatility and to underperform fixed-income markets during periods of relatively higher market volatility. However, there can be no assurance that the Index or any Sub-Index’s allocation strategy will

achieve its intended results, or that the Index or any Sub-Index will outperform any alternative index or strategy that might reference the relevant Underlying Indices. Past performance should not be considered indicative of future performance.

In any initial selection between two eligible notional portfolios, each Sub-Index (and, therefore, the Index) will select the portfolio that has the higher allocation to the Underlying Index with a higher realized volatility, as described under “— Determining the Preliminary Portfolio of a Sub-Index for a Volatility Measure” below, which generally will cause the relevant Underlying Equity Index to receive a higher allocation than if the portfolio that has the higher allocation to the Underlying Index with a lower realized volatility were selected.

Furthermore, under normal market conditions, each Underlying Equity Index’s realized volatility has tended to be significantly higher than the Underlying Treasury Index’s realized volatility. Past performance should not be considered indicative of future performance. Under circumstances where an Underlying Equity Index’s realized volatility is significantly higher than that of the Underlying Treasury Index, the performance of the relevant Sub-Index (and, therefore, of the Index) is expected to be influenced to a greater extent by the performance of the relevant Underlying Equity Index than by the performance of the Underlying Treasury Index, unless the weight of the Underlying Treasury Index is significantly greater than the weight of the relevant Underlying Equity Index.

Consequently, even in cases where the allocation to the Underlying Treasury Index is greater than the allocation to the relevant Underlying Equity Index, the relevant Sub-Index (and, therefore, the Index) may be influenced to a greater extent by the performance of the relevant Underlying Equity Index than by the performance of the Underlying Treasury Index because, under some conditions, the

PS-2 | Structured Investments

Notes Linked to the S&P Economic Cycle Factor Rotator Index

greater allocation to the Underlying Treasury Index will not be sufficiently large to offset the greater realized volatility of the relevant Underlying Equity Index.

The notional financing cost is intended to approximate the cost of maintaining a position in the relevant Underlying Equity Index using borrowed funds and is currently calculated as a composite rate of interest that is intended to track the overnight rate of return of a notional position in a 3-month time deposit in U.S. dollars, which is calculated by referencing the 2-month and 3-month USD LIBOR rates. LIBOR, which stands for “London Interbank Offered Rate,” is the average interest rate estimated by leading banks in London that they would be charged if borrowing from other banks without pledging any collateral or security.

On July 27, 2017, the Chief Executive of the U.K. Financial Conduct Authority (the “FCA”), which regulates LIBOR, announced that the FCA intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR rates to the LIBOR administrator after 2021. It is impossible to predict the impact of this announcement on LIBOR rates, whether LIBOR rates will cease to be published or supported before or after 2021, the impact of any alternative reference rates or whether any additional reforms to LIBOR may be enacted in the United Kingdom or elsewhere. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR may affect the 2-month and 3-month USD LIBOR rates used to determine the notional financing cost during the term of the notes, which may adversely affect the Index and therefore the return on and market value of the notes. See “Selected Risk Considerations — Risks Relating to Index — Uncertainty about the future of LIBOR may affect 2-month and 3-month USD LIBOR rates, which may adversely affect the Index and therefore the return on and the market value of the notes” below.

Allocation to a Sub-Index Based on U.S. Business Cycle Stage

On a monthly basis, the Index allocates its entire exposure to one of the four Sub-Indices based on the stage of the U.S. business cycle inferred from the recent trend and average level of the CFNAI. The CFNAI is constructed to have an average value of zero. Since economic activity tends toward a trend growth rate over time, a zero value for the CFNAI indicates that the U.S. economy is expanding at its historical trend rate of growth; negative values indicate below-average growth; and positive values indicate above-average growth. See “Background on the Chicago Fed National Activity Index” in this underlying supplement for additional information about the CFNAI.

For purposes of allocating its exposure, the Index attempts to determine the stage of the business cycle based on the recent trend and average level of the CFNAI each month in the following manner:

Expansion: the CFNAI 3-month average and the CFNAI 3-month change are both flat or positive, indicating that the U.S. economy is growing at an average or an above-average growth rate and that the growth rate is flat or accelerating;

Recovery: the CFNAI 3-month average is negative, and the CFNAI 3-month change is flat or positive, indicating that the U.S. economy is growing at a below-average growth rate (or is shrinking) and that the growth rate is flat or accelerating (or that the rate of shrinking is flat or slowing);

Slowdown: the CFNAI 3-month average is flat or positive, and the CFNAI 3-month change is negative, indicating that the U.S. economy is growing at an average or an above-average growth rate and that the growth rate is slowing; and

Contraction: the CFNAI 3-month average and the CFNAI 3-month change are both negative, indicating that the U.S. economy is growing at a below-average growth rate (or is shrinking) and that the growth rate is slowing (or that the rate of shrinking is accelerating).

If the business cycle is determined to be in Contraction immediately following a month in which it was determined to be in Recovery, the Index will determine it to be in Recovery unless and until a second consecutive month in which the CFNAI 3-month average and the CFNAI 3-month change are both negative.

The following table sets forth the Sub-Index associated with each stage of the business cycle for purposes of the Index, and the Underlying Equity Index underlying each Sub-Index.

