

JPMORGAN CHASE & CO  
Form 424B2  
May 02, 2016

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

**Subject to completion dated April 29, 2016.**

May , 2016

Registration Statement Nos. 333-209682 and 333-209682-01; Rule 424(b)(2)

JPMorgan Chase Financial Company LLC

Structured Investments

Capped Buffered Return Enhanced Notes Linked to the iShares® MSCI EAFE ETF due May 31, 2018

Fully and Unconditionally Guaranteed by JPMorgan Chase & Co.

The notes are designed for investors who seek a return of 2 times any appreciation of the iShares® MSCI EAFE ETF, up to a maximum return that will not be less than 22.00% or greater than 26.00%, at maturity.

Investors should be willing to forgo interest and dividend payments and be willing to lose up to 90% of their principal.

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

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

The notes are expected to price on or about May 25, 2016 and are expected to settle on or about May 31, 2016.

CUSIP: 46646EAV4

**Investing in the notes involves a number of risks. See Risk Factors beginning on page PS-10 of the accompanying product supplement no. 4-I, Risk Factors beginning on page US-2 of the accompanying underlying supplement no. 1-I and Selected Risk Considerations beginning on page PS-3 of this pricing supplement.**

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

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

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

(2). J.P. Morgan Securities LLC, which we refer to as JPMS, acting as agent for JPMorgan Financial, will pay all of the selling commissions it receives from us to other affiliated or unaffiliated dealers. If the notes priced today, the selling commissions would be approximately \$2.50 per \$1,000 principal amount note and in no event will these selling commissions exceed \$6.00 per \$1,000 principal amount note. See Plan of Distribution (Conflicts of Interest) in the accompanying product supplement no. 4-I.

**If the notes priced today, the estimated value of the notes would be approximately \$980.50 per \$1,000 principal amount note. The estimated value of the notes, when the terms of the notes are set, will be provided in the pricing supplement and will not be less than \$960.00 per \$1,000 principal amount note. See The Estimated Value of the Notes in this pricing supplement for additional information.**

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

Pricing supplement no. to product supplement no. 4-I dated April 15, 2016, underlying supplement no. 1-I dated April 15, 2016

and the prospectus and prospectus supplement, each dated April 15, 2016

## Key Terms

**Issuer:** JPMorgan Chase Financial Company LLC

**Guarantor:** JPMorgan Chase & Co.

**Fund:** The iShares® MSCI EAFE ETF (Bloomberg ticker: EFA)

**Maximum Return:** Between 22.00% and 26.00% (corresponding to a maximum payment at maturity of between \$1,220.00 and \$1,260.00 per \$1,000 principal amount note) (to be provided in the pricing supplement)

**Upside Leverage Factor:** 2

**Buffer Amount:** 10%

**Pricing Date:** On or about May 25, 2016

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

**Observation Date\*:** May 25, 2018

**Maturity Date\*:** May 31, 2018

\* Subject to postponement in the event of a market disruption event and as described under General Terms of Notes Postponement of a Determination Date Notes Linked to a Single Underlying and General Terms of Notes Postponement of a Payment Date in the accompanying product supplement no. 4-I

**Fund Return:**

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

Initial Value

**Initial Value:** The closing price of one share of the Fund on the Pricing Date

**Final Value:** The closing price of one share of the Fund on the Observation Date

**Payment at Maturity:** If the Final Value is greater than the Initial Value, your payment at maturity per \$1,000 principal amount note will be calculated as follows:

$$\$1,000 + [\$1,000 \times (\text{Fund Return} \times \text{Upside Leverage Factor})],$$

subject to the Maximum Return

If the Final Value is equal to the Initial Value or is less than the Initial Value by up to the Buffer Amount, you will receive the principal amount of your notes at maturity.

If the Final Value is less than the Initial Value by more than the Buffer Amount, your payment at maturity per \$1,000 principal amount note will be calculated as follows:

$$\$1,000 + [\$1,000 \times (\text{Fund Return} + \text{Buffer Amount})]$$

*If the Final Value is less than the Initial Value by more than 10%, you will lose some or most of your principal amount at maturity.*

**Share Adjustment Factor:** The Share Adjustment Factor is referenced in determining the closing price of one share of the Fund and is set equal to 1.0 on the Pricing Date. The Share Adjustment Factor is subject to adjustment upon the occurrence of certain events affecting the Fund. See [The Underlyings](#) [Funds](#) [Anti-Dilution Adjustments](#) in the accompanying product supplement no. 4-I for further information.

