April 28, 2016

J.P.Morgan

JPMorgan Chase Bank, National Association

Structured Investments

Auto Callable Certificates of Deposit Linked to the J.P. Morgan Efficiente® Plus DS 5 Index (Net ER) due May 31, 2023, with Step-Up Call Value

- The certificates of deposit (“CDs”) are designed for investors who seek an early exit prior to maturity at a premium, if, on any Review Date, the closing level of the J.P. Morgan Efficiente® Plus DS 5 Index (Net ER) (the “Index”) is at or above the applicable Call Value.
- The Call Value will be equal to a percentage of the Initial Value that increases progressively over the term of the CDs, starting at 109.00% of the Initial Value on the first Review Date. See “Key Terms — Call Value” for additional information.
- The earliest date on which an automatic call may be initiated is May 25, 2018.
- The CDs are also designed for investors who seek exposure to any appreciation of the Index over the term of the CDs if the CDs have not been automatically called.
- Investors should be willing to forgo interest and dividend payments, while seeking full repayment of principal at maturity or upon an automatic call.
- The CDs are issued by JPMorgan Chase Bank, National Association (“JPMorgan Chase Bank”). The CDs are insured only within the limits and to the extent described in this term sheet and in the accompanying disclosure statement. See “Selected Risk Considerations — Limitations on FDIC Insurance” in this term sheet. **Any payment on the CDs in excess of FDIC insurance limits is subject to the credit risk of JPMorgan Chase Bank.**
- Investing in the CDs is not equivalent to investing in a conventional CD or directly in the J.P. Morgan Efficiente® Plus DS 5 Index (Net ER) or any of its Basket Constituents.
- Minimum denominations of $1,000 and integral multiples thereof
- The CDs are expected to price on or about May 25, 2016 and are expected to settle on or about May 31, 2016.
- CUSIP: 48125YX41

Investing in the CDs involves a number of risks. See “Risk Factors” beginning on page 7 of the accompanying disclosure statement, “Risk Factors” beginning on page US-5 of the accompanying underlying supplement no. CD-19-I and “Selected Risk Considerations” beginning on page TS-9 and in Annex A of this term sheet.

Fees and Discounts: J.P. Morgan Securities LLC, which we refer to as JPMS, and its affiliates will pay all of the selling commissions received from us to other affiliated or unaffiliated dealers. If the CDs priced today, the selling commissions would be approximately $30.00 per $1,000 CD, and in no event will these selling commissions exceed $45.00 per $1,000 CD.

If the CDs priced today, the estimated value of the CDs as determined by JPMS would be approximately $933.00 per $1,000 CD. JPMS’s estimated value of the CDs, when the terms of the CDs are set, will be provided by JPMS in the disclosure supplement and will not be less than $900.00 per $1,000 CD. See “JPMS’s Estimated Value of the CDs” in this term sheet for additional information.

Our affiliate, JPMS, certain of its affiliates and other broker-dealers may use this term sheet and the accompanying disclosure statement in connection with offer s and sales of the CDs after the date hereof.

Key Terms

Index: The J.P. Morgan Efficiente® Plus DS 5 Index (Net ER) (Bloomberg ticker: EFPLUS5D). The level of the Index reflects the deduction of a fee of 0.85% per annum that accrues daily.

Call Premium Amount: The Call Premium Amount with respect to each Review Date is set forth below:

- first Review Date: at least 13.00% x $1,000
- second Review Date: at least 19.50% x $1,000
- third Review Date: at least 26.00% x $1,000
- fourth Review Date: at least 32.50% x $1,000
- final Review Date at least 39.00% x $1,000

(in each case, to be provided in the disclosure supplement)

Call Value: An amount that represents:

- 109.00% for the first Review Date
- 113.50% for the second Review Date
- 118.00% for the third Review Date
- 122.50% for the fourth Review Date
- 127.00% for the final Review Date

Participation Rate: 100%

Pricing Date: On or about May 25, 2016

Original Issue Date (Settlement Date): On or about May 31, 2016

Review Dates*: May 25, 2018, May 28, 2019, May 26, 2020, May 25, 2021 and May 25, 2022 (final Review Date)

Call Settlement Dates*: May 31, 2018, May 31, 2019, May 29, 2020, May 28, 2021 and May 31, 2022

Observation Date*: May 25, 2023

Maturity Date*: May 31, 2023

* Subject to postponement in the event of a market disruption event and as described under "Supplemental Terms of the CDs — Postponement of a Determination Date — CDs linked solely to an Index" in the accompanying underlying supplement and "General Terms of the CDs — Postponement of a Payment Date" in the accompanying disclosure statement

Automatic Call†:

If the closing level of the Index on any Review Date is greater than or equal to the applicable Call Value, the CDs will be automatically called for a cash payment, for each $1,000 CD, equal to (a) $1,000 plus (b) the Call Premium Amount applicable to that Review Date, payable on the applicable Call Settlement Date. No further payments will be made on the CDs.

Payment at Maturity:

If the CDs have not been automatically called, at maturity, you will receive a cash payment, for each $1,000 CD, of $1,000 plus the Additional Amount, which may be zero.

Except for the applicable Call Premium Amount payable upon an automatic call, you will receive no other interest or dividend payments during the term of the CDs. If the CDs have not been automatically called, the repayment of your full principal amount applies only at maturity, subject to the credit risk of JPMorgan Chase Bank and applicable FDIC limits.

Additional Amount†: If the CDs have not been automatically called, the Additional Amount payable at maturity per $1,000 CD will equal:

$1,000 × the Index Return × the Participation Rate,

provided that the Additional Amount will not be less than zero.

Index Return:

$$\frac{\text{(Final Value – Initial Value)}}{\text{Initial Value}}$$

Initial Value: The closing level of the Index on the Pricing Date

Final Value: The closing level of the Index on the Observation Date

Early Withdrawals: At par upon death or adjudication of incompetence of a beneficial holder of the CDs. For information about early withdrawals and the limitations on such early withdrawals, see "General Terms of the CDs — Additions and Withdrawals" in the accompanying disclosure statement.

† Subject to the impact of a commodity hedging disruption event as described under "Supplemental Terms of the CDs" in this term sheet. In the event of a commodity hedging disruption event, we have the right, but not the obligation, to determine whether the CDs will be automatically called and to adjust your payment upon automatic call or at maturity based on determinations made by the CD calculation agent. Under these circumstances, whether the CDs are automatically called and the payment upon an automatic call or at maturity will be determined prior to, and without regard to, the closing level of the Index on the relevant Review Date or the Observation Date, as applicable.

Supplemental Terms of the CDs

For purposes of the CDs offered by this term sheet, notwithstanding anything to the contrary in the accompanying disclosure statement, if a commodity hedging disruption event occurs, we will have the right, but not the obligation, to determine whether the CDs will be automatically called and to adjust your payment upon automatic call or at maturity based on determinations made by the CD calculation agent as described below.

If a commodity hedging disruption event occurs and we choose to exercise this right:

(1) the CD calculation agent will determine the estimated value of the CDs (the “CHDE estimated value”) as of the date on which the CD calculation agent determines that a commodity hedging disruption event has occurred (a “commodity hedging disruption date”). The CHDE estimated value will be determined using the same methodology as is used to calculate JPMS’s estimated value, except that the CHDE estimated value will be determined on the commodity hedging disruption date, *provided* that, if the CHDE estimated value cannot be calculated using the same methodology as JPMS’s estimated value due to the occurrence of the commodity hedging disruption event, the CD calculation agent will, in good faith and in a commercially reasonable manner, make such adjustments to that methodology as are necessary to determine the CHDE estimated value on the commodity hedging disruption date. See “JPMS’s Estimated Value of the CDs” in this term sheet for additional information about JPMS’s estimated value; and

(2) (a) if the CHDE estimated value is greater than or equal to $1,000 and the commodity hedging disruption date occurs on or before the final Review Date, the CDs will be automatically called. Under these circumstances, the payment upon an automatic call, for each $1,000 CD, will be equal to the CHDE estimated value, instead of the applicable amount set forth under “Key Terms — Automatic Call” above, and will be payable on the Call Settlement Date applicable to the Review Date occurring on or immediately following the commodity hedging disruption date; or

(b) if the CHDE estimated value is less than $1,000 or the commodity hedging disruption date occurs after the final Review Date, we will pay you at maturity, instead of the amount set forth under “Key Terms — Payment at Maturity” above, an amount equal to (i) $1000 *plus* (ii) the option value.

The “option value” will be determined by the CD calculation agent in good faith and in a commercially reasonable manner and will be a fixed amount representing the price of the embedded option representing the Additional Amount payable on the CDs at maturity, as of the commodity hedging disruption date, and the price of the embedded option representing each of the remaining potential automatic calls pursuant to the automatic call feature of the CDs from but excluding the commodity hedging disruption date through and including the final Review Date, as of the commodity hedging disruption date, *provided* that the option value may not be less than zero.

If a commodity hedging disruption event occurs and we choose to exercise this right, we will provide, or cause the CD calculation agent to provide, written notice of our election to exercise this right to DTC. We, or the CD calculation agent, will deliver this notice as promptly as possible and in no event later than the fifth business day immediately following the commodity hedging disruption date. Additionally, we will specify in the notice the CHDE estimated value and, if applicable, the option value as determined on the commodity hedging disruption date.

The J.P. Morgan Efficiente® Plus DS 5 Index (Net ER)

The J.P. Morgan Efficiente® Plus DS 5 Index (Net ER) (the "Index") was developed and is maintained and calculated by J.P. Morgan Securities plc ("JPMS plc"), one of our affiliates. JPMS plc acts as the calculation agent for the Index (the "index calculation agent"). The Index is a notional dynamic basket that tracks the excess return of a portfolio of 19 exchange-traded funds ("ETFs") (each an "ETF Constituent," and collectively the "ETF Constituents") and one exchange-traded note ("ETN") (the "Note Constituent"), in each case with distributions notionally reinvested, and the JPMorgan Cash Index USD 3 Month (including any successor or substitute cash index included in the Index, the "Cash Constituent") over the return of the Cash Constituent, less a fee of 0.85% per annum that accrues daily, while targeting a specific volatility on a daily basis. We refer to the ETF Constituents and the Note Constituent together as the "Exchange-Traded Constituents" and to the Exchange-Traded Constituents and the Cash Constituent together as the "Basket Constituents." The Exchange-Traded Constituents represent a diverse range of asset classes and geographic regions.

The Index identifies monthly a notional portfolio composed of the Basket Constituents based on the "modern portfolio theory" approach to asset allocation, which suggests how a rational investor should allocate capital across the available universe of assets to maximize return for a given risk appetite. The Index uses the concept of an "efficient frontier" to define the asset allocation of the Index. An efficient frontier for a portfolio of assets defines the optimum return of the portfolio for a given amount of risk. The Index uses the volatility of returns of hypothetical portfolios as the measure of risk. This strategy is based on the assumption that the most efficient allocation of assets is one that maximizes returns per unit of risk.

The strategy assigns the weights to the Basket Constituents after determining the returns and volatilities of multiple hypothetical portfolios composed of the Basket Constituents measured over the previous six months. The re-weighting methodology seeks to identify weights for the Basket Constituents that would have resulted in the hypothetical portfolio with the highest return over the relevant measurement period, subject to an annualized volatility over the same period of 5% or less. Thus, the portfolio exhibiting the highest return with an annualized volatility of 5% or less is then selected, with the weightings for that portfolio applied to the Basket Constituents. In the event that none of the portfolios has an annualized volatility equal to or less than 5%, this volatility threshold is increased by 1% until a portfolio is selected.