Business Cycle Sub-Index		Underlying Equity Index
Stage	(Bloomberg Ticker)	
Expansion	S&P Momentum Daily Risk Control 6% Excess Return Index (SPECFM6P) (the “Momentum Sub-Index”)	S&P Momentum United States LargeMidCap (USD) Excess Return Index
Recovery	S&P Value Daily Risk Control 6% Excess Return Index (SPECFV6P) (the “Value Sub-Index”)	S&P 500 [®] Pure Value Excess Return Index
Slowdown	S&P Buyback Daily Risk Control 6% Excess Return Index (SPECFB6P) (the “Buyback Sub-Index”)	S&P 500 [®] Buyback FCF Excess Return Index
Contraction	S&P Low Volatility High Dividend Daily Risk Control 6% Excess Return Index (SPECFL6P) (the “High Dividend Low Volatility Sub-Index”)	S&P 500 [®] Low Volatility High Dividend Excess Return Index

PS-3 | Structured Investments

Notes Linked to the S&P Economic Cycle Factor Rotator Index

The S&P Momentum United States LargeMidCap (USD) Excess Return Index, the Underlying Equity Index of the Momentum Sub-Index, is designed to measure the performance of U.S. large- and mid-capitalization companies with relatively higher recent performance compared to the S&P United States LargeMidCap Index. The Index allocates to the Momentum Sub-Index when it determines the business cycle to be in Expansion in an attempt to provide exposure to companies that are moving with a strong and strengthening U.S. economy. See “Background on the S&P Momentum United States LargeMidCap Index” in the accompanying underlying supplement.

The S&P 500[®] Pure Value Excess Return Index, the Underlying Equity Index of the Value Sub-Index, is designed to measure the performance of stocks in the S&P 500[®] Index that exhibit relatively strong value characteristics (by reference to (1) book value to price ratio, (2) earnings to price ratio and (3) sales to price ratio) and relatively weak growth characteristics (by reference to EPS growth, sales per share growth and price momentum). The Index allocates to Value Sub-Index when it determines the business cycle to be in Recovery in an attempt to provide exposure to companies that may be undervalued. See “Background on the S&P 500[®] Pure Value Index” in the accompanying underlying supplement.

The S&P 500[®] Buyback FCF Excess Return Index, the Underlying Equity Index of the Buyback Sub-Index, is designed to measure the performance of 30 companies (excluding JPMorgan Chase & Co., Visa and their past or present affiliated companies) with relatively higher rates of buying back their own stock, relatively higher levels of trading activity in their stock, and relatively higher free cash flow yields, as compared to the S&P 500[®] Index. The Index allocates to Buyback Sub-Index when it determines the business cycle to be in Slowdown in an attempt to provide exposure to companies that are supporting their stocks through buybacks and have sufficient free cash flow to maintain this program. See “Background on the S&P 500[®] Buyback FCF Index” in the accompanying underlying supplement.

The S&P 500[®] Low Volatility High Dividend Excess Return Index, the Underlying Equity Index of the High Dividend Low Volatility Sub-Index, is designed to measure the performance of the 50 least-volatile among the 75 highest dividend-yielding companies in the S&P 500[®] Index, subject to sector and individual constituent concentration limits. The Index allocates to the High Dividend Low Volatility Sub-Index when it determines the business cycle to be in Contraction in an attempt to provide exposure to defensive companies that pay relatively higher dividends and have relatively lower volatility. Although the S&P 500[®] Low Volatility High Dividend Excess Return Index measures the performance of high dividend-yielding companies, the S&P 500[®] Low Volatility High Dividend Excess Return Index will not include any dividends paid on the securities that make up the S&P 500[®] Low Volatility High Dividend Excess Return Index. See “Background on the S&P 500[®] Low Volatility High Dividend Index” in the accompanying underlying supplement.

The S&P 5-Year U.S. Treasury Note Futures Excess Return Index seeks to track the performance of a rolling position in the 5-Year U.S. Treasury Note futures contract. See “Background on the S&P 5-Year U.S. Treasury Note Futures Excess Return Index” in the accompanying underlying supplement.

The Index is rebalanced monthly after the market close on the first business day of each month. Index allocation changes are typically announced three business days prior to the rebalancing date. The selected Sub-Index is not expected to change between rebalancings. If a Sub-Index is discontinued, the index committee may elect to discontinue representation of the affected strategy within the Index or designate a successor Sub-Index.

The Index is reported by the Bloomberg Professional[®] service (“Bloomberg”) under the ticker symbol “SPECFR6P.”

See “The S&P Economic Cycle Factor Rotator Index” in the accompanying underlying supplement for more information about the Index.

Edgar Filing: JPMORGAN CHASE & CO - Form 424B2

PS-4 | Structured Investments

Notes Linked to the S&P Economic Cycle Factor Rotator Index

Hypothetical Payout Profile

The following table and graph illustrate the hypothetical payment at maturity on the notes linked to a hypothetical Index. The hypothetical payments set forth below assume the following:

- an Initial Value of 100.00;
- a Participation Rate of 100.00%; and
- a Minimum Amount of \$90.00 per \$1,000 principal amount note.

The hypothetical Initial Value of 100.00 has been chosen for illustrative purposes only and may not represent a likely actual Initial Value. The actual Initial Value will be the closing level of the Index on the Pricing Date and will be provided in the pricing supplement. For historical data regarding the actual closing levels of the Index, please see the historical information set forth under “Hypothetical Back-Tested Data and Historical Information” in this pricing supplement.

Each hypothetical total return or hypothetical payment at maturity set forth below is for illustrative purposes only and may not be the actual total return or payment at maturity applicable to a purchaser of the notes. The numbers appearing in the following table and graph have been rounded for ease of analysis.