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## Hypothetical Payout Profile

The following table and graph illustrate the hypothetical total return at maturity on the notes. The total return as used in this pricing supplement is the number, expressed as a percentage, that results from comparing the payment at maturity per \$1,000 principal amount note to \$1,000. The hypothetical total returns set forth below assume the following:

an Initial Value of 100

a Maximum Return of 22.00%

an Upside Leverage Factor of 2

the Buffer Amount of 10%.

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 based on the closing price of one share of the Fund on the Pricing Date and will be provided in the pricing supplement. For historical data regarding the actual closing price of one share of the Fund, please see the historical information set forth under The Fund in this pricing supplement.

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

Final Value	Fund Return	Total Return	Payment at Maturity
\$180.00	80.00%	22.000%	\$1,220.00
\$170.00	70.00%	22.000%	\$1,220.00
\$160.00	60.00%	22.000%	\$1,220.00
\$150.00	50.00%	22.000%	\$1,220.00
\$140.00	40.00%	22.000%	\$1,220.00
\$130.00	30.00%	22.000%	\$1,220.00
\$120.00	20.00%	22.000%	\$1,220.00
\$111.00	11.00%	22.000%	\$1,220.00
\$110.00	10.00%	20.000%	\$1,200.00
\$105.00	5.00%	10.000%	\$1,100.00
\$101.00	1.00%	2.000%	\$1,020.00
\$100.00	0.00%	0.000%	\$1,000.00
\$95.00	-5.00%	0.000%	\$1,000.00
\$90.00	-10.00%	0.000%	\$1,000.00
\$85.00	-15.00%	-5.000%	\$950.00
\$80.00	-20.00%	-10.000%	\$900.00
\$70.00	-30.00%	-20.000%	\$800.00

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\$60.00	-40.00%	-30.000%	\$700.00
\$50.00	-50.00%	-40.000%	\$600.00
\$40.00	-60.00%	-50.000%	\$500.00
\$30.00	-70.00%	-60.000%	\$400.00
\$20.00	-80.00%	-70.000%	\$300.00
\$10.00	-90.00%	-80.000%	\$200.00
\$0.00	-100.00%	-90.000%	\$100.00

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The following graph demonstrates the hypothetical total returns and hypothetical payments at maturity on the notes at maturity for a sub-set of Fund Returns detailed in the table above (-30% to 30%). Your investment may result in a loss of up to 90% of your principal amount at maturity.

## How the Notes Work

### Upside Scenario:

If the Final Value is greater than the Initial Value, investors will receive at maturity the \$1,000 principal amount plus a return equal to two times the Fund Return, up to the Maximum Return, which will not be less than 22.00% or greater than 26.00%, at maturity. Assuming a hypothetical Maximum Return of 22.00%, an investor will realize the maximum payment at maturity at a Final Value of 111.00% or more of the Initial Value.

If the closing price of one share of the Fund increases 5.00%, investors will receive at maturity a 10.00% return, or \$1,100.00 per \$1,000 principal amount note.

Assuming a hypothetical Maximum Return of 22.00%, if the closing price of one share of the Fund increases 40.00%, investors will receive at maturity a return equal to the Maximum Return of 22.00%, or \$1,220.00 per \$1,000 principal amount note, which is the maximum payment at maturity.

### Par Scenario:

If the Final Value is equal to the Initial Value or is less than the Initial Value by up to the Buffer Amount of 10%, investors will receive at maturity the principal amount of their notes.

### Downside Scenario:

If the Final Value is less than the Initial Value by more than the Buffer Amount of 10%, investors will lose 1% of the principal amount of their notes for every 1% that the Final Value is less than the Initial Value by more than the Buffer Amount.

For example, if the closing price of one share of the Fund declines 50.00%, investors will lose 40.00% of their principal amount and receive only \$600.00 per \$1,000 principal amount note at maturity.