In addition, the Index targets an annualized volatility of 5% on a daily basis by dynamically adjusting its exposure to the notional portfolio of Basket Constituents. The exposure of the Index to the notional portfolio is equal to the target volatility of 5% divided by the annualized volatility of the same portfolio over the prior month, subject to certain constraints described below, including a minimum exposure of 0%, a variable maximum exposure and a maximum daily exposure change of 50%. Accordingly, as the volatility of the portfolio increases, the exposure provided by the Index to the portfolio decreases, and as the volatility of the portfolio decreases, the exposure provided by the Index to the portfolio increases. The maximum exposure will vary so as to limit the aggregate weight of the Exchange-Traded Constituents included in the monthly reference portfolio, as adjusted by the exposure, to 100%. The maximum exposure applied to the notional portfolio as a whole will not be greater than 200%.

The aggregate weight of the Cash Constituent at any given time represents the portion of the notional portfolio of Basket Constituents that is uninvested at that time. In addition, when the exposure of the Index to the notional portfolio of Basket Constituents is less than 100% on any day, a portion of the notional portfolio will be uninvested. The Index will reflect no return for any uninvested portion.

The following are the Basket Constituents composing the Index and the maximum weighting constraints assigned to the relevant sector and asset type to which each belongs:

	Sector Cap	Asset Cap	Basket Constituent	Bloomberg Ticker
1	Equities (50%)	20%	Vanguard S&P 500 ETF	VOO
2		10%	Vanguard Small-Cap ETF	VB
3		20%	Vanguard FTSE Developed Markets ETF	VEA
4		10%	iShares® MSCI EAFE Small-Cap ETF	SCZ
5		20%	Vanguard FTSE Emerging Markets ETF	VWO
6	Investment Grade Fixed-Income (50%)*	20%	iShares® 20+ Year Treasury Bond ETF	TLT
7		20%	iShares® 7-10 Year Treasury Bond ETF	IEF
8		20%	iShares® iBoxx $ Investment Grade Corporate Bond ETF	LQD
9		10%	iShares® TIPS Bond ETF	TIP
10		10%	Vanguard Short-Term Corporate Bond ETF	VCSH

	Sector Cap	Asset Cap	Basket Constituent	Bloomberg Ticker
11	Other Fixed-Income (50%)	20%	SPDR® Barclays High Yield Bond ETF	JNK
12		10%	PIMCO 0-5 Year High Yield Corporate Bond Index ETF	HYS
13		10%	PowerShares Senior Loan Portfolio	BKLN
14		10%	iShares® U.S. Preferred Stock ETF	PFF
15		10%	iShares® J.P. Morgan USD Emerging Markets Bond ETF	EMB
16	Alternatives (50%)	10%	Vanguard REIT ETF	VNQ
17		20%	Market Vectors® Gold Miners ETF	GDX
18		10%	ETRACS Alerian MLP Infrastructure Index ETN	MLPI
19		10%	PowerShares DB Commodity Index Tracking Fund	DBC
20		10%	iShares® Gold Trust	IAU
21	N/A*	50%	JPMorgan Cash Index USD 3 Month	JPCAUS3M

* In addition, the investment grade fixed-income sector and the Cash Constituent together are subject to a combined maximum weighting constraint of 75%.

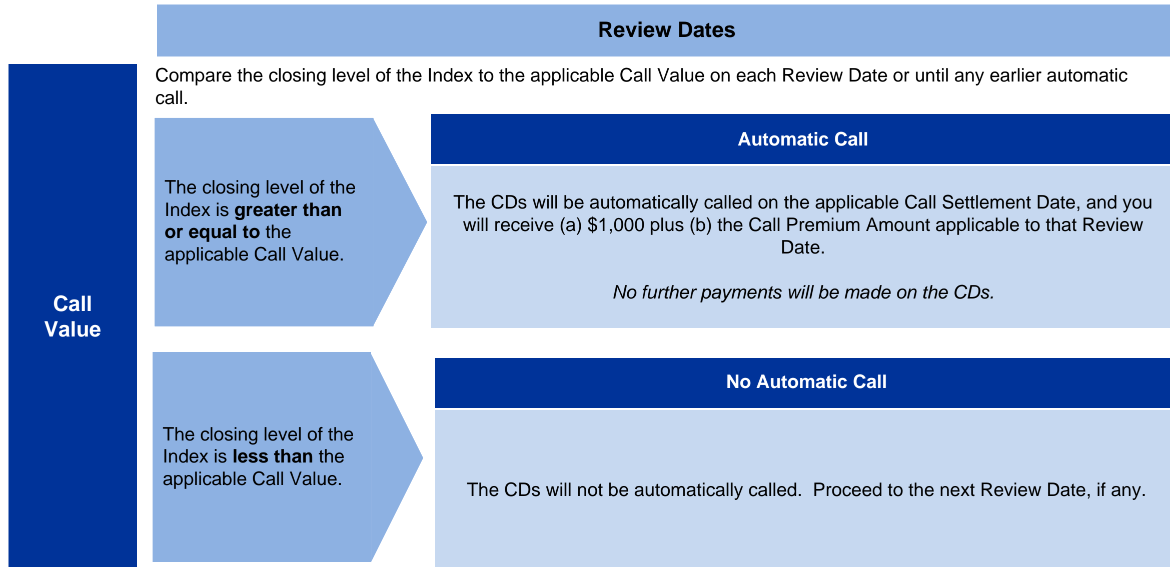
The Index is reported by the Bloomberg Professional® service ("Bloomberg") under the ticker symbol "EFPLUS5D."

See "The J.P. Morgan Efficiente® Plus Index Series" in the accompanying underlying supplement and Annex A of this term sheet for more information about the Index and the Basket Constituents.

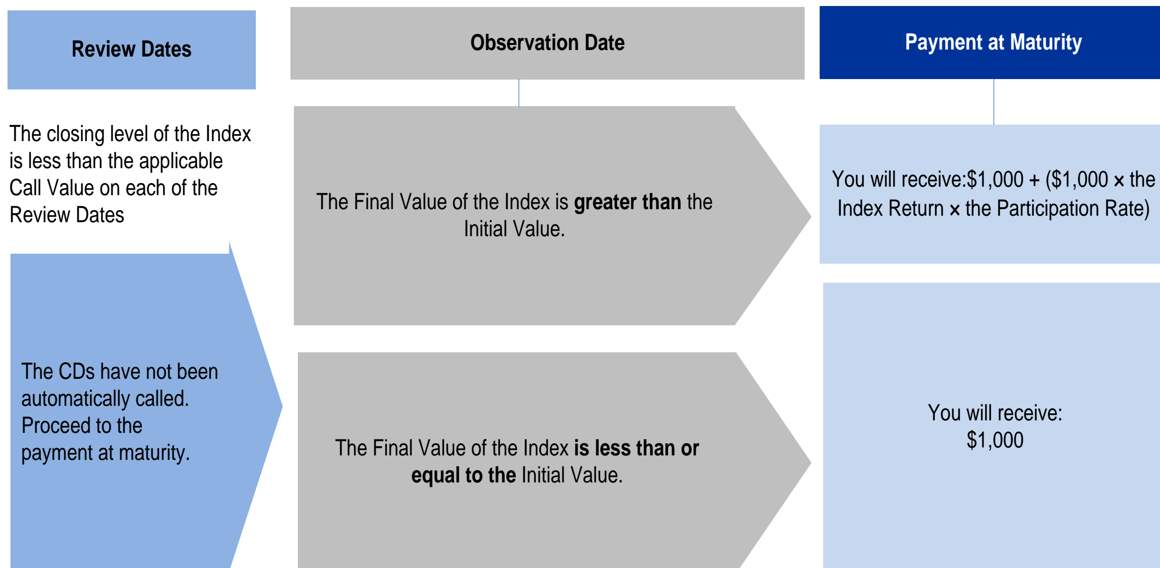
"Efficiente®" is a trademark of JPMorgan Chase & Co.

How the CDs Work

Payment upon an Automatic Call



Payment at Maturity If the CDs Have Not Been Automatically Called



Call Premium Amount

The table below illustrates the hypothetical Call Premium Amount per $1,000 CD for each Review Date based on the minimum call premiums set forth under "Key Terms — Call Premium Amount" above. The actual Call Premium Amounts will be provided in the disclosure supplement and will be not less than the minimum Call Premium Amounts set forth under "Key Terms — Call Premium Amount."

Review Date	Call Premium Amount
First	$130.00
Second	$195.00
Third	$260.00
Fourth	$325.00
Final	$390.00

Hypothetical Payout Profile Assuming No Automatic Call

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

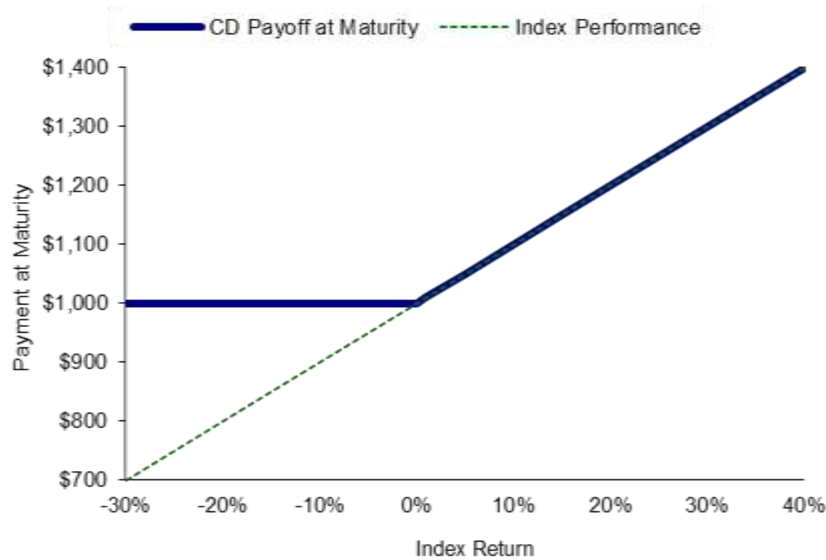
- the CDs have not been automatically called
- an Initial Value of 100.00 and
- a Participation Rate of 100.00%.

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 disclosure 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 term sheet.

Each hypothetical payment at maturity set forth below is for illustrative purposes only and may not be the actual payment at maturity applicable to a purchaser of the CDs. 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	Annual Percentage Yield
180.00	80.00%	$800.00	$1,800.00	8.76%
170.00	70.00%	$700.00	$1,700.00	7.88%
160.00	60.00%	$600.00	$1,600.00	6.94%
150.00	50.00%	$500.00	$1,500.00	5.96%
140.00	40.00%	$400.00	$1,400.00	4.92%
130.00	30.00%	$300.00	$1,300.00	3.82%
120.00	20.00%	$200.00	$1,200.00	2.64%
115.00	15.00%	$150.00	$1,150.00	2.02%
110.00	10.00%	$100.00	$1,100.00	1.37%
105.00	5.00%	$50.00	$1,050.00	0.70%
100.00	0.00%	$0.00	$1,000.00	0.00%
95.00	-5.00%	N/A	$1,000.00	0.00%
90.00	-10.00%	N/A	$1,000.00	0.00%
85.00	-15.00%	N/A	$1,000.00	0.00%
80.00	-20.00%	N/A	$1,000.00	0.00%
70.00	-30.00%	N/A	$1,000.00	0.00%
60.00	-40.00%	N/A	$1,000.00	0.00%
50.00	-50.00%	N/A	$1,000.00	0.00%
40.00	-60.00%	N/A	$1,000.00	0.00%
30.00	-70.00%	N/A	$1,000.00	0.00%
20.00	-80.00%	N/A	$1,000.00	0.00%

The following graph demonstrates the hypothetical total returns and hypothetical payments at maturity on the CDs at maturity for a sub-set of Index Returns detailed in the table above (-30% to 40%). We cannot give you assurance that the performance of the Index will result in a payment at maturity in excess of $1,000 per $1,000 CD.