Final Value	Index Return	Additional Amount	Payment at Maturity
165.00	65.00%	\$650.00	\$1,650.00
150.00	50.00%	\$500.00	\$1,500.00
140.00	40.00%	\$400.00	\$1,400.00
130.00	30.00%	\$300.00	\$1,300.00
120.00	20.00%	\$200.00	\$1,200.00
110.00	10.00%	\$100.00	\$1,100.00
109.00	9.00%	\$90.00	\$1,090.00
105.00	5.00%	\$90.00	\$1,090.00
101.00	1.00%	\$90.00	\$1,090.00
100.00	0.00%	\$90.00	\$1,090.00
95.00	-5.00%	\$90.00	\$1,090.00
90.00	-10.00%	\$90.00	\$1,090.00
80.00	-20.00%	\$90.00	\$1,090.00
70.00	-30.00%	\$90.00	\$1,090.00
60.00	-40.00%	\$90.00	\$1,090.00
50.00	-50.00%	\$90.00	\$1,090.00
40.00	-60.00%	\$90.00	\$1,090.00
30.00	-70.00%	\$90.00	\$1,090.00
20.00	-80.00%	\$90.00	\$1,090.00

PS-5 | Structured Investments

Notes Linked to the S&P Economic Cycle Factor Rotator Index

The following graph demonstrates the hypothetical payments at maturity on the notes at maturity for the Index Returns detailed in the table above (-50% to 50%). We cannot give you assurance that the performance of the Index will result in a payment at maturity in excess of \$1,000.00 *plus* the Minimum Amount per \$1,000 principal amount note.

How the Notes Work

Upside Scenario:

If the Final Value is greater than the Initial Value, investors will receive at maturity the \$1,000 principal amount *plus* the Additional Amount, which is equal to \$1,000 *times* the Index Return *times* the Participation Rate of 100.00%, and which will not be less than the Minimum Amount of at least \$90.00 per \$1,000 principal amount note.

Assuming a hypothetical Minimum Amount of \$90.00 per \$1,000 principal amount note, if the closing level of the Index increases 5.00%, investors will receive at maturity a return equal to 9.00%, or \$1,090.00 per \$1,000 principal amount note.

Assuming a hypothetical Minimum Amount of \$90.00 per \$1,000 principal amount note, if the closing level of the Index increases 20.00%, investors will receive at maturity a return equal to 20.00%, or \$1,200.00 per \$1,000 principal amount note.

Minimum Amount Downside Scenario:

If the Final Value is equal to the Initial Value or is less than the Initial Value, the Additional Amount will be equal to the Minimum Amount of at least \$90.00. Under these circumstances, assuming a hypothetical Minimum Amount of \$90.00 per \$1,000 principal amount note, investors will receive at maturity \$1,090.00 per \$1,000 principal amount note, for a 9.00% return.

The hypothetical returns and hypothetical payments on the notes shown above apply only if you hold the notes for their entire term. These hypotheticals do not reflect the fees or expenses that would be associated with any sale in the secondary market. If these fees and expenses were included, the hypothetical returns and hypothetical payments shown above would likely be lower.

Selected Risk Considerations

An investment in the notes involves significant risks. These risks are explained in more detail in the “Risk Factors” sections of the accompanying product supplement and underlying supplement.

Risks Relating to the Notes Generally

THE NOTES MAY NOT PAY MORE THAN THE PRINCIPAL AMOUNT *PLUS* THE MINIMUM AMOUNT AT MATURITY —

If the Final Value is less than or equal to the Initial Value, you will receive only the principal amount *plus* the Minimum Amount per \$1,000 principal amount note at maturity, and you will not be compensated for any loss in value due to inflation and other factors relating to the value of money over time.

THE UNDERLYING EQUITY INDICES WILL INCLUDE THE DEDUCTION OF A NOTIONAL FINANCING COST CALCULATED BASED ON THE RELEVANT LIBOR RATES —

This notional financing cost will be deducted daily. As a result of the deduction of the notional financing cost, the level of the Index will trail the value of a hypothetical identically constituted synthetic portfolio from which no such cost is deducted.

PS-6 | Structured Investments

Notes Linked to the S&P Economic Cycle Factor Rotator Index

CREDIT RISKS OF JPMORGAN FINANCIAL AND JPMORGAN CHASE & CO. —

Investors are dependent on our and JPMorgan Chase & Co.'s ability to pay all amounts due on the notes. Any actual or potential change in our or JPMorgan Chase & Co.'s creditworthiness or credit spreads, as determined by the market for taking that credit risk, is likely to adversely affect the value of the notes. If we and JPMorgan Chase & Co. were to default on our payment obligations, you may not receive any amounts owed to you under the notes and you could lose your entire investment.

AS A FINANCE SUBSIDIARY, JPMORGAN FINANCIAL HAS NO INDEPENDENT OPERATIONS AND HAS LIMITED ASSETS —

As a finance subsidiary of JPMorgan Chase & Co., we have no independent operations beyond the issuance and administration of our securities. Aside from the initial capital contribution from JPMorgan Chase & Co., substantially all of our assets relate to obligations of our affiliates to make payments under loans made by us or other intercompany agreements. As a result, we are dependent upon payments from our affiliates to meet our obligations under the notes. If these affiliates do not make payments to us and we fail to make payments on the notes, you may have to seek payment under the related guarantee by JPMorgan Chase & Co., and that guarantee will rank *pari passu* with all other unsecured and unsubordinated obligations of JPMorgan Chase & Co.

POTENTIAL CONFLICTS —

We and our affiliates play a variety of roles in connection with the notes. In performing these duties, our and JPMorgan Chase & Co.'s economic interests are potentially adverse to your interests as an investor in the notes. It is possible that hedging or trading activities of ours or our affiliates in connection with the notes could result in substantial returns for us or our affiliates while the value of the notes declines. Please refer to "Risk Factors — Risks Relating to Conflicts of Interest" in the accompanying product supplement.

One of our affiliates, JPMS, worked with S&P Dow Jones Indices LLC in developing the guidelines and policies governing the composition and calculation of the Index. Although judgments, policies and determinations concerning the Index were made by JPMS, JPMorgan Chase & Co., as the parent company of JPMS, ultimately controls JPMS. The policies and judgments for which JPMS was responsible could have an impact, positive or negative, on the level of the Index and the value of your notes. JPMS is under no obligation to consider your interests as an investor in the notes in its role in developing the guidelines and policies governing the Index or making judgments that may affect the level of the Index.