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

## Selected Risk Considerations

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

**YOUR INVESTMENT IN THE NOTES MAY RESULT IN A LOSS**

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The notes do not guarantee any return of principal. If the Final Value is less than the Initial Value by more than 10%, you will lose 1% of the principal amount of your notes for every 1% that the Final Value is less than the Initial Value by more than 10%. Accordingly, you may lose up to 90% of your principal amount at maturity.

**YOUR MAXIMUM GAIN ON THE NOTES IS LIMITED TO THE MAXIMUM RETURN,**  
regardless of the appreciation in the Fund, which may be significant.

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

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

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

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

**POTENTIAL CONFLICTS**

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

**THE NOTES DO NOT PAY INTEREST.**

**YOU WILL NOT RECEIVE DIVIDENDS ON THE SECURITIES INCLUDED IN THE FUND OR HAVE  
ANY RIGHTS WITH RESPECT TO THOSE SECURITIES.**

**THERE ARE RISKS ASSOCIATED WITH THE FUND**

The Fund is subject to management risk, which is the risk that the investment strategies of the Fund's investment adviser, the implementation of which is subject to a number of constraints, may not produce the intended results. These constraints could adversely affect the market price of the shares of the Fund and, consequently, the value of the notes.

**THE PERFORMANCE AND MARKET VALUE OF THE FUND, PARTICULARLY DURING PERIODS OF MARKET VOLATILITY, MAY NOT CORRELATE WITH THE PERFORMANCE OF THE FUND'S UNDERLYING INDEX AS WELL AS THE NET ASSET VALUE PER SHARE**

The Fund does not fully replicate its Underlying Index (as defined under "The Fund" below) and may hold securities different from those included in the Underlying Index. In addition, the performance of the Fund will reflect additional transaction costs and fees that are not included in the calculation of its Underlying Index. All of these factors may lead to a lack of correlation between the performance of the Fund and its Underlying Index. In addition, corporate actions with respect to the equity securities underlying the Fund (such as mergers and spin-offs) may impact the variance between the performances of the Fund and its Underlying Index. Finally, because the shares in the Fund are traded on NYSE Arca, Inc. and are subject to market supply and investor demand, the market value of one share of the Fund may differ from the net asset value per share of the Fund.

During periods of market volatility, securities underlying the Fund may be unavailable in the secondary market, market participants may be unable to calculate accurately the net asset value per share of the Fund and the liquidity of the Fund may be adversely affected. This kind of market volatility may also disrupt the ability of market participants to create and redeem shares in the Fund. Further, market volatility may adversely affect, sometimes materially, the prices at which market participants are willing to buy and sell shares of the Fund. As a result, under these circumstances, the market value of shares of the Fund may vary substantially from the net asset value per share of the Fund. For all of the foregoing reasons, the performance of the Fund may not correlate with the

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performance of its Underlying Index as well as the net asset value per share of the Fund, which could materially and adversely affect the value of the Notes in the secondary market and/or reduce your payment at maturity.

### **NON-U.S. SECURITIES RISK**

The equity securities held by the Fund have been issued by non-U.S. companies. Investments in securities linked to the value of such non-U.S. equity securities involve risks associated with the securities markets in the home countries of the issuers of those non-U.S. equity securities. Also, there is generally less publicly available information about companies in some of these jurisdictions than there is about U.S. companies that are subject to the reporting requirements of the SEC.

### **THE NOTES ARE SUBJECT TO CURRENCY EXCHANGE RISK**

Because the prices of the equity securities held by the Fund are converted into U.S. dollars for purposes of calculating the net asset value of the Fund, holders of the notes will be exposed to currency exchange rate risk with respect to each of the currencies in which the equity securities held by the Fund trade. Your net exposure will depend on the extent to which those currencies strengthen or weaken against the U.S. dollar and the relative weight of equity securities held by the Fund denominated in each of those currencies. If, taking into account the relevant weighting, the U.S. dollar strengthens against those currencies, the price of the Fund will be adversely affected and any payment on the notes may be reduced.