Hypothetical Payout Examples

The following examples illustrate payments on the CDs linked to a hypothetical Index, assuming a range of performances for the hypothetical Index on the Review Dates.

The hypothetical payments set forth below assume the following:

- an Initial Value of 100;
- for the first Review Date, a Call Value of 109.00 (equal to 109.00% of the hypothetical Initial Value); for the second Review Date, a Call Value of 113.50 (equal to 113.50% of the hypothetical Initial Value); for the third Review Date, a Call Value of 118.00 (equal to 118.00% of the hypothetical Initial Value); for the fourth Review Date, a Call Value of 122.50 (equal to 122.50% of the hypothetical Initial Value); and for the final Review Date, a Call Value of 127.00 (equal to 127.00% of the hypothetical Initial Value); and
- the minimum call premiums set forth under “Key Terms — Call Premium Amount” above.

The hypothetical Initial Value of 100 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 disclosure 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 term sheet.

Each hypothetical payment set forth below is for illustrative purposes only and may not be the actual payment applicable to a purchaser of the CDs. The numbers appearing in the following examples have been rounded for ease of analysis.

Example 1 — CDs are automatically called on the first Review Date.

Date	Closing Level	
First Review Date	110.00	CDs are automatically called
	Applicable Payment	$1,130.00 (13.00% return)

Because the closing level of the Index on the first Review Date is greater than or equal to the applicable Call Value, the CDs will be automatically called for a cash payment, for each $1,000 CD, of $1,130.00 (or $1,000 *plus* the Call Premium Amount applicable to the first Review Date), payable on the applicable Call Settlement Date. No further payments will be made on the CDs.

Example 2 — CDs are automatically called on the final Review Date.

Date	Closing Level	
First Review Date	100.00	CDs NOT automatically called
Second Review Date	108.00	CDs NOT automatically called
Third through fourth Review Dates	All below Call Value	CDs NOT automatically called
Final Review Date	137.00	CDs are automatically called
	Applicable Payment	$1,390.00 (39.00% return)

Because the closing level of the Index on the final Review Date is greater than or equal to the Call Value, the CDs will be automatically called for a cash payment, for each $1,000 CD, of $1,390.00 (or $1,000 *plus* the Call Premium Amount applicable to the final Review Date), payable on the applicable Call Settlement Date. No further payments will be made on the CDs

Example 3 — CDs have NOT been automatically called and the Final Value is greater than the Initial Value.

Date	Closing Level	
First Review Date	90.00	CDs NOT automatically called
Second Review Date	85.00	CDs NOT automatically called
Third through final Review Dates	All below Call Value	CDs NOT automatically called
Observation Date	105.00	CDs NOT automatically called; Final Value is greater than Initial Value
	Applicable Payment	$1,050.00 (5.00% return)

Because the CDs have not been automatically called, the Final Value is greater than the Initial Value and the Index Return is 5.00%, the payment at maturity, for each $1,000 CD, will be $1,050.00, calculated as follows:

$1,000 + ($1,000 × 5.00% × 100%) = $1,050.00

Example 4 — CDs have NOT been automatically called and the Final Value is less than the Initial Value.

Date	Closing Level	
First Review Date	80.00	CDs NOT automatically called
Second Review Date	70.00	CDs NOT automatically called
Third through final Review Dates	All below Call Value	CDs NOT automatically called
Observation Date	50.00	CDs NOT automatically called; Final Value is less than Initial Value
	Applicable Payment	$1,000.00 (0.00% return)

Because the CDs have not been automatically called and the Final Value is less than the Initial Value, the Additional Amount will be zero and the payment at maturity, for each $1,000 CD, will be $1,000.00

Selected Risk Considerations

An investment in the CDs involves significant risks. These risks are explained in more detail in the "Risk Factors" sections of the accompanying disclosure statement and underlying supplement and Annex A of this term sheet.

Risks Relating to the CDs Generally

- **THE CDs MAY NOT PAY MORE THAN THE PRINCIPAL AMOUNT AT MATURITY —**

  If the CDs have not been automatically called and the Final Value is less than or equal to the Initial Value, you will receive only the principal amount of your CDs 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 LEVEL OF THE INDEX WILL INCLUDE THE DEDUCTION OF A FEE OF 0.85% PER ANNUM —**

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

- **CREDIT RISK OF JPMORGAN CHASE BANK —**

  A depositor purchasing a principal amount of CDs in excess of FDIC insurance limits, when aggregated with all other deposits held by the depositor in the same right and capacity at JPMorgan Chase Bank, will be subject to the credit risk of JPMorgan Chase Bank. Investors are dependent on JPMorgan Chase Bank's ability to pay any amounts due on the CDs in excess of FDIC insurance limits. Any actual or potential change in the creditworthiness, credit ratings or credit spreads related to us or our affiliates, as determined by the market for taking that credit risk, is likely to adversely affect the value of the CDs.

- **THE APPRECIATION POTENTIAL WITH RESPECT TO THE FIRST SIX YEARS OF THE TERM OF THE CDs IS LIMITED TO ANY CALL PREMIUM AMOUNT PAID ON THE CDs,**

  regardless of any appreciation in the value of the Index, which may be significant.

- **WE WILL HAVE THE RIGHT TO ADJUST THE TIMING AND AMOUNT OF ANY PAYMENT ON THE CDs IF A COMMODITY HEDGING DISRUPTION EVENT OCCURS —**

  If we or our affiliates are unable to effect transactions necessary to hedge our obligations under the CDs due to a commodity hedging disruption event, we may, in our sole and absolute discretion, determine whether the CDs will be automatically called and to adjust your payment upon automatic call or at maturity based on determinations made by the CD calculation agent. Under these circumstances, whether the CDs are automatically called and the payment upon an automatic call or at maturity will be determined in a manner different from that described under "Key Terms — Automatic Call" or "Key Terms — Payment at Maturity," as applicable, and will be determined prior to, and without regard to, the closing level of the Index on the relevant Review Date or the Observation Date, as applicable. In addition, under these circumstances, the amount due and payable on your CDs will not reflect any appreciation of the Index after this early determination and may be significantly less than the amount you would have been entitled to receive had we not exercised this right. See "Supplemental Terms of the CDs" in this term sheet for more information.

- **POTENTIAL CONFLICTS —**

  We and our affiliates play a variety of roles in connection with the CDs. In performing these duties, our economic interests are potentially adverse to your interests as an investor in the CDs. It is possible that hedging or trading activities of ours or our affiliates in connection with the CDs could result in substantial returns for us or our affiliates while the value of the CDs declines. Please refer to "Risk Factors — Risks Relating to Conflicts of Interest" in the accompanying disclosure statement. See also " — Risks Relating to the Index — Our Affiliate, JPMS plc, Is the Index Calculation Agent and May Adjust the Index in a Way that Affects Its Level."
  In addition, the Global Index Research Group ("GIRG") of JPMorgan Chase & Co., our parent company, developed and maintains and calculates the JPMorgan Cash Index USD 3 Month, which is one of the Basket Constituents, and the J.P. Morgan Emerging Markets Bond Index Global CORE, which is the reference index of the iShares® J.P. Morgan USD Emerging Markets Bond ETF, one of the Basket Constituents. GIRG is part of JPMorgan Chase & Co.'s Global Research division and resides within JPMS. Furthermore, the J.P. Morgan Emerging Markets Bond Index Global CORE makes use of certain weights, prices, values, levels or dates that are determined by PricingDirect Inc. ("PricingDirect"). PricingDirect is JPMorgan Chase & Co.'s wholly owned subsidiary and provides valuation and other metrics data for fixed-income securities and derivatives. PricingDirect determines these prices through a proprietary evaluation process that takes into account market-based evaluations (such as market intelligence for traded, quoted securities). In addition, under some circumstances, the pricing information provided by PricingDirect on the bonds underlying the J.P. Morgan Emerging Markets Bond Index Global CORE may be derived solely from price quotations or internal valuations made by one or more of our affiliates. Accordingly, conflicts of interest exist between GIRG and PricingDirect, on the one hand, and you, on the other hand. None of JPMS, GIRG or PricingDirect will have any obligation to consider your interests as a holder of the CDs in taking any actions that might affect the value of your CDs.

- **YOU WILL NOT RECEIVE THE CALL PREMIUM AMOUNT APPLICABLE TO A REVIEW DATE IF THE INDEX DOES NOT APPRECIATE TO OR ABOVE THE APPLICABLE CALL VALUE FOR THAT REVIEW DATE —**

  The CDs will be automatically called only if the closing level of the Index on a Review Date is at or above the applicable Call Value on that Review Date. The Call Value for each Review Date is greater than 100% of the Initial Value and increases with each Review Date, starting at 109.00% of the Initial Value for the first Review Date. Even if the closing level of the Index appreciates over the term of the CDs, it may not appreciate sufficiently for you to earn any Call Premium Amount. Because the Call Value

increases from one Review Date to the next, the likelihood of the CDs being automatically called decreases the longer the CDs remain outstanding.

- **THE AUTOMATIC CALL FEATURE MAY FORCE A POTENTIAL EARLY EXIT —**

  If your CDs are automatically called, the term of the CDs may be reduced to as short as approximately two years. There is no guarantee that you would be able to reinvest the proceeds from an investment in the CDs at a comparable return for a similar level of risk. Even in cases where the CDs are called before maturity, CD holders are not entitled to any fees and commissions described on the front cover of this term sheet.

- **YOU WILL NOT RECEIVE DIVIDENDS OR OTHER DISTRIBUTIONS ON THE SECURITIES UNDERLYING THE BASKET CONSTITUENTS OR HAVE ANY RIGHTS WITH RESPECT TO THOSE SECURITIES.**

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

  JPMS and its affiliates may have published research or other opinions that call into question the investment view implicit in an investment in the CDs. Any research, opinions or recommendations could affect the market value of the CDs. Investors should undertake their own independent investigation of the merits of investing in the CDs, the Basket Constituents and the securities, commodities, commodity futures contracts and other assets underlying the Basket Constituents included in the Index.

- **LACK OF LIQUIDITY —**

  The CDs will not be listed on an organized securities exchange. JPMS and its affiliates may offer to purchase the CDs upon terms and conditions acceptable to them, but are not required to do so. You may not be able to sell your CDs. The CDs are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your CDs to maturity. For more information, see "General Terms of the CDs — Additions and Withdrawals" and "Discounts and Secondary Market" in the accompanying disclosure statement.