ICE Benchmark Administration calculates USD LIBOR using submissions from contributing banks, including one of our affiliates. We and our affiliates will have no obligation to consider your interests as a holder of the notes in taking any actions in connection with acting as a USD LIBOR contributing bank that might affect the 2-month and 3-month USD LIBOR or the notes.

Furthermore, one of our affiliates, JPMS, is one of the primary dealers through which the Federal Reserve conducts open-market purchases and sales of U.S. Treasury and federal agency securities, including U.S. Treasury notes. These activities may affect the prices and yields on the U.S. Treasury notes, which may in turn affect the level of the Underlying Treasury Index and the level of the Index. JPMS has no obligation to take into consideration your interests as a holder of the notes when undertaking these activities.

JPMORGAN CHASE & CO. IS CURRENTLY ONE OF THE COMPANIES THAT MAKE UP THE S&P 500® INDEX AND THE S&P 500® PURE VALUE EXCESS RETURN INDEX AND MAY BE INCLUDED IN THE S&P MOMENTUM UNITED STATES LARGEMIDCAP (USD) EXCESS RETURN INDEX OR THE S&P 500® LOW VOLATILITY HIGH DIVIDEND EXCESS RETURN INDEX,

but JPMorgan Chase & Co. will not have any obligation to consider your interests in taking any corporate action that might affect the levels of the S&P 500® Index, the S&P Momentum United States LargeMidCap (USD) Excess

Return Index, the S&P 500[®] Pure Value Excess Return Index or the S&P 500[®] Low Volatility High Dividend Excess Return Index.

THE NOTES DO NOT PAY INTEREST.

YOU WILL NOT RECEIVE DIVIDENDS OR OTHER DISTRIBUTIONS ON THE SECURITIES UNDERLYING THE INDEX OR HAVE ANY RIGHTS WITH RESPECT TO THOSE SECURITIES OR THE FUTURES CONTRACTS UNDERLYING THE INDEX.

JPMS AND ITS AFFILIATES MAY HAVE PUBLISHED RESEARCH, EXPRESSED OPINIONS OR PROVIDED RECOMMENDATIONS THAT ARE INCONSISTENT WITH INVESTING IN OR HOLDING THE NOTES, AND MAY DO SO IN THE FUTURE —

Any research, opinions or recommendations could affect the market value of the notes. Investors should undertake their own independent investigation of the merits of investing in the notes, the Index and the securities and futures contracts composing the Index.

PS-7 | Structured Investments

Notes Linked to the S&P Economic Cycle Factor Rotator Index

LACK OF LIQUIDITY —

The notes will not be listed on any securities exchange. Accordingly, the price at which you may be able to trade your notes is likely to depend on the price, if any, at which JPMS is willing to buy the notes. You may not be able to sell your notes. The notes are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your notes to maturity.

THE FINAL TERMS AND VALUATION OF THE NOTES WILL BE PROVIDED IN THE PRICING SUPPLEMENT —

You should consider your potential investment in the notes based on the minimums for the estimated value of the notes and the Minimum Amount.

THE ESTIMATED VALUE OF THE NOTES WILL BE LOWER THAN THE ORIGINAL ISSUE PRICE (PRICE TO PUBLIC) OF THE NOTES —

The estimated value of the notes is only an estimate determined by reference to several factors. The original issue price of the notes will exceed the estimated value of the notes because costs associated with selling, structuring and hedging the notes are included in the original issue price of the notes. These costs include the selling commissions, the projected profits, if any, that our affiliates expect to realize for assuming risks inherent in hedging our obligations under the notes and the estimated cost of hedging our obligations under the notes. See “The Estimated Value of the Notes” in this pricing supplement.

THE ESTIMATED VALUE OF THE NOTES DOES NOT REPRESENT FUTURE VALUES OF THE NOTES AND MAY DIFFER FROM OTHERS’ ESTIMATES —

See “The Estimated Value of the Notes” in this pricing supplement.

THE ESTIMATED VALUE OF THE NOTES IS DERIVED BY REFERENCE TO AN INTERNAL FUNDING RATE —

The internal funding rate used in the determination of the estimated value of the notes is based on, among other things, our and our affiliates’ view of the funding value of the notes as well as the higher issuance, operational and ongoing liability management costs of the notes in comparison to those costs for the conventional fixed-rate debt of JPMorgan Chase & Co. The use of an internal funding rate and any potential changes to that rate may have an adverse effect on the terms of the notes and any secondary market prices of the notes. See “The Estimated Value of the Notes” in this pricing supplement.

THE VALUE OF THE NOTES AS PUBLISHED BY JPMS (AND WHICH MAY BE REFLECTED ON CUSTOMER ACCOUNT STATEMENTS) MAY BE HIGHER THAN THE THEN-CURRENT ESTIMATED VALUE OF THE NOTES FOR A LIMITED TIME PERIOD —

We generally expect that some of the costs included in the original issue price of the notes will be partially paid back to you in connection with any repurchases of your notes by JPMS in an amount that will decline to zero over an initial predetermined period. See “Secondary Market Prices of the Notes” in this pricing supplement for additional information relating to this initial period. Accordingly, the estimated value of your notes during this initial period may be lower than the value of the notes as published by JPMS (and which may be shown on your customer account statements).

SECONDARY MARKET PRICES OF THE NOTES WILL LIKELY BE LOWER THAN THE ORIGINAL ISSUE PRICE OF THE NOTES —

Any secondary market prices of the notes will likely be lower than the original issue price of the notes because, among other things, secondary market prices take into account our internal secondary market funding rates for structured debt issuances and, also, because secondary market prices (a) exclude selling commissions and (b) may exclude projected hedging profits, if any, and estimated hedging costs that are included in the original issue price of the notes. As a result, the price, if any, at which JPMS will be willing to buy the notes from you in secondary market transactions, if

at all, is likely to be lower than the original issue price. Any sale by you prior to the Maturity Date could result in a substantial loss to you.