### **THE ANTI-DILUTION PROTECTION FOR THE FUND IS LIMITED**

The calculation agent will make adjustments to the Share Adjustment Factor for certain events affecting the shares of the Fund. However, the calculation agent will not make an adjustment in response to all events that could affect the shares of the Fund. If an event occurs that does not require the calculation agent to make an adjustment, the value of the notes may be materially and adversely affected.

### **LACK OF LIQUIDITY**

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

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

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

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

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

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

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

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

The internal funding rate used in the determination of the estimated value of the notes is based on, among other things, our and our affiliates' view of the funding value of the notes as well as the higher issuance, operational and ongoing liability management costs of the notes. The use of an internal funding rate and any potential changes to that rate may have an adverse effect on the terms of the notes and any secondary market prices of the notes. See The Estimated Value of the Notes in this pricing supplement.

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

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

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

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

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

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

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## The Fund

The iShares® MSCI EAFE ETF is an exchange-traded fund of iShares Trust, which is a registered investment company that consists of numerous separate investment portfolios. The iShares® MSCI EAFE ETF seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the European, Australasian (Australian and Asian), and Far Eastern markets, as measured by the MSCI EAFE Index, which we refer to as the Underlying Index. The Underlying Index is a free-float adjusted average of the U.S. dollar values of all of the equity securities constituting the MSCI indices for selected countries in Europe, Australasia and the Far East. For additional information about the iShares® MSCI EAFE ETF, see Fund Descriptions The iShares® ETFs in the accompanying underlying supplement no. 1-I.

## Historical Information

The following graph sets forth the historical performance of the Fund based on the weekly historical closing prices of one share of the Fund from January 7, 2011 through April 22, 2016. The closing price of one share of the Fund on April 28, 2016 was \$58.70. We obtained the closing prices below from the Bloomberg Professional® service ( Bloomberg ), without independent verification. The closing prices below may have been adjusted by Bloomberg for actions taken by the Fund, such as stock splits.

The historical closing prices of one share of the Fund should not be taken as an indication of future performance, and no assurance can be given as to the closing price of one share of the Fund on the Pricing Date or the Observation Date. There can be no assurance that the performance of the Fund will result in the return of any of your principal amount in excess of \$100 per \$1,000 principal amount note, subject to the credit risk of JPMorgan Financial, as issuer of the notes, and the credit risk of JPMorgan Chase & Co., as guarantor of the notes.

## Tax Treatment

You should review carefully the section entitled Material U.S. Federal Income Tax Consequences in the accompanying product supplement no. 4-I. The following discussion, when read in combination with that section, constitutes the full opinion of our special tax counsel, Davis Polk & Wardwell LLP, regarding the material U.S. federal income tax consequences of owning and disposing of notes.

Based on current market conditions, in the opinion of our special tax counsel it is reasonable to treat the notes as open transactions that are not debt instruments for U.S. federal income tax purposes, as more fully described in Material U.S. Federal Income Tax Consequences Tax Consequences to U.S. Holders Notes Treated as Open Transactions That Are Not Debt Instruments in the accompanying product supplement. Assuming this treatment is respected, subject to the possible application of the constructive ownership rules, the gain or loss on your notes should be treated as long-term capital gain or loss if you hold your notes for more than a year, whether or not you are an initial purchaser of notes at the issue price. The notes could be treated as constructive ownership transactions within the meaning of Section 1260 of the Internal Revenue Code of 1986, as amended, in which case any gain recognized in respect of the notes that would otherwise be long-term capital gain and that was in excess of the net underlying long-term capital gain (as defined in Section 1260) would be treated as ordinary income, and a notional interest charge would apply as if

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that income had accrued for tax purposes at a constant yield over the notes' term. Our special tax counsel has not expressed an opinion with respect to whether the constructive ownership rules apply to the notes. Accordingly, U.S. Holders should consult their tax advisers regarding the potential application of the constructive ownership rules.

The IRS or a court may not respect the treatment of the notes described above, in which case the timing and character of any income or loss on your notes could be materially and adversely affected. In addition, in 2007 Treasury and the IRS released a notice requesting comments on the U.S. federal income tax treatment of prepaid forward contracts and similar instruments. The notice focuses in particular on whether to require investors in these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; the relevance of factors such as the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by non-U.S. investors should be subject to withholding tax; and whether these instruments are or should be subject to the constructive ownership regime described above. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the notes, possibly with retroactive effect. You should consult your tax adviser regarding the U.S. federal income tax consequences of an investment in the notes, including the potential application of the constructive ownership rules, possible alternative treatments and the issues presented by this notice.

