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Product Supplement to the Prospectus dated June 27, 2014
and the Prospectus Supplement dated June 27, 2014
Senior Medium-Term Notes, Series C
Non-Principal Protected Notes Linked to a Basket of Equity Indices and Exchange Traded Funds

Bank of Montreal may offer and sell non-principal-protected notes linked to the performance of a basket (the “Basket”) of one or more equity indices and exchange traded funds (each, a “Basket Component”). The payment at maturity on your notes will be based on the performance of the Basket during the term of your notes. The notes are intended for investors who anticipate that the value of the Basket will increase (or, in the case of bearish notes, decrease) from its Initial Value to the Final Value on the applicable valuation date or dates. Investors must be willing to forego interest payments on the notes and be willing to accept a return that may be negative, in which case you will receive at maturity less, and possibly significantly less, than your principal.

All payments on the notes are subject to our credit risk.

This product supplement describes terms that will apply generally to the notes, and supplements the terms described in the accompanying prospectus supplement and prospectus. A separate term sheet or pricing supplement, as the case may be, will describe the terms that apply specifically to the notes, including any changes to the terms specified below. We refer to these term sheets and pricing supplements generally as “pricing supplements.” If the terms described in the applicable pricing supplement are inconsistent with those described in this product supplement or in the accompanying prospectus supplement or prospectus, the terms described in the applicable pricing supplement will control.

Unless otherwise specified in the applicable pricing supplement, we will not make periodic payments of interest on the notes.

At maturity, you will receive a payment in excess of the principal amount of your notes if the value of the Basket increases (or, in the case of bearish notes, decreases). However, if the value of the Basket decreases (or, in the case of bearish notes, increases), then, depending upon the specific terms of your notes, you may receive an amount that is less than the principal amount of your notes. Your notes may or may not include a “Buffer,” in which case you will lose a portion of your principal amount if the value of the Basket is less than (or in the case of bearish notes, greater than) a specified level. If your notes do not include a “Buffer,” you may lose all of your principal amount if the value of the Basket decreases.

The notes will not be listed on any securities exchange.

Because we have provided only a brief summary of the terms of your notes above, you should read the detailed description of the terms of the notes found in “Summary Information” and “General Terms of the Notes.”

Your investment in the notes involves certain risks. We encourage you to read the “Additional Risk Factors Relating to the Notes” section beginning on page PS-5 of this product supplement and in the “Risk Factors” sections beginning on page S-1 of the accompanying prospectus supplement and on page 7 of the accompanying prospectus, so that you may better understand those risks.

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

The notes will be our unsecured obligations and will not be savings accounts or deposits that are insured by the United States Federal Deposit Insurance Corporation, the Bank Insurance Fund, the Canada Deposit Insurance Corporation or any other governmental agency or instrumentality or other entity.

BMO CAPITAL MARKETS CORP.

Product Supplement dated May 3, 2016

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SUMMARY INFORMATION

We refer to the notes we are offering by this product supplement as the “notes.” Each of the notes, including your notes, has the terms described below and under “General Terms of the Notes.” In addition, references to the “accompanying prospectus” mean the accompanying prospectus, dated June 27, 2014, as supplemented by the accompanying prospectus supplement, dated June 27, 2014, relating to our Senior Medium-Term Notes, Series C.

Basket: Your notes will be linked to a basket of one or more equity indices and exchange traded funds (“ETF”) specified in the applicable pricing supplement.

Interest Rate: Unless otherwise specified in the applicable pricing supplement, we will not make periodic payments of interest on the notes.

Denominations: Unless otherwise specified in the applicable pricing supplement, the notes will be issued in denominations of \$1,000 and integral multiples of \$1,000.

Payment at Maturity Greater than Principal: If the Final Value (as defined below) of the Basket exceeds (or in the case of bearish notes, is less than) the Initial Value (as defined below) then, depending upon the terms of your notes, and unless otherwise set forth in the applicable pricing supplement, the payment at maturity will be determined as follows:

$$\text{Principal Amount} + (\text{Principal Amount} \times \text{Percentage Change} \times \text{Upside Leverage Factor})$$

Your notes may be “Digital Return Notes.” For Digital Return Notes, unless otherwise set forth in the applicable pricing supplement, the payment at maturity will be determined as follows:

$$\text{Principal Amount} + (\text{Principal Amount} \times \text{Digital Return})$$

Your notes may be “Booster Notes.” For Booster Notes, unless otherwise set forth in the applicable pricing supplement, your payment at maturity will be determined as follows:

If the Percentage Change is greater than the Booster Percentage (as defined below), then the payment at maturity will equal:

$$\text{Principal Amount} + (\text{Principal Amount} \times \text{Percentage Change})$$

If the Percentage Change is greater than or equal to 0% but less than or equal to the Booster Percentage, then the payment at maturity will equal:

$$\text{Principal Amount} + (\text{Principal Amount} \times \text{Booster Percentage})$$

For each of the above notes, the payment at maturity may be subject to a Maximum Redemption Amount (as defined below). For Digital Return Notes, the payment at maturity will be limited to the return represented by the Digital Return.

Payment at Maturity Less than or Equal to Principal: If the Final Value is less than (or in the case of bearish notes, greater than) or equal to the Initial Value, then, unless otherwise described in the applicable pricing supplement, the payment at maturity will equal:

Principal Amount + (Principal Amount × Percentage Change × Downside Leverage Factor)

However, if the relevant pricing supplement specifies that a “Buffer” is applicable to your notes, then:

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If the Final Value is greater than or equal to (or in the case of bearish notes, less than or equal to) the Buffer Value (as defined below), then the payment at maturity will equal the principal amount of your notes.

If the Final Value is less than (or in the case of bearish notes, greater than) the Buffer Value, then the payment at maturity will equal:

$$\text{Principal Amount} + [\text{Principal Amount} \times (\text{Percentage Change} + \text{Buffer Percentage}) \times \text{Downside Leverage Factor}]$$

In this case, if the Final Value is less than (or in the case of bearish notes, greater than) the Initial Value (or, if applicable, Buffer Value), then, at maturity, you will receive less than the principal amount of your notes.

Initial Value: The Initial Value will be set forth in the applicable pricing supplement.

Final Value: Initial Value \times (1 + Percentage Change)

Percentage Change: The Percentage Change will equal the sum of the Weighted Percentage Change for each Basket Component.

Weighted Percentage Change: The Weighted Percentage Change of a Basket Component will be calculated as follows (and expressed as a percentage):

$$\text{Weighting Percentage} \times$$

However, if your notes are bearish notes, the Weighted Percentage Change of each Basket Component will be calculated as follows (and expressed as a percentage):

$$\text{Weighting Percentage} \times$$

Weighting Percentage: The weighting of each Basket Component, expressed as a percentage, which will be specified in the relevant pricing supplement. The sum of the Weighting Percentages of the Basket Components will equal 100%. The Basket Components may or may not have equal Weighting Percentages.

Initial Component Value: The closing value of a Basket