SECONDARY MARKET PRICES OF THE NOTES WILL BE IMPACTED BY MANY ECONOMIC AND MARKET FACTORS —

The secondary market price of the notes during their term will be impacted by a number of economic and market factors, which may either offset or magnify each other, aside from the selling commissions, projected hedging profits, if any, estimated hedging costs and the level of the Index. Additionally, independent pricing vendors and/or third party broker-dealers may publish a price for the notes, which may also be reflected on customer account statements. This price may be different (higher or lower) than the price of the notes, if any, at which JPMS may be willing to purchase your notes in the secondary market. See “Risk Factors — Risks Relating to the Estimated Value and Secondary Market Prices of the Notes — Secondary market prices of the notes will be impacted by many economic and market factors” in the accompanying product supplement.

PS-8 | Structured Investments

Notes Linked to the S&P Economic Cycle Factor Rotator Index

Risks Relating to the Index

THE INDEX AND THE SUB-INDICES MAY NOT BE SUCCESSFUL OR OUTPERFORM ANY ALTERNATIVE STRATEGIES THAT MIGHT BE EMPLOYED IN RESPECT OF THE CFNAI AND THE UNDERLYING INDICES —

On a monthly basis, the Index allocates its entire exposure to one of four Sub-Indices, and thereby allocates its equity exposure to one of four Underlying Equity Indices, each providing exposure to U.S. companies with specified characteristics, based on the stage of the U.S. business cycle inferred from the recent trend and average level of the CFNAI. No assurance can be given that the inferred stage of the U.S. business cycle will be reflective of the actual current stage of the U.S. business cycle. Because the CFNAI is a backward-looking measure that reflects data from the preceding month, and because the Index references the 3-month average of the CFNAI, such inferred U.S. business cycle for purposes of the Index may lag behind the actual U.S. business cycle. In addition, no assurance can be given that the strategy the Index employs with respect to any U.S. business cycle stage is appropriate for that business cycle stage or will outperform any of the other strategies or any alternative investment strategy.

Each Sub-Index (and, therefore, the Index) tracks the return of a notional dynamic portfolio consisting of (a) an Underlying Equity Index and (b) the Underlying Treasury Index, while seeking to maintain an annualized realized volatility approximately equal to the Target Volatility of 6.0%). Each Sub Index (and, therefore, the Index) seeks to maintain an annualized realized volatility approximately equal to the Target Volatility by rebalancing its exposures to the relevant Underlying Indices on each day based on two measures of realized portfolio volatility: a shorter-term volatility measure and a longer-term volatility measure. Each volatility measure reflects an exponentially weighted moving average, meaning that greater weight is assigned to more recent performance and less weight is assigned to less recent performance. By seeking to maintain an annualized realized volatility approximately equal to the Target Volatility, the Index and each Sub-Index may underperform an alternative strategy that seeks to maintain a higher annualized realized volatility or an alternative strategy that does not seek to maintain a level volatility.

In addition, on each day, each Sub-Index (and, therefore, the Index) generally selects the notional portfolio identified for the volatility measure that has the lower allocation to the relevant Underlying Equity Index as the notional portfolio to be tracked by that Sub-Index (and, therefore, the Index). Each Sub-Index's (and, therefore, the Index's) selection of the notional portfolio with the lower allocation to the relevant Underlying Equity Index may be more likely to result in that Sub-Index (and, therefore, the Index) tracking a notional portfolio with a lower realized volatility than if that Sub-Index (and, therefore, the Index) were to select the notional portfolio with the higher allocation to the relevant Underlying Equity Index.

No assurance can be given that the investment strategies on which the Index and each Sub-Index are based will be successful or that the Index and the Sub-Indices will outperform any alternative strategies that might be employed in respect of the CFNAI and the Underlying Indices.

THE INDEX AND ANY Sub-Index may not approximate THE target volatility —

No assurance can be given that the Index or any Sub-Index will maintain an annualized realized volatility that approximates the Target Volatility. The actual realized volatility of the Index and of each Sub-Index may be greater or less than the Target Volatility. Each Sub-Index seeks to maintain an annualized realized volatility approximately equal to the Target Volatility of 6.0% by rebalancing its exposures to the relevant Underlying Indices on each day based on two measures of realized portfolio volatility. However, there is no guarantee that trends exhibited by either measure of realized portfolio volatility will continue in the future. The volatility of a notional portfolio on any day may change quickly and unexpectedly. Accordingly, the actual realized annualized volatility of the Index and of each Sub-Index on a daily basis may be greater than or less than the Target Volatility, which may adversely affect the level of the Index and the value of the notes.

Each Sub-Index (and, therefore, the Index) may be significantly uninvested —

For each volatility measure on each day, each Sub-Index (and, therefore, the Index) seeks to identify a notional portfolio composed of the relevant Underlying Indices that has an annualized realized volatility determined for that volatility measure approximately equal to the Target Volatility of 6.0% and an aggregate weight of 100%. If a Sub-Index (and, therefore, the Index) identifies and selects such a notional portfolio for a volatility measure, but the weight of either relevant Underlying Index is greater than 100%, the weight of that Underlying Index in the notional portfolio selected for that volatility measure on that day will be 100% and, if the weight of either relevant Underlying Index is less than 0%, the weight of that Underlying Index in the notional portfolio selected for that volatility measure on that day will be 0%. In addition, if there is no such notional portfolio for a volatility measure, the relevant Sub-Index (and, therefore, the Index) selects for that volatility measure on that day the notional portfolio with the lowest realized volatility.