Withholding under legislation commonly referred to as FATCA may (if the notes are recharacterized as debt instruments) apply to amounts treated as interest paid with respect to the notes. Notwithstanding anything to the contrary in the accompanying product supplement, under a recent IRS notice, withholding under FATCA will not apply to payments of gross proceeds (other than any amount treated as interest) of a taxable disposition, including redemption at maturity, of the notes. You should consult your tax adviser regarding the potential application of FATCA to the notes.

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

### **The Estimated Value of the Notes**

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

The value of the derivative or derivatives underlying the economic terms of the notes is derived from internal pricing models of our affiliates. 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, the estimated value of the notes is determined when the terms of the notes are set based on market conditions and other relevant factors and assumptions existing at that time.



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

The estimated value of the notes will be lower than the original issue price of the notes because costs associated with selling, structuring and hedging the notes are included in the original issue price of the notes. These costs include the selling commissions 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 notes and the estimated cost of hedging our obligations under the notes. 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 notes may be allowed to other affiliated or unaffiliated dealers, and we or one or more of our affiliates will retain any remaining hedging

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profits, if any. See **Selected Risk Considerations The Estimated Value of the Notes Will Be Lower Than the Original Issue Price (Price to Public) of the Notes** in this pricing supplement.

### **Secondary Market Prices of the Notes**

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

### **Supplemental Use of Proceeds**

The notes are offered to meet investor demand for products that reflect the risk-return profile and market exposure provided by the notes. See **Hypothetical Payout Profile** and **How the Notes Work** in this pricing supplement for an illustration of the risk-return profile of the notes and **The Fund** in this pricing supplement for a description of the market exposure provided by the notes.

The original issue price of the notes is equal to the estimated value of the notes 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 notes, plus the estimated cost of hedging our obligations under the notes.

### **Additional Terms Specific to the Notes**

You may revoke your offer to purchase the notes at any time prior to the time at which we accept such offer by notifying the applicable agent. We reserve the right to change the terms of, or reject any offer to purchase, the notes prior to their issuance. In the event of any changes to the terms of the notes, 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 pricing supplement together with the prospectus, as supplemented by the prospectus supplement, each dated April 15, 2016, relating to our Series A medium-term notes of which these notes are a part, and the more detailed information contained in product supplement no. 4-I dated April 15, 2016 and underlying supplement no. 1-I dated April 15, 2016. This pricing supplement, together with the documents listed below, contains the terms of the notes and supersedes all other prior or contemporaneous oral statements as well as any other written materials

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including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, fact sheets, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in **Risk Factors** in the accompanying product supplement no. 4-I and **Risk Factors** in the accompanying underlying supplement no. 1-I, as the notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the notes.

**You may access these documents on the SEC website at [www.sec.gov](http://www.sec.gov) as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):**

Product supplement no. 4-I dated April 15, 2016:

[http://www.sec.gov/Archives/edgar/data/19617/000095010316012644/crt\\_dp64831-424b2.pdf](http://www.sec.gov/Archives/edgar/data/19617/000095010316012644/crt_dp64831-424b2.pdf)

Underlying supplement no. 1-I dated April 15, 2016:

[http://www.sec.gov/Archives/edgar/data/19617/000095010316012649/crt-dp64909\\_424b2.pdf](http://www.sec.gov/Archives/edgar/data/19617/000095010316012649/crt-dp64909_424b2.pdf)

Prospectus supplement and prospectus, each dated April 15, 2016:

[http://www.sec.gov/Archives/edgar/data/19617/000095010316012636/crt\\_dp64952-424b2.pdf](http://www.sec.gov/Archives/edgar/data/19617/000095010316012636/crt_dp64952-424b2.pdf)

Our Central Index Key, or CIK, on the SEC website is 1665650, and JPMorgan Chase & Co.'s CIK is 19617. As used in this pricing supplement, we, us and our refer to JPMorgan Financial.

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