- **LIMITATIONS ON FDIC INSURANCE —**

  As a general matter, a holder who purchases a principal amount of CDs, or together with other deposits that it maintains at JPMorgan Chase Bank in the same ownership capacity, that is greater than the applicable limits set by federal law and regulation will not be insured by the FDIC for the principal amount exceeding such limit. In addition, under FDIC interpretations, the return on the CDs, which is reflected in the form of the Additional Amount, is not insured by the FDIC until the Observation Date. Any amounts due on the CDs in excess of the applicable FDIC insurance limits will be subject to the credit risk of JPMorgan Chase Bank. For more information, see "Deposit Insurance" in the accompanying disclosure statement.

- **THE FINAL TERMS AND VALUATION OF THE CDs WILL BE PROVIDED IN THE DISCLOSURE SUPPLEMENT —**

  You should consider your potential investment in the CDs based on the minimums for JPMS's estimated value and the Call Premium Amounts.

- **JPMS'S ESTIMATED VALUE OF THE CDs WILL BE LOWER THAN THE ORIGINAL ISSUE PRICE (PRICE TO PUBLIC) OF THE CDs —**

  JPMS's estimated value is only an estimate using several factors. The original issue price of the CDs will exceed JPMS's estimated value because costs associated with selling, structuring and hedging the CDs are included in the original issue price of the CDs. 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 CDs and the estimated cost of hedging our obligations under the CDs. See "JPMS's Estimated Value of the CDs" in this term sheet.

- **JPMS'S ESTIMATED VALUE DOES NOT REPRESENT FUTURE VALUES OF THE CDs AND MAY DIFFER FROM OTHERS' ESTIMATES —**

  See "JPMS's Estimated Value of the CDs" in this term sheet.

- **JPMS'S ESTIMATED VALUE IS DERIVED BY REFERENCE TO AN INTERNAL FUNDING RATE —**

  The internal funding rate used in the determination of JPMS's estimated value is based on, among other things, our view of the funding value of the CDs as well as the issuance, operational and ongoing liability management costs of the CDs. Our use of an

internal funding rate and any potential changes to these rates may have an adverse effect on the terms of the CDs and any secondary market prices of the CDs. See "JPMS's Estimated Value of the CDs" in this term sheet.

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

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

- **SECONDARY MARKET PRICES OF THE CDs WILL LIKELY BE LOWER THAN THE ORIGINAL ISSUE PRICE OF THE CDs —**

  Any secondary market prices of the CDs will likely be lower than the original issue price of the CDs because, among other things, secondary market prices take into account our internal secondary market funding rates for structured 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 CDs. As a result, the price, if any, at which JPMS will be willing to buy the CDs 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.
  In addition, if JPMS purchases your CDs in the secondary market within six days after their initial issuance, you will be subject to early withdrawal penalties we are required to impose pursuant to Regulation D of the Federal Reserve Board. Under these circumstances, the repurchase price will be less than the original issue price of the CDs.

- **SECONDARY MARKET PRICES OF THE CDs WILL BE IMPACTED BY MANY ECONOMIC AND MARKET FACTORS —**

  The secondary market price of the CDs 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 CDs, which may also be reflected on customer account statements. This price may be different (higher or lower) than the price of the CDs, if any, at which JPMS may be willing to purchase your CDs in the secondary market. See "Risk Factors — Risks Relating to the Estimated Value of Secondary Market Prices of the CDs — Secondary market prices of the CDs will be impacted by many economic and market factors" in the accompanying disclosure statement.

Risks Relating to the Index

- **OUR AFFILIATE, JPMS PLC, IS THE INDEX CALCULATION AGENT AND MAY ADJUST THE INDEX IN A WAY THAT AFFECTS ITS LEVEL —**

  JPMS plc, one of our affiliates, acts as the index calculation agent and is responsible for calculating and maintaining the Index and developing the guidelines and policies governing its composition and calculation. The rules governing the Index may be amended at any time by JPMS plc, in its sole discretion, and the rules also permit the use of discretion by JPMS plc in specific instances, such as the right to substitute a Basket Constituent. Unlike other indices, the maintenance of the Index is not governed by an independent committee. Although judgments, policies and determinations concerning the Index are made by JPMS plc, JPMorgan Chase Bank, as the parent company of JPMS plc, ultimately controls JPMS plc.
  In addition, the policies and judgments for which JPMS plc is responsible could have an impact, positive or negative, on the level of the Index and the value of your CDs. JPMS plc is under no obligation to consider your interests as an investor in the CDs. Furthermore, the inclusion of the Basket Constituents in the Index is not an investment recommendation by us or JPMS plc of the Basket Constituents or any of the securities, commodities, commodity futures contracts, loans or other assets underlying the Basket Constituents.

- **OWNING THE CDs INVOLVES THE RISKS ASSOCIATED WITH THE INDEX'S MOMENTUM INVESTMENT STRATEGY —**

  The Index employs a mathematical model intended to implement what is generally known as a momentum investment strategy, which seeks to capitalize on positive market price trends based on the supposition that positive market price trends may continue. This strategy is different from a strategy that seeks long-term exposure to a portfolio consisting of constant components with fixed weights. The Index may fail to realize gains that could occur as a result of tracking assets that have experienced price declines,

but after which experience a sudden price spike. In addition, the Index may decline as a result of tracking assets that have performed well in the past, but then experience price declines.

- **THE INDEX SHOULD NOT BE COMPARED TO ANY OTHER INDEX OR STRATEGY SPONSORED BY ANY OF OUR AFFILIATES —**

  The Index follows a notional rules-based proprietary strategy that may have objectives, features and/or constituents that are similar to those of another index or strategy sponsored by any of our affiliates (each, a "J.P. Morgan Index"). No assurance can be given that these similarities will form a basis for comparison between the Index and any other J.P. Morgan Index, and no assurance can be given that the Index would be more successful or outperform any other J.P. Morgan Index. The Index operates independently and does not necessarily revise, enhance, modify or seek to outperform any other J.P. Morgan Index.

- **THE INDEX MAY NOT APPROXIMATE ITS TARGET VOLATILITY —**

  No assurance can be given that the Index will approximate its target volatility. The actual realized volatility of the Index may be greater or less than 5%. The monthly weights of the notional portfolio(s) tracked by the Index are based on the historical volatility of the relevant notional portfolio over a specified measurement period and are subject to maximum aggregate and individual weighting constraints. In addition, the exposure of the Index to the relevant notional portfolio(s) is dynamically adjusted on a daily basis, subject to minimum and maximum exposure limits, based on the historical volatility of the relevant notional portfolio(s) over specified measurement periods, with the intension of achieving the target volatility on a daily basis. However, there is no guarantee that trends existing in the relevant measurement period will continue in the future. Moreover, the monthly rebalancing and daily adjustment may not be sufficient to reduce exposure to the notional portfolio(s) tracked by the Index if there is a sudden increase in volatility. The volatility of the notional portfolio on any day may change quickly and unexpectedly. Accordingly, the actual realized annualized volatility of the Index on a daily basis may be greater than or less than 5%, which may adversely affect the level of the Index and the value of the CDs.

- **THE DAILY ADJUSTMENT OF THE EXPOSURE OF THE INDEX TO THE MONTHLY REFERENCE PORTFOLIO OF BASKET CONSTITUENTS MAY CAUSE THE INDEX NOT TO REFLECT FULLY ANY PRICE APPRECIATION OR TO MAGNIFY ANY PRICE DEPRECIATION OF THE NOTIONAL PORTFOLIO —**

  In an effort to approximate the target volatility of 5% on a daily basis, the Index adjusts its exposure to the notional portfolio of Basket Constituents daily based on the historical volatility of the notional portfolio over a specified measurement period, subject to maximum and minimum exposure limits. When the historical volatility is greater than the target volatility, the Index will reduce the exposure to the notional portfolio. When the historical volatility is less than the target volatility, the Index will increase the exposure to the notional portfolio. The exposure may vary between 0% and a variable maximum exposure, subject to a daily maximum exposure change of 50%. The maximum exposure to the monthly reference portfolio will not be greater than 200% and will vary so as to limit the aggregate weight of the Exchange-Traded Constituents included in the monthly reference portfolio, as adjusted by the exposure, to 100%.

  Due to the daily exposure adjustments, the Index may fail to realize gains due to price appreciation of the notional portfolio at a time when the exposure is less than 100% or may suffer increased losses due to price depreciation of the notional portfolio when the exposure is above 100%. As a result, the Index may underperform a similar index that does not include a daily exposure adjustment feature.

- **THE CDs MAY PROVIDE EXPOSURE TO ANY BASKET CONSTITUENT IN EXCESS OF THE WEIGHTING CONSTRAINT SPECIFIED FOR THAT BASKET CONSTITUENT —**

  As explained above, the maximum exposure to the notional portfolio will not be greater than 200% and will vary so as to limit the aggregate weight of the Exchange-Traded Constituents included in the monthly reference portfolio, as adjusted by the exposure, to 100%. Accordingly, the Index may provide exposure to an Exchange-Traded Constituent equal to up to twice the weighting constraint that applies to that Exchange-Traded Constituent in the monthly portfolio selection process. Any movements in value of an Exchange-Traded Constituent may result in greater changes in the value of that Exchange-Traded Constituent than if its exposure were limited to its weighting constraint. In particular, exposure to an Exchange-Traded Constituent in excess of 100% of its weighting constraint will magnify any negative performance of that Exchange-Traded Constituent, which, in turn, could cause you to receive a lower return on the CDs than you would have received if the weight of each Exchange-Traded Constituent were limited to its weighting constraint.

- **THE INVESTMENT STRATEGY USED TO CONSTRUCT THE INDEX INVOLVES MONTHLY REBALANCING AND WEIGHTING CONSTRAINTS THAT ARE APPLIED TO THE BASKET CONSTITUENTS AND DAILY ADJUSTMENTS TO THE EXPOSURE TO THE NOTIONAL PORTFOLIO CONSISTING OF THE BASKET CONSTITUENTS —**

  The Basket Constituents are subject to monthly rebalancing and weighting constraints by asset type and on subsets of assets based on historical volatility and daily adjustments to the exposure to the notional portfolio consisting of the Basket Constituents. By contrast, a notional portfolio that does not rebalance monthly and is not subject to any weighting constraints or 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 Basket Constituents. The monthly rebalancing may also adversely affect potential returns by reducing exposure to the notional portfolio(s) tracked by the Index in times of high volatility when the notional portfolio(s) are experiencing price increases. Therefore, your return on the CDs may be less than the return you could realize on an alternative investment in the Basket Constituents that is not subject to monthly rebalancing, weighting constraints or daily exposure adjustments.

- **CHANGES IN THE VALUES OF THE BASKET CONSTITUENTS MAY OFFSET EACH OTHER —**

  Because the CDs are linked to the Index, which is linked to the performance of the Basket Constituents, which collectively represent a diverse range of asset classes and geographic regions, price movements between the Basket Constituents representing different asset classes or geographic regions may not correlate with each other. At a time when the value of a Basket Constituent representing a particular asset class or geographic region increases, the value of other Basket Constituents representing a different asset class or geographic region may not increase as much or may decline. Therefore, in calculating the level of the Index, increases in the values of some of the Basket Constituents may be moderated, or more than offset, by lesser increases or declines in the values of other Basket Constituents. In addition, high correlation during periods of negative returns among Basket Constituents could have a material adverse effect on the performance of the Index.