As a result of applying a cap and floor and in the case of selecting the notional portfolio with the lowest realized volatility, the resulting notional portfolio may be greater than or less than 6.0% for the relevant volatility measure for the relevant Sub-Index (and, therefore, the Index). If the annualized realized volatility of the notional portfolio selected for a volatility measure on any day is greater than 6.0%, that notional portfolio for the relevant Sub-Index (and, therefore, the Index) will be adjusted so that the weight of

PS-9 | Structured Investments

Notes Linked to the S&P Economic Cycle Factor Rotator Index

each relevant Underlying Index in that notional portfolio will be reduced proportionately to achieve a notional portfolio that has an annualized realized volatility for the relevant volatility measure of 6.0%. Under these circumstances, the aggregate weight of the Underlying Indices in that notional portfolio for the relevant Sub-Index (and, therefore, the Index) will be less than 100%.

If a Sub-Index tracks a notional portfolio with an aggregate weight that is less than 100% and if the Index has allocated its exposure to that Sub-Index, the Index will not be fully invested, and any uninvested portion will earn no return. The Index may be significantly uninvested on any given day, and will realize only a portion of any gains due to appreciation of the Underlying Indices on any such day.

Each Sub-Index (AND, THEREFORE, THE INDEX) may be more heavily influenced by the performance of the relevant Underlying Equity Index than the performance of the Underlying Treasury Index in general over time —

In any initial selection between two eligible notional portfolios, each Sub-Index (and, therefore, the Index) will select the portfolio that has the higher allocation to the Underlying Index with a higher realized volatility as described above, which generally will cause the relevant Underlying Equity Index to receive a higher allocation than if the portfolio that has the higher allocation to the Underlying Index with a lower realized volatility were selected.

Furthermore, under normal market conditions, each Underlying Equity Index's realized volatility has tended to be significantly higher than the Underlying Treasury Index's realized volatility. Past performance should not be considered indicative of future performance. Under circumstances where an Underlying Equity Index's realized volatility is significantly higher than that of the Underlying Treasury Index, the performance of the relevant Sub-Index (and, therefore, the Index) is expected to be influenced to a greater extent by the performance of the relevant Underlying Equity Index than by the performance of the Underlying Treasury Index, unless the weight of the Underlying Treasury Index is significantly greater than the weight of the relevant Underlying Equity Index.

Consequently, even in cases where the allocation to the Underlying Treasury Index is greater than the allocation to the relevant Underlying Equity Index, the relevant Sub-Index may be influenced to a greater extent by the performance of the relevant Underlying Equity Index than by the performance of the Underlying Treasury Index because, under some conditions, the greater allocation to the Underlying Treasury Index will not be sufficiently large to offset the greater realized volatility of the relevant Underlying Equity Index.

Accordingly, the level of the Index and of a Sub-Index may decline if the value of the relevant Underlying Equity Index declines, even if the level of the Underlying Treasury Index increases at the same time. See also “— Changes in the values of the relevant Underlying Indices may offset each other or may become correlated in decline” below.

A significant portion of each Sub-Index's exposure may be allocated to the Underlying Treasury Index —

Under normal market conditions, each Underlying Equity Index has tended to exhibit a realized volatility that is higher than the Target Volatility and that is higher than the realized volatility of the Underlying Treasury Index in general over time. As a result, each Sub-Index will generally need to reduce its exposure to the relevant Underlying Equity Index in order to approximate the Target Volatility. Therefore, each Sub-Index (and, therefore, the Index) may have significant exposure for an extended period of time to the Underlying Treasury Index, and that exposure may be greater, perhaps significantly greater, than its exposure to the relevant Underlying Equity Index. Moreover, under certain circumstances, a Sub-Index may have no exposure to the relevant Underlying Equity Index. However, the returns of the Underlying Treasury Index may be significantly lower than the returns of the relevant Underlying Equity Index, and possibly even negative while the returns of the relevant Underlying Equity Index are positive, which will adversely affect the levels of the Sub-Index and the Index and any payment on, and the value of, the notes.

CHANGES in the VALUE OF THE RELEVANT UNDERLYING INDICES MAY OFFSET EACH OTHER OR MAY BECOME CORRELATED IN DECLINE —

At a time when the value of one Underlying Index referenced by a Sub-Index increases, the value of the other Underlying Index referenced by that Sub-Index may not increase as much or may even decline. This may offset the potentially positive effect of the performance of the former Underlying Index on the performance of that Sub-Index. During the term of the notes, it is possible that the value of a Sub-Index may decline even if the value of one of its Underlying Indices rises, because of the offsetting effect of a decline in its other Underlying Index. It is also possible that the returns of the Underlying Indices for a Sub-Index may be positively correlated with each other. In this case, a decline in one Underlying Index would be accompanied by a decline in the other Underlying Index, which may adversely affect the performance of that Sub-Index. As a result, that Sub-Index (and, therefore, the Index) may not perform as well as an alternative index that tracks only one Underlying Index or the other.

PS-10 | Structured Investments

Notes Linked to the S&P Economic Cycle Factor Rotator Index

THE INVESTMENT STRATEGY USED TO CONSTRUCT THE INDEX INVOLVES DAILY ADJUSTMENTS TO EACH SUB-INDEX'S NOTIONAL EXPOSURE TO ITS UNDERLYING INDICES —

Each Sub-Index is subject to daily adjustments to its notional exposure to its Underlying Indices. By contrast, a notional portfolio that is not subject to daily exposure adjustments in this manner could see greater compounded gains over time through exposure to a consistently and rapidly appreciating portfolio consisting of the relevant Underlying Indices. Therefore, your return on the notes may be less than the return you could realize on an alternative investment in the relevant Underlying Indices that is not subject to daily exposure adjustments. No assurance can be given that the investment strategy used to construct the Index will outperform any alternative investment in the relevant Underlying Indices.

THE CALCULATION OF THE NOTIONAL FINANCING COST FROM AND INCLUDING AUGUST 4, 2016 TO AND INCLUDING MAY 1, 2017 WAS BASED ON FIXED VALUES INSTEAD OF 2-MONTH AND 3-MONTH USD LIBOR RATES —

The notional financing cost is intended to approximate the cost of maintaining a position in the Underlying Equity Indices using borrowed funds and is calculated as a composite rate of interest that is intended to track the overnight rate of return of a notional position in a 3-month time deposit in U.S. dollars, which is currently calculated by referencing the 2-month and 3-month USD LIBOR rates. However, from and including August 4, 2016 to and including May 1, 2017, the notional financing cost was calculated using fixed values of 0.6111% and 0.7776% instead of the 2-month and 3-month USD LIBOR rates, respectively. Investors in the notes should bear this difference in mind when evaluating the hypothetical back-tested and historical data shown in the accompanying terms supplement.

THERE IS NO ASSURANCE THAT THE STRATEGY EMPLOYED BY THE S&P MOMENTUM UNITED STATES LARGEMIDCAP (USD) EXCESS RETURN INDEX WILL BE SUCCESSFUL —

The S&P Momentum United States LargeMidCap (USD) Excess Return Index, the Underlying Equity Index of the Momentum Sub-Index, is designed to measure the performance of U.S. large- and mid-capitalization companies with relatively higher recent performance compared to the S&P United States LargeMidCap Index. The S&P United States LargeMidCap Index seeks to measure the large- and mid-capitalization U.S. equity market and represents the top 85% of the float-adjusted market capitalization of the S&P United States BMI (Broad Market Index). The Index allocates to the Momentum Sub-Index when it determines the business cycle to be in "Expansion" in an attempt to provide exposure to companies that are moving with a strong and strengthening U.S. economy. There is, however, no assurance that the S&P Momentum United States LargeMidCap (USD) Excess Return Index will outperform any other index or strategy that tracks U.S. stocks selected using other criteria. There is no guarantee that price trends existing in the past will continue in the future. If market conditions do not represent a continuation of prior trends, the level of the S&P Momentum United States LargeMidCap (USD) Excess Return Index may decline. In addition, the S&P Momentum United States LargeMidCap (USD) Excess Return Index is constructed pursuant to a modified market capitalization-weighting methodology. It is possible that the stock selection and weighting methodology of the S&P Momentum United States LargeMidCap (USD) Excess Return Index will adversely affect its return and, consequently, the value of the Index and of the notes.

THERE IS NO ASSURANCE THAT THE STRATEGY EMPLOYED BY THE S&P 500[®] PURE VALUE EXCESS RETURN INDEX WILL BE SUCCESSFUL —

The S&P 500[®] Pure Value Excess Return Index, the Underlying Equity Index of the Value Sub-Index, is designed to measure the performance of companies in the S&P 500[®] Index that exhibit relatively strong value characteristics (by reference to (1) book value to price ratio, (2) earnings to price ratio and (3) sales to price ratio) and relatively weak growth characteristics (by reference to EPS growth, sales per share growth and price momentum). The Index allocates to the Value Sub-Index when it determines the business cycle to be in "Recovery" in an attempt to provide exposure to companies that may be undervalued. There is, however, no assurance that the S&P 500[®] Pure Value Excess Return Index will outperform any other index or strategy that tracks U.S. stocks selected using other criteria. The value characteristic referenced by the S&P 500[®] Pure Value Excess Return Index may not be accurate predictors of

under-valued stocks, and there is no guarantee that undervalued stocks will appreciate. In addition, the S&P 500[®] Pure Value Excess Return Index's "pure value" selection methodology includes a strong bias against growth stocks, which might outperform value stocks. Furthermore, the S&P 500[®] Pure Value Excess Return Index is constructed pursuant to a value-based weighting methodology, in which the weights of components are proportional to the strength of their value characteristics. It is possible that the stock selection and weighting methodology of the S&P 500[®] Pure Value Excess Return Index will adversely affect its return and, consequently, the value of the Index and of the notes.

THERE IS NO ASSURANCE THAT THE STRATEGY EMPLOYED BY THE S&P 500[®] BUYBACK FCF EXCESS RETURN INDEX WILL BE SUCCESSFUL —

The S&P 500[®] Buyback FCF Excess Return Index, the Underlying Equity Index of the Buyback Sub-Index, is designed to measure the performance of 30 companies (excluding JPMorgan Chase & Co., Visa and their past or present affiliated companies) with relatively higher rates of buying back their own stock, relatively higher levels of trading activity in their stock, and relatively higher

PS-11 | Structured Investments

Notes Linked to the S&P Economic Cycle Factor Rotator Index

free cash flow yields, as compared to the S&P 500[®] Index. The Index allocates to the Buyback Sub-Index when it determines the business cycle to be in “Slowdown” in an attempt to provide exposure to companies that are supporting their stocks through buybacks and have sufficient free cash flow to maintain this program. There is, however, no assurance that stocks with a high free cash flow or with high buyback ratios will continue to have high free cash flow or high buyback ratios or that the S&P 500[®] Buyback FCF Excess Return Index will outperform any other index or strategy that tracks U.S. stocks selected using other criteria. In addition, the S&P 500[®] Buyback FCF Excess Return Index is constructed pursuant to a weighting methodology in which the weights of components are proportional to their free cash flow yields. It is possible that the stock selection and weighting methodology of the S&P 500[®] Buyback FCF Excess Return Index will adversely affect its return and, consequently, the value of the Index and of the notes.