- **SOME OR ALL OF THE INDEX'S BASKET CONSTITUENTS ARE ETFs. THE PERFORMANCE OF EACH ETF'S REFERENCE INDEX AS WELL AS THE RELEVANT ETF'S NET ASSET VALUE PER SHARE (AN "ETF SHARE") MAY NOT CORRELATE WITH THE PERFORMANCE AND MARKET VALUE OF EACH ETF SHARE, PARTICULARLY DURING PERIODS OF MARKET VOLATILITY —**

  Each Basket Constituent which is an ETF may not fully replicate the reference index of that ETF and may hold securities different from those included in the reference index. In addition, the performance of the ETF Shares will reflect additional transaction costs and fees that are not included in the calculation of the reference index. All of these factors may lead to a lack of correlation between the performance of the ETF Shares and the reference index. In addition, corporate actions with respect to the equity securities underlying the ETF Shares (such as mergers and spin-offs) may impact the variance between the performances of the ETF Shares and the reference index. Finally, because the ETF Shares are traded on public exchanges and are subject to market supply and investor demand, the market value of one ETF Share may differ from the net asset value per ETF Share.

  During periods of market volatility, securities underlying the ETF Shares may be unavailable in the secondary market, market participants may be unable to calculate accurately the net asset value per ETF Share and the liquidity of the ETF Shares may be adversely affected. This kind of market volatility may also disrupt the ability of market participants to create and redeem ETF Shares. Further, market volatility may adversely affect, sometimes materially, the prices at which market participants are willing to buy and sell ETF Shares. As a result, under these circumstances, the market value of the ETF Shares may vary substantially from the net asset value per ETF Share. For all of the foregoing reasons, the performance of the ETF Shares may not correlate with the performance of the reference index as well as the net asset value per ETF Share, which could materially and adversely affect the value of the CDs in the secondary market and/or reduce your payment at maturity.

- **THE INDEX MAY BE PARTIALLY UNINVESTED —**

  The aggregate weight of the Cash Constituent at any given time represents the portion of the notional portfolio that is uninvested at that time. The Index will reflect no return for any uninvested portion (including any portion represented by the Cash Constituent). While the weight of the Cash Constituent is normally limited by a weighting constraint of 50%, if, as a result of an extraordinary event, any Basket Constituent is replaced with the Cash Constituent, the aggregate weight of the Cash Constituent would be allowed to exceed 50% because a portion of that aggregate weight would be subject to the weighting constraints specific to the replaced Basket Constituent and not the weighting constraints specific to the Cash Constituent. See "The Basket Constituents Composing the Index May Be Replaced by a Substitute ETF, ETN or Index" below.

In addition, when the exposure of the Index to the notional portfolio of Basket Constituents is less than 100% on any day, a portion of the notional portfolio will be uninvested. For example, if the daily exposure is set at 70%, and assuming the weight of the Cash Constituent is 0%, 30% of the notional portfolio would be uninvested. The Index will reflect no return for any uninvested portion.

- **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 term sheet is purely theoretical and does not represent the actual historical performance of the Index and has not been verified by an independent third party. For time periods prior to the launch of an Exchange-Traded Constituent and that Exchange-Traded Constituent's initial satisfaction of a minimum liquidity standard, the hypothetical back-tested performance set forth under "Hypothetical Back-tested Data and Historical Information" in this term sheet was calculated using alternative performance information derived from a related index, after deducting hypothetical fund fees, rather than the performance information for that Exchange-Traded Constituent.

  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 term sheet. 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. As with actual historical data, hypothetical back-tested data should not be taken as an indication of future performance.

- **THE BASKET CONSTITUENTS COMPOSING THE INDEX MAY BE REPLACED BY A SUBSTITUTE ETF, ETN OR INDEX —**

  Following the occurrence of an extraordinary event with respect to a Basket Constituent, the affected Basket Constituent may be replaced by a substitute ETF, ETN or index, *provided* that only the Note Constituent can be replaced by a substitute ETN and that the Cash Constituent can be replaced only with a substitute index. These extraordinary events include, among other things, events that result in material changes to, or the termination of, a Basket Constituent or, in the case an Exchange-Traded Constituent, events that could result in material changes to its value or liquidity. In particular, a redemption of the Note Constituent by its issuer would constitute an extraordinary event, and the issuer of the Note Constituent has the right to redeem the Note Constituent at any time. See "The J.P. Morgan Efficiente® Plus Index Series — Extraordinary Events" for additional information about extraordinary events.

  If the index calculation agent determines in its discretion that no suitable substitute is available for an affected Basket Constituent (other than the Cash Constituent), then the index calculation agent will replace that Basket Constituent with the Cash Constituent. Under these circumstances, the aggregate weight of the Cash Constituent in the Index may be greater than the maximum 50% weight limit allocated to the Cash Constituent because a portion of such aggregate weight would be subject to the separate maximum weight limit specific to the affected Basket Constituent.

- **THE COMMODITY FUTURES CONTRACTS UNDERLYING ONE OF THE BASKET CONSTITUENTS ARE SUBJECT TO UNCERTAIN LEGAL AND REGULATORY REGIMES —**

  Legal or regulatory developments affecting the commodity futures contracts underlying one of the Basket Constituents, the PowerShares DB Commodity-Index Tracking Fund, may result in the index calculation agent exercising its discretionary right to exclude or substitute Basket Constituents or the occurrence of a commodity hedging disruption event or may otherwise adversely affect the value of the CDs.If a commodity hedging disruption event occurs, we have the right, but not the obligation, to determine whether the CDs will be automatically called and to adjust your payment upon automatic call or at maturity based on determinations made by the CD calculation agent. See "— We Will Have the Right to Adjust the Timing and Amount of Any Payment on the CDs If a Commodity Hedging Disruption Event Occurs" above and "Risk Factors — Risks Relating to the Commodity Exchange-Traded Constituents" in the accompanying underlying supplement.

- **THE CDs MAY BE SUBJECT TO THE CREDIT RISK OF TWO ISSUERS —**

  As discussed above, any payment on the CDs in excess of FDIC insurance limits is subject to our credit risk. In addition, the Note Constituent is a series of unsecured debt securities of UBS AG and is subject to the credit risk of UBS AG. Accordingly, any return on the CDs that reflects the performance of the Index may be subject to the credit risk of both us and UBS AG, the issuer of the Note Constituent. Any actual or perceived deterioration in the credit quality of UBS AG may increase the volatility of and adversely affect the price performance of the Note Constituent, which may affect the exposure of the Index to the Note Constituent, if any, and adversely affect the level of the Index and the value of the CDs.

- **OTHER KEY RISKS:**
  - THE INDEX MAY NOT BE SUCCESSFUL OR OUTPERFORM ANY ALTERNATIVE STRATEGY THAT MIGHT BE EMPLOYED IN RESPECT OF THE BASKET CONSTITUENTS.
  - THE INDEX WAS ESTABLISHED ON DECEMBER 31, 2014, AND THEREFORE HAS A LIMITED OPERATING HISTORY AND MAY PERFORM IN UNANTICIPATED WAYS.
  - THE INDEX COMPRISES NOTIONAL ASSETS AND LIABILITIES. THERE IS NO ACTUAL PORTFOLIO OF ASSETS TO WHICH ANY PERSON IS ENTITLED OR IN WHICH ANY PERSON HAS ANY OWNERSHIP INTEREST.
  - THE CDs ARE SUBJECT TO CURRENCY EXCHANGE RISK BECAUSE THE PRICES OF THE NON-U.S. SECURITIES COMPOSING SEVERAL OF THE ETF CONSTITUENTS ARE CONVERTED INTO U.S. DOLLARS FOR PURPOSES OF CALCULATING THE VALUE OF THE RELEVANT ETF CONSTITUENT.
  - AN INVESTMENT IN THE CDs IS SUBJECT TO RISKS ASSOCIATED WITH NON-U.S. SECURITIES MARKETS, INCLUDING EMERGING MARKETS.
  - THE CDs ARE SUBJECT TO SIGNIFICANT RISKS ASSOCIATED WITH FIXED-INCOME SECURITIES AND LOANS, INCLUDING INTEREST RATE-RELATED RISKS AND CREDIT RISK.
  - THE CDs ARE SUBJECT TO SIGNIFICANT RISKS ASSOCIATED WITH HIGH-YIELD FIXED INCOME SECURITIES, INCLUDING CREDIT RISK.
  - THE CDs ARE SUBJECT TO SIGNIFICANT RISKS ASSOCIATED WITH PREFERRED STOCK.
  - THE CDs ARE SUBJECT TO SIGNIFICANT RISKS ASSOCIATED WITH MORTGAGE-BACKED SECURITIES.
  - INVESTMENTS RELATED TO THE VALUES OF THE COMMODITIES TEND TO BE MORE VOLATILE THAN TRADITIONAL CD INVESTMENTS.
  - HIGHER FUTURE PRICES OF THE COMMODITY FUTURES CONTRACTS CONSTITUTING THE POWERSHARES DB COMMODITY INDEX TRACKING FUND RELATIVE TO THEIR CURRENT PRICES MAY DECREASE THE AMOUNT PAYABLE AT MATURITY.
  - RISKS ASSOCIATED WITH THE REAL ESTATE INDUSTRY WILL AFFECT THE VALUE OF YOUR CDs.
  - AN INVESTMENT IN THE CDs IS SUBJECT TO RISKS ASSOCIATED WITH SMALL CAPITALIZATION STOCKS.
  - THE MARKET PRICE OF GOLD WILL AFFECT THE VALUE OF THE CDs.

Please refer to the "Risk Factors" section of the accompanying underlying supplement no. CD-19-I for more details regarding the above-listed risks.

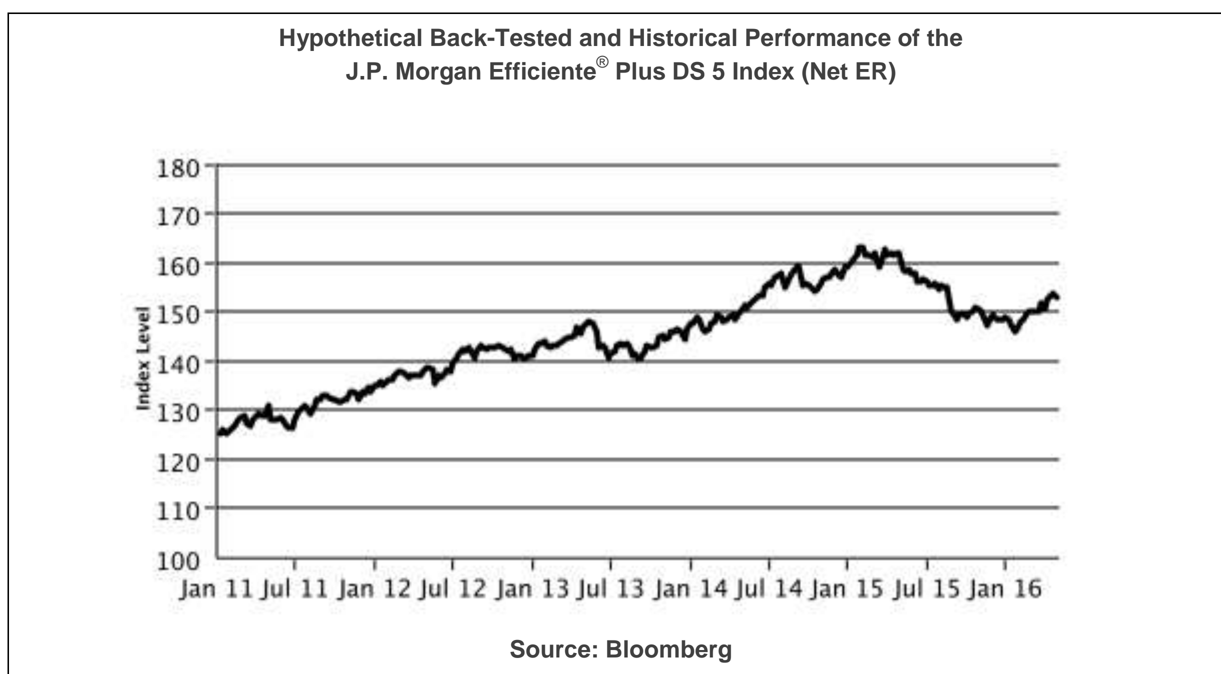
Hypothetical Back-Tested Data and Historical Information

The following graph sets forth the hypothetical back-tested performance of the Index based on the hypothetical back-tested weekly closing levels of the Index from January 7, 2011 through December 26, 2014 and the historical performance of the Index based on the weekly closing levels of the Index from January 2, 2015 through April 22, 2016. The Index was established on December 31, 2014. The closing level of the Index on April 27, 2016 was 153.46. We obtained the closing levels above and below from Bloomberg, without independent verification.

The data for the hypothetical back-tested performance of the Index set forth in the following graph are purely theoretical and do not represent the actual historical performance of the Index. For time periods prior to the launch of an Exchange-Traded Constituent and that Exchange-Traded Constituent's initial satisfaction of a minimum liquidity standard, the hypothetical back-tested performance set forth in the following graph was calculated using alternative performance information derived from a related index, after deducting hypothetical fund fees, rather than the performance information for that Exchange-Traded Constituent. See "Selected Risk Considerations — Hypothetical Back-Tested Data Relating to the Index Do Not Represent Actual Historical Data and Are Subject to Inherent Limitations."

The hypothetical back-tested and historical closing levels of the Index should not be taken as an indication of future performance, and no assurance can be given as to the closing level of the Index on the Pricing Date, any Review Date or the Observation Date. We cannot give you assurance that the performance of the Index will result in a payment at maturity in excess of your principal amount.

Hypothetical Back-Tested and Historical Performance of the J.P. Morgan Efficiente® Plus DS 5 Index (Net ER)



Source: Bloomberg

The hypothetical back-tested closing levels of the Index have inherent limitations and have not been verified by an independent third party. These hypothetical back-tested closing levels are determined by means of a retroactive application of a back-tested model designed with the benefit of hindsight. Hypothetical back-tested results are neither an indicator nor a guarantee of future returns. No representation is made that an investment in the CDs will or is likely to achieve returns similar to those shown. Alternative modeling techniques or assumptions would produce different hypothetical back-tested closing levels of the Index that might prove to be more appropriate and that might differ significantly from the hypothetical back-tested closing levels of the Index set forth above.

Taxed as Contingent Payment Debt Instruments

You should review carefully the section entitled "Material U.S. Federal Income Tax Consequences," and in particular the subsection thereof entitled "— CDs with a Term of More than One Year," in the accompanying disclosure statement. Unlike a traditional certificate of deposit that provides for periodic payments of interest at a single fixed rate, with respect to which a cash-method investor generally recognizes income only upon receipt of stated interest, the CDs will be treated for U.S. federal income tax purposes as "contingent payment debt instruments." As discussed in that subsection, you generally will be required to accrue original issue discount on your CDs in each taxable year at the "comparable yield," as determined by us, although we will not make any payment with respect to the CDs except upon an automatic call or at maturity. Upon sale or exchange (including an automatic call or at maturity), you will recognize taxable income or loss equal to the difference between the amount received from the sale or exchange and your adjusted basis in the

CD, which generally will equal the cost thereof, increased by the amount of original issue discount you have accrued in respect of the CD. You generally must treat any income as interest income and any loss as ordinary loss to the extent of previous interest inclusions, and the balance as capital loss. The deductibility of capital losses is subject to limitations. **Purchasers who are not initial purchasers of CDs at their issue price should consult their tax advisers with respect to the tax consequences of an investment in CDs, including the treatment of the difference, if any, between the basis in their CDs and the CDs' adjusted issue price.**

Withholding under legislation commonly referred to as "FATCA" may apply to the payment on your CD at maturity, as well as to the gross proceeds of a sale or other disposition of a CD prior to maturity. However, under a recent IRS notice, this regime will not apply to payments of gross proceeds (other than any amount treated as interest) of a sale or other disposition of a CD occurring before January 1, 2019. You should consult your tax adviser regarding the potential application of FATCA to the CDs.

Non-U.S. holders should also note that, notwithstanding anything to the contrary in the accompanying disclosure statement, recently promulgated Treasury regulations imposing a withholding tax on certain "dividend equivalents" under certain "equity linked instruments" generally will not apply to the CDs.

Comparable Yield and Projected Payment Schedule

We will determine the comparable yield for the CDs and will provide that comparable yield, and the related projected payment schedule, in the disclosure supplement for the CDs. Although it is not entirely clear how the comparable yield and projected payment schedule must be determined when a debt instrument may be redeemed by the issuer prior to maturity, we will determine the comparable yield based upon the term to maturity of the CDs assuming no automatic call occurs and a variety of other factors, including actual market conditions and our borrowing costs for debt instruments of comparable maturities at the time of issuance. We expect that the comparable yield for the CDs determined by us will be an annual rate of at least 1.42% compounded semiannually **Neither the comparable yield nor the projected payment schedule constitutes a representation by us regarding the actual Additional Amount, if any, that we will pay on the CDs.**

JPMS's Estimated Value of the CDs

JPMS's estimated value of the CDs set forth on the cover of this term sheet is equal to the sum of the values of the following hypothetical components: (1) a fixed-income component with the same maturity as the CDs, valued using an internal funding rate, and (2) the derivative or derivatives underlying the economic terms of the CDs. JPMS's estimated value does not represent a minimum price at which JPMS would be willing to buy your CDs in any secondary market (if any exists) at any time. The internal funding rate used in the determination of JPMS's estimated value is based on, among other things, our view of the funding value of the CDs as well as the issuance, operational and ongoing liability management costs of the CDs. For additional information, see "Selected Risk Considerations — JPMS's Estimated Value Is Derived by Reference to an Internal Funding Rate."

The value of the derivative or derivatives underlying the economic terms of the CDs is derived from JPMS's internal pricing models. These models are dependent on inputs such as the traded market prices of comparable derivative instruments and on various other inputs, some of which are market-observable, and which can include volatility, dividend rates, interest rates and other factors, as well as assumptions about future market events and/or environments. Accordingly, JPMS's estimated value of the CDs is determined when the terms of the CDs are set based on market conditions and other relevant factors and assumptions existing at that time.

JPMS's estimated value of the CDs does not represent future values of the CDs and may differ from others' estimates. Different pricing models and assumptions could provide valuations for the CDs that are greater than or less than JPMS's estimated value. In addition, market conditions and other relevant factors in the future may change, and any assumptions may prove to be incorrect. On future dates, the value of the CDs could change significantly based on, among other things, changes in market conditions, our creditworthiness, interest rate movements and other relevant factors, which may impact the price, if any, at which JPMS would be willing to buy CDs from you in secondary market transactions.

JPMS's estimated value of the CDs will be lower than the original issue price of the CDs because costs associated with selling, structuring and hedging the CDs are included in the original issue price of the CDs. These costs include the selling commissions paid to JPMS and other affiliated or unaffiliated dealers, the projected profits, if any, that our affiliates expect to realize for assuming risks inherent in hedging our obligations under the CDs and the estimated cost of hedging our obligations under the CDs. Because hedging our obligations entails risk and may be influenced by market forces beyond our control, this hedging may result in a profit that is more or less than expected, or it may result in a loss. A portion of the profits, if any, realized in hedging our obligations under the CDs may be allowed to other affiliated or unaffiliated dealers, and we or one or more of our affiliates will retain any remaining hedging profits, if any.

See “Selected Risk Considerations — JPMS’s Estimated Value of the CDs Will Be Lower Than the Original Issue Price (Price to Public) of the CDs” in this term sheet.

Secondary Market Prices of the CDs

For information about factors that will impact any secondary market prices of the CDs, see “Risk Factors — Risks Relating to the Estimated Value and Secondary Market Prices of the CDs — Secondary market prices of the CDs will be impacted by many economic and market factors” in the accompanying disclosure statement. In addition, we generally expect that some of the costs included in the original issue price of the CDs will be partially paid back to you in connection with any repurchases of your CDs by JPMS in an amount that will decline to zero over an initial predetermined period. These costs can include projected hedging profits, if any, and, in some circumstances, estimated hedging costs and our internal secondary market funding rates for structured issuances. This initial predetermined time period is intended to be the shorter of six months and one-half of the stated term of the CDs. The length of any such initial period reflects the structure of the CDs, whether our affiliates expect to earn a profit in connection with our hedging activities, the estimated costs of hedging the CDs and when these costs are incurred, as determined by JPMS. See “Selected Risk Considerations — The Value of the CDs as Published by JPMS (and Which May Be Reflected on Customer Account Statements) May Be Higher Than JPMS’s Then-Current Estimated Value of the CDs for a Limited Time Period.”

Supplemental Use of Proceeds

The CDs are offered to meet investor demand for products that reflect the risk-return profile and market exposure provided by the CDs. See “How the CDs Work” and “Hypothetical Payout Examples” in this term sheet for an illustration of the risk-return profile of the CDs and “The J.P. Morgan Efficiente® Plus DS 5 Index (Net ER)” in this term sheet for a description of the market exposure provided by the CDs.

The original issue price of the CDs is equal to JPMS’s estimated value of the CDs plus the selling commissions paid to JPMS and other affiliated or unaffiliated dealers, plus (minus) the projected profits (losses) that our affiliates expect to realize for assuming risks inherent in hedging our obligations under the CDs, plus the estimated cost of hedging our obligations under the CDs.

Additional Terms Specific to the CDs

You may revoke your offer to purchase the CDs at any time prior to the time at which we accept such offer by notifying the applicable dealer. We reserve the right to change the terms of, or reject any offer to purchase, the CDs prior to their issuance. In the event of any changes to the terms of the CDs, we will notify you and you will be asked to accept such changes in connection with your purchase. You may also choose to reject such changes, in which case we may reject your offer to purchase.

You should read this term sheet together with the disclosure statement dated January 29, 2015 and underlying supplement no. CD-19-I dated February 20, 2015. This term sheet, together with the documents listed below, contains the terms of the CDs and supersedes all other prior or contemporaneous oral statements as well as any other written materials, including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, fact sheets, brochures or other educational materials of ours and, to the extent of any inconsistency, any certificate of deposit disclosure statement produced and furnished by any unaffiliated dealer. You should carefully consider, among other things, the matters set forth in “Risk Factors” in the accompanying disclosure statement and “Risk Factors” in the accompanying underlying supplement, as the CDs involve risks not associated with conventional certificates of deposit. We urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the CDs.