THERE IS NO ASSURANCE THAT THE STRATEGY EMPLOYED BY THE S&P 500[®] LOW VOLATILITY HIGH DIVIDEND EXCESS RETURN INDEX WILL BE SUCCESSFUL —

The S&P 500[®] Low Volatility High Dividend Excess Return Index, the Underlying Equity Index of the High Dividend Low Volatility Sub-Index, is designed to measure the performance of the 50 least-volatile among the 75 highest dividend-yielding companies in the S&P 500[®] Index, subject to sector and individual constituent concentration limits. The Index allocates to the High Dividend Low Volatility Sub-Index when it determines the business cycle to be in “Contraction” in an attempt to provide exposure to defensive companies that pay relatively higher dividends and have relatively lower volatility. There is, however, no assurance that the S&P 500[®] Low Volatility High Dividend Excess Return Index will exhibit low volatility or provide higher risk-weighted returns than the S&P 500[®] Index or any other index or strategy. In addition, although the S&P 500[®] Low Volatility High Dividend Excess Return Index measures the performance of high dividend-yielding companies, the S&P 500[®] Low Volatility High Dividend Excess Return Index will not include any dividends paid on the securities that make up the S&P 500[®] Low Volatility High Dividend Excess Return Index. It is possible that the stock selection and weighting methodology of the S&P 500[®] Low Volatility High Dividend Excess Return Index will adversely affect its return (for example, by providing exposure to stocks that do not perform as well as other stocks with higher volatility or with lower dividend yields) and, consequently, the value of the Index and of the notes.

The Underlying Equity Indices are subject to concentration risk —

The strategy employed by each Underlying Equity Index may result in concentration to a significant degree in securities of issuers located in a single industry or sector or a small number of industries or sectors. Under these circumstances, an Underlying Equity Index may face more risks than if it were diversified broadly over numerous industries or sectors. Accordingly, each Underlying Equity Index may be more adversely affected by negative economic, political or regulatory occurrences affecting its constituents and the relevant industries and sectors than a more broadly diversified stock index.

The Underlying Treasury Index is subject to significant risks associated with futures contracts —

The Underlying Treasury Index tracks the returns of futures contracts. The price of a futures contract depends not only on the price of the underlying asset referenced by the futures contract, but also on a range of other factors, including but not limited to changing supply and demand relationships, interest rates, governmental and regulatory policies and the policies of the exchanges on which the futures contracts trade. In addition, the futures markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets, the participation of speculators and government regulation and intervention. These factors and others can cause the prices of futures contracts to be volatile and could adversely affect the level of the Underlying Treasury Index and the Index and accordingly, any payments on, and the value of, your notes.

UNCERTAINTY ABOUT THE FUTURE OF LIBOR MAY AFFECT 2-MONTH AND 3-MONTH USD LIBOR RATES, WHICH MAY ADVERSELY AFFECT THE INDEX AND THEREFORE THE RETURN ON AND THE MARKET VALUE OF THE NOTES —

On July 27, 2017, the Chief Executive of the U.K. Financial Conduct Authority (the “FCA”), which regulates LIBOR, announced that the FCA intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR rates to the LIBOR administrator after 2021. The announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed. It is impossible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR, whether LIBOR rates will cease to be published or supported before or after 2021 or whether any additional reforms to LIBOR may be enacted in the United Kingdom or elsewhere. At this time, no consensus exists as to what rate or rates may become accepted alternatives to LIBOR and it is impossible to predict the effect of any such alternatives on the notes. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR may affect the 2-month and 3-month USD LIBOR rates used to determine the notional financing cost during the term of the notes, which may adversely affect the Index and therefore the return on and market value of the notes. Any successor or replacement interest rates may perform differently from the 2-month and 3-month USD LIBOR rates, which may adversely affect the Index and therefore the return on and the market value of the notes.

PS-12 | Structured Investments

Notes Linked to the S&P Economic Cycle Factor Rotator Index

HYPOTHETICAL BACK-TESTED DATA RELATING TO THE INDEX DO NOT REPRESENT ACTUAL HISTORICAL DATA AND ARE SUBJECT TO INHERENT LIMITATIONS —

The hypothetical back-tested performance of the Index set forth under “Hypothetical Back-Tested Data and Historical Information” in this pricing supplement is purely theoretical and does not represent the actual historical performance of the Index and has not been verified by an independent third party. Hypothetical back-tested performance measures have inherent limitations. Alternative modelling techniques might produce significantly different results and may prove to be more appropriate. Past performance, and especially hypothetical back-tested performance, is not indicative of future results. This type of information has inherent limitations and you should carefully consider these limitations before placing reliance on such information.

Alternative modeling techniques or assumptions may produce different hypothetical historical information that might prove to be more appropriate and that might differ significantly from the hypothetical historical information set forth under “Hypothetical Back-Tested Data and Historical Information” in this pricing supplement. In addition, back-tested, hypothetical historical results have inherent limitations. These back-tested results are achieved by means of a retroactive application of a back-tested model designed with the benefit of hindsight. In addition, the selection methodologies of the S&P 500[®] Buyback FCF Excess Return Index and the S&P 500[®] Pure Value Excess Return Index reference financial information reported by the issuers of the securities that are eligible to be included in the relevant index, and the selection methodology applied with respect to any period of back-tested performance could reflect subsequent restatements or corrections of that financial information, even though those restatements or corrections would not have been available had the relevant index been calculated on a live basis. As with actual historical data, hypothetical back-tested data should not be taken as an indication of future performance.

OTHER KEY RISKS:

- THE INDEX AND THE SUB-INDICES WERE ESTABLISHED ON AUGUST 16, 2016, AND SOME OF THE UNDERLYING INDICES WERE ESTABLISHED RECENTLY, AND THEREFORE THE INDEX, THE SUB-INDICES AND THOSE UNDERLYING INDICES HAVE A LIMITED OPERATING HISTORY AND MAY PERFORM IN UNANTICIPATED WAYS.