You may access these documents on our website:

- Disclosure statement dated January 29, 2015: http://www.jpmorgan.com/directdoc/Equity_Omnibus_CD_Disclosure_Statement_2.0
- Underlying supplement no. CD-19-I dated February 20, 2015: http://www.jpmorgan.com/directdoc/Underlying_supplement_CD_19_I_Efficiente®_plus

You may access information related to the unaudited semiannual Consolidated Financial Statements of JPMorgan Chase Bank, N.A. as at December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015 at the following URL:

- http://www.jpmorgan.com/directdoc/JPMCB_Consolidated_Financial_Statements_2015

As used in this term sheet, “we,” “us,” “our” and “JPMorgan Chase Bank” refer to JPMorgan Chase Bank, National Association.

Annex A

Additional Risks Relating to the ETF Constituents

Additional Risks Relating to the Vanguard FTSE Emerging Markets ETF

On June 2, 2015, The Vanguard Group, Inc. announced that the Vanguard FTSE Emerging Markets ETF would soon transition to track a new underlying index. On November 2, 2015, the Vanguard FTSE Emerging Markets ETF ceased tracking the FTSE Emerging Index and began temporarily tracking the FTSE Emerging Markets All Cap China A Inclusion Transition Index. By using this transition index, over a period of approximately 12 months, the Vanguard FTSE Emerging Markets ETF will move gradually from tracking the FTSE Emerging Index to tracking the FTSE Emerging Markets All Cap China A Inclusion Index. As part of the transition, China A-shares and small capitalization companies will gradually increase in weight over the 12-month period, while the weights of the stocks already in the index will be proportionately reduced. The FTSE Emerging Markets All Cap China A Inclusion Index is a market-capitalization weighted index representing the performance of large-, mid- and small-capitalization stocks in emerging markets. The principal differences between the FTSE Emerging Index and the FTSE Emerging Markets All Cap China A Inclusion Index are that the former represents the performance of large- and mid-capitalization companies in emerging markets, excluding China A-shares, whereas the latter also represents the performance of small-capitalization companies in emerging markets and includes China A-shares. As a result of this transition, the Vanguard FTSE Emerging Markets ETF will be exposed to risks associated with investing both in mainland China and in small-capitalization stocks.

The adjustments to the Vanguard FTSE Emerging Markets ETF's holdings are expected to result in temporary increases in the Vanguard FTSE Emerging Markets ETF's transaction costs and turnover rate. The Vanguard FTSE Emerging Markets ETF's actual transaction costs and turnover rate will be dependent upon a number of factors, including the market environment at the time of the portfolio adjustments. These factors could reduce the Vanguard FTSE Emerging Markets ETF's performance and the return on the CDs.

Because the Vanguard FTSE Emerging Markets ETF has begun tracking an index that includes China A-shares, the CDs are subject to increased risk exposure to Chinese incorporated companies that trade on either the Shanghai or Shenzhen stock exchange. Furthermore, in order to trade in China A-shares, a foreign investor must have access to a quota through a qualified foreign institutional investor ("QFII") or Renminbi QFII license holder. In order to trade in China A-shares, the Vanguard FTSE Emerging Markets ETF must obtain a quota from the Chinese regulator prior to investing and then must continue to apply for additional quotas to meet its investment needs. There is no guarantee that the Chinese regulator will continue to give the Vanguard FTSE Emerging Markets ETF any or all of its requested quotas. If the Vanguard FTSE Emerging Markets ETF were to be denied any or all of a requested trade quota, the Vanguard FTSE Emerging Markets ETF would likely have difficulty trading and valuing its China A-shares. Such circumstance would likely cause the Vanguard FTSE Emerging Markets ETF to have difficulty tracking the FTSE Emerging Markets All Cap China A Inclusion Transition Index or FTSE Emerging Markets All Cap China A Inclusion Index, as applicable, and may adversely affect the price of the Vanguard FTSE Emerging Markets ETF.

During both the transition and final benchmark phases, the Vanguard FTSE Emerging Markets ETF will invest by sampling the relevant index, meaning that it will hold a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics. In addition, the addition of small-capitalization stocks and China A-Shares may adversely affect the performance of the Vanguard FTSE Emerging Markets ETF. Moreover, the historical performance of the Vanguard FTSE Emerging Markets ETF prior to November 2, 2015 will not reflect the contribution of small-capitalization stocks and China A-shares and investors in the CDs should bear this difference in mind when evaluating the historical data.

Additional Risks Relating to the Vanguard FTSE Developed Markets ETF

On December 21, 2015, the Vanguard FTSE Developed Markets ETF ceased tracking the FTSE Developed ex North America Index and began temporarily tracking the FTSE Developed All Cap ex US Transition Index. By using this transition index, over a period of approximately 6 months, the Vanguard FTSE Developed Markets ETF will move gradually from tracking the FTSE Developed ex North America Index to tracking the FTSE Developed All Cap ex US Index. As part of the transition, Canadian equities and small capitalization companies will gradually increase in weight over the 6-month period, while the weights of the stocks already in the index will be proportionately reduced. The FTSE Developed All Cap ex US Index is a market-capitalization weighted index representing the performance of large-, mid- and small-capitalization stocks in developed markets excluding the United States. The principal differences between the FTSE Developed ex North America Index and the FTSE Developed All Cap ex US Index are that the former represents the performance of large- and mid-capitalization companies in developed markets excluding the United States and Canada, whereas the latter also represents the performance of small-capitalization companies in developed markets excluding the United States but including Canada. As a result of this transition, the Vanguard FTSE Developed Markets ETF will be exposed to risks associated with investing both in Canada and in small-capitalization stocks.

The adjustments to the Vanguard FTSE Developed Markets ETF's holdings are expected to result in temporary increases in the Vanguard FTSE Developed Markets ETF Shares' transaction costs and turnover rate. The Vanguard FTSE Developed Markets ETF's actual transaction costs and turnover rate will be dependent upon a number of factors, including the market environment at the time of the portfolio adjustments. These factors could reduce the Vanguard FTSE Developed Markets ETF's performance and the return on the CDs.

During both the transition and final benchmark phases, the Vanguard FTSE Developed Markets ETF will invest by sampling the relevant index, meaning that it will hold a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics. In addition, the addition of small-capitalization stocks and Canadian equities may adversely affect the performance of the Vanguard FTSE Developed Markets ETF. Moreover, the historical performance of the Vanguard FTSE Developed Markets ETF prior to December 21, 2015 will not reflect the contribution of small-capitalization stocks and Canadian equities and investors in the CDs should bear this difference in mind when evaluating the historical data.

Risks Relating to Small-Capitalization Companies

An investment in the CDs is subject to risks associated with small capitalization stocks. Some of the stocks held by the FTSE Emerging Markets ETF and the FTSE Developed Markets ETF are issued by companies with relatively small market capitalization. The stock prices of smaller companies may be more volatile than stock prices of large capitalization companies. Small capitalization companies may be less able to withstand adverse economic, market, trade and competitive conditions relative to larger companies. Small capitalization companies are less likely to pay dividends on their stocks, and the presence of a dividend payment could be a factor that limits downward stock price pressure under adverse market conditions.

Additional Information About the Vanguard FTSE Emerging Markets ETF

The description of the Vanguard FTSE Emerging Markets ETF included in the "Background on the Vanguard FTSE Emerging Markets ETF" section of the accompanying underlying supplement is supplemented by the following.

On November 2, 2015, the Vanguard FTSE Emerging Markets ETF ceased tracking the FTSE Emerging Index and began temporarily tracking the FTSE Emerging Markets All Cap China A Inclusion Transition Index (the "Interim Emerging Markets Index"). Over a period of approximately 12 months, through gradually increasing exposure to small-capitalization stocks and China A-Shares to the FTSE Emerging Index, the Interim Emerging Markets Index will eventually replicate the FTSE Emerging Markets All Cap China A Inclusion Index (the "Target Emerging Markets Index"). China A-shares, which are securities of Chinese incorporated companies that are quoted in Renminbi, can be traded only by either residents of the People's Republic of China or under the qualified foreign institutional investor ("QFII") rules and stock connect schemes. Following the transition period during which the Vanguard FTSE Emerging Markets ETF tracks the Interim Emerging Markets Index, the Vanguard FTSE Emerging Markets ETF will begin to track the Target Emerging Markets Index, which will be quota-adjusted by FTSE to take into account the quota amount allocated to foreign investors by the Chinese regulator.

During both the transition and final benchmark phases, the Vanguard FTSE Emerging Markets ETF will invest by sampling the relevant index, meaning that it will hold a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics.

The FTSE Emerging Markets All Cap China A Inclusion Index

We have derived all information contained in this annex regarding the Target Emerging Markets Index from publicly available information, without independent verification. This information reflects the policies of, and is subject to change by, FTSE. FTSE has no obligation to continue to publish, and may discontinue publication of, the Target Emerging Markets Index.

The Target Emerging Markets Index is a market-capitalization weighted index representing the performance of large, mid and small-cap companies in emerging markets. The Target Emerging Markets Index was launched on June 5, 2015, with a base date of December 31, 2005 and a base value of 1,000.

The Target Emerging Markets Index will apply the same methodology as the FTSE Emerging Index, except the Target Emerging Markets Index will include small capitalization stocks and China A-shares at a weighting equivalent to the aggregate QFII and/or Renminbi QFII ("RQFII") approved quota for international investors. The China A-shares weighting will increase as total QFII and RQFII allocations increase. A built-in mechanism ensures that the allocation of China A-shares is adjusted proportional to the changes in the approved quota and is in line with the accessibility available to international investors.

Additional Information About the Vanguard FTSE Developed Markets ETF

The description of the Vanguard FTSE Developed Markets ETF included in the "Background on the Vanguard FTSE Developed Markets ETF" section of the accompanying underlying supplement is supplemented by the following.

On December 21, 2015, the Vanguard FTSE Developed Markets ETF ceased tracking the FTSE Developed ex North America Index and began temporarily tracking the FTSE Developed All Cap ex US Transition Index (the "Interim Developed Markets Index"). Over a

period of approximately 6 months, through gradually increasing exposure to small-capitalization stocks and Canadian equities to the FTSE Developed ex North America Index, the Interim Developed Markets Index will eventually replicate the FTSE Developed All Cap ex US Index (the "Target Developed Markets Index"). Following the transition period during which the Vanguard FTSE Developed Markets ETF tracks the Interim Developed Markets Index, the Vanguard FTSE Developed Markets ETF will begin to track the Target Developed Markets Index.

During both the transition and final benchmark phases, the Vanguard FTSE Developed Markets ETF will invest by sampling the relevant index, meaning that it will hold a broadly diversified collection of securities that, in the aggregate, approximates the full index in terms of key characteristics.

The FTSE Developed All Cap ex US Index

We have derived all information contained in this annex regarding the Target Developed Markets Index from publicly available information, without independent verification. This information reflects the policies of, and is subject to change by, FTSE. FTSE has no obligation to continue to publish, and may discontinue publication of, the Target Developed Markets Index.

The Target Developed Markets Index is a market-capitalization weighted index representing the performance of large, mid and small-cap companies in developed markets excluding the United States. The Target Developed Markets Index was launched on September 1, 2003, with a base date of December 31, 2002 and a base value of 200.

The Target Developed Markets Index will apply the same methodology as the FTSE Developed ex North America Index, except the Target Developed Markets Index will include small capitalization stocks and Canadian equities.

Additional Information About the iShares® 20+ Year Treasury Bond ETF

The description of the iShares® 20+ Year Treasury Bond ETF (the "20+ Treasury Fund") included in the "Background on the iShares® 20+ Year Treasury Bond ETF" section of the accompanying underlying supplement is supplemented by the following.

On March 31, 2016, the 20+ Treasury Fund ceased tracking the Barclays U.S. 20+ Year Treasury Bond Index and begin tracking the ICE U.S. Treasury 20+ Year Index (the "ICE 20+ Year Index"). The ICE 20+ Year Index measures the performance of the U.S. dollar-denominated, fixed-rate U.S. Treasury market that has a remaining maturity of 20 or more years. See "— The ICE U.S. Treasury Indices" below for more information about the ICE 20+ Year Index.

Additional Information About the iShares® 7-10 Year Treasury Bond ETF

The description of the iShares® 7-10 Year Treasury Bond ETF (the "7-10 Treasury Fund") included in the "Background on the iShares® 7-10 Year Treasury Bond ETF" section of the accompanying underlying supplement is supplemented by the following.

On March 31, 2016, the 7-10 Treasury Fund ceased tracking the Barclays U.S. 7-10 Year Treasury Bond Index and begin tracking the ICE U.S. Treasury 7-10 Year Index (the "ICE 7-10 Year Index"). The ICE 7-10 Year Index measures the performance of the U.S. dollar-denominated, fixed-rate U.S. Treasury market that has a remaining maturity of greater than or equal to 7 years and less than 10 years. See "— The ICE U.S. Treasury Indices" below for more information about the ICE 7-10 Year Index.

The ICE U.S. Treasury Indices

All information contained in this annex regarding the ICE 20+ Year Index and the ICE 7-10 Year Index (each, an "ICE U.S. Treasury Index" and together, the "ICE U.S. Treasury Indices") is derived from publicly available information, without independent verification. This information reflects the policies of, and is subject to change by, Interactive Data Pricing and Reference Data LLC ("Interactive Data"), a subsidiary of Intercontinental Exchange, Inc. Interactive Data has no obligation to continue to publish, and may discontinue publication of, the ICE U.S. Treasury Indices.

The ICE U.S. Treasury Indices are market-value weighted indices that are designed to measure the performance of the U.S. dollar-denominated, fixed-rate U.S. Treasury market. The ICE U.S. Treasury Indices were launched on December 31, 2015.

The ICE 20+ Year Index measures the performance of the U.S. dollar-denominated, fixed-rate U.S. Treasury market that has a remaining maturity of 20 or more years, and the ICE 7-10 Year Index measures the performance of the U.S. dollar-denominated, fixed-rate U.S. Treasury market that has a remaining maturity of greater than or equal to 7 years and less than 10 years. The ICE 20+ Year Index and the ICE 7-10 Year Index are reported by Bloomberg L.P. under the ticker symbols "IDCOT20" and "IDCOT7," respectively.

Index Eligibility Criteria and Inclusion Rules

Each ICE U.S. Treasury Index consists of securities that meet the criteria listed below (the "Eligible Bond universe"). The basis of the Eligible Bond universe are those securities for which content is available daily, including evaluations and reference data, through Interactive Data.

Maturity

For the ICE 20+ Year Index, each security must have a minimum effective maturity of at least twenty years as of the last business day of the month (the "Rebalance Date"). For the ICE 7-10 Year Index, each security must have an effective maturity of at least seven years and less than ten years as of the Rebalance Date. Treasury bonds issued with calls are removed from the relevant ICE U.S. Treasury Index for the entire month in which they are called.

Size

Each security is required to have a minimum amount outstanding of $300 million. Amount outstanding is defined as the par amount outstanding of each Treasury security, inclusive of any announced auctions or re-openings, less the par amount of that Treasury security held in the Federal Reserve System Open Market Account or bought at issuance by the Federal Reserve. A new issuance bought at auction by the Federal Reserve is not included in the Eligible Bond universe. Secondary market purchases by the Federal Reserve that occur in the current month are not reflected in the Eligible Bond universe until the following month.

Coupon

The Eligible Bond universe includes only fixed-rate securities, excluding zero-coupon securities.

Currency

The Eligible Bond universe includes only securities with principal and interest denominated in U.S. dollars.

Bond Type

Inflation-linked securities, Treasury bills, floating-rate notes, cash-management bills and any government agency debt issued with or without a government guarantee are excluded from the Eligible Bond universe.

Index Maintenance

The ICE U.S. Treasury Indices are rebalanced monthly. Securities are required to meet the ICE U.S. Treasury Index inclusion rules highlighted in the previous section to be considered for inclusion at the beginning of any given month. This includes the availability of evaluated pricing and reference data through Interactive Data.

Rebalancing

The ICE U.S. Treasury Indices are rebalanced on the last Bond Business Day of each month. A "Bond Business Day" is a day on which the Securities Industry and Financial Markets Association ("SIFMA") declares that the U.S. fixed-income markets are open.

The new ICE U.S. Treasury Indices for the next month are published three Business Days prior to the end of the month. The new ICE U.S. Treasury Indices will include all securities in the Eligible Bond universe, including any new auctions or re-openings which are announced on or before the third Business Day prior to month end.

The ICE U.S. Treasury Indices are not adjusted for securities that become eligible or ineligible for inclusion during the month. Any such changes are incorporated in the ICE U.S. Treasury Indices for the next month.

Reinvestment of Cash Flows

Cash that has accrued intra-month from interest and principal payments by the securities included in each ICE U.S. Treasury Index earns no reinvestment return during the month. Accumulated cash (from coupon and principal payments) is removed from the ICE U.S. Treasury Indices at month-end, such that the cash is reinvested *pro rata* across the entire relevant ICE U.S. Treasury Index.

New Issues

Qualifying securities issued on or before the Rebalancing Date may qualify for inclusion. Issued securities are included in the pro forma ICE U.S. Treasury Index with a price of $100 until replaced with an evaluated price as soon as available after auction day.

Calculation

Returns and risk measures, such as yield duration, are first calculated at the constituent level and then aggregated to the ICE U.S. Treasury Index level using constituents' market weights.

Constituent Level Calculations

P_0, A_0, PAR_0, C_0 and MV_0 and P_1, A_1, PAR_1, C_1 and MV_1 denote the price, accrued interest, par amount, cumulative coupon payments and market values at date T_0 and date T_1, respectively. C denotes the coupon payments during the period (excluding any coupon payment on date T_0 but including any coupon payment on date T_1).

Coupon payments during the period are calculated as follows: $C = C_1 - C_0$.

The market values at time T_1 and T_1 are: $MV_0 = PAR_0 \times [(P_0 + A_0) + C_0]$ and $MV_1 = PAR_1 \times [(P_1 + A_1) + C_1]$, respectively.

The price return R_1^{price} and coupon return R_1^{coupon} (whenever applicable) are defined as follows:

- Price return: return due to price appreciation over the return period:

$$R_1^{price} = \frac{P_1 - P_0}{(P_0 + A_0)}$$

- Coupon return: return due to coupon accrual during the period:

$$R_1^{coupon} = \frac{(A_1 - A_0) + C}{(P_0 + A_0)}$$

The total return is the sum of the price return and the coupon return:

$$Total\ Return_0 = Price\ Return_1 + Coupon\ Return_1$$

Index Level Calculations

Each U.S. ICE Treasury Index has an initial level of 100 at the inception date. As time passes, the U.S. ICE Treasury Index levels are calculated in an iterative way as follows:

$$Index\ Level_1 = Index\ Level_0 + (Index\ Level_0 \times Index\ Total\ Returns_1)$$

The U.S. ICE Treasury Index total returns are calculated by aggregating the constituent level total returns using market weights. To calculate a U.S. ICE Treasury Index total return for the period from dates T_0 and T_1, market value weights at date T_0 are used. The total market value of the U.S. ICE Treasury Index at time T_0 is $\Sigma_n\ MV_o^n$ plus any intra-month cash from coupon payment or principal repayment and the weight for constituent security, which is calculated as follows:

$$w_o^i = {MV_o^i}/{(Cash + \sum n\ MV_o^n)}$$

Each U.S. ICE Treasury Index's levels will be provided to four decimal places.

Index Policies

Timing and Pricing Source

3:00 p.m. Eastern Standard Time evaluations from Interactive Data will be used to calculate each ICE U.S. Treasury Index's levels at the end of each day. Bonds in the ICE U.S. Treasury Indices are priced on the bid side.

Calendar

The ICE U.S. Treasury Indices follow the SIFMA U.S. bond market holiday schedule. The ICE U.S. Treasury Indices' levels are calculated daily at the end of each Bond Business Day. When the bond market closes early per the SIFMA schedule, the ICE U.S. Treasury Indices' levels may be calculated at a time in accordance with the recommended close. However, evaluated pricing from Interactive Data must be available to calculate the ICE U.S. Treasury Indices' levels.

Verification

The ICE U.S. Treasury Indices' levels are calculated using 3:00 p.m. Eastern Standard Time evaluations from Interactive Data. These evaluations are based upon methodologies designed to accurately and reliably reflect the market the ICE U.S. Treasury Indices are based upon.

Interactive Data's bid-side evaluations are market-based measurements that represent its good faith opinions as to what the holder would receive in an orderly transaction (for an institutional round lot position, typically $1,000,000 or greater current value in U.S. dollars or local currency equivalent) under current market conditions. Trades and bids are reviewed to determine that the lot size is representative of an institutional round lot, though smaller or retail sized lots may be considered especially if this is the only or primary trading information available.

Interactive Data's evaluators meet regularly to discuss market movements and other macro-economic information. Interactive Data evaluates U.S. Treasury securities by obtaining feeds continuously from a number of live data sources including active market makers and inter-dealer brokers. Sources are reviewed on the basis of their historical accuracy for individual issues and maturity ranges. As new information is received, it is compared against the previous evaluation as part of the daily process.

Interactive Data also maintains a verification process designed to identify price tolerance breaks for further investigation.

When needed to establish an ICE U.S. Treasury Index determination, Expert Judgment will be based upon the Interactive Data Index Design Principles, which detail the core design principles adhered to by the Interactive Data ETF & Index Services Team (the "Services Team") in establishing an ICE U.S. Treasury Index determination specific to that ICE U.S. Treasury Index. "Expert Judgment" refers to the exercise of discretion by the Services Team with respect to the use of data in determining a benchmark. Expert Judgment includes extrapolating values from prior or related transactions, adjusting values for factors that might influence the quality of data such as market events or impairment of a buyer's or seller's credit quality or weighting firm bids or offers greater than a particular concluded transaction. The Interactive Data Index Design Principles are available on request to Interactive Data.

Restatements

Interactive Data reserves the right to restate an ICE U.S. Treasury Index's levels based on its discretion. ICE U.S. Treasury Indices subscribers are notified prior to a restatement of data. Restatements are typically communicated on the same day but may take longer depending on the volume of restatements required and other conditions.

Index Governance

The Interactive Data Index Governance Committee (the "Governance Committee") is responsible for governance, accountability and oversight of the ICE U.S. Treasury Indices. The Governance Committee provides oversight to the Services Team that has daily responsibilities for the development, issuance and operation of the ICE U.S. Treasury Indices.

The Governance Committee will approve any necessary changes in the ICE U.S. Treasury Indices' methodology. The Services Team is then responsible for implementing the changes and notifying the people or entities that purchase benchmark determination services from the Services Team ("Subscribers").

Advance notice will be provided, where possible, and the amount of notice will be based upon the severity of the impact of the change to allow for comments from Subscribers and appropriate preparation to implement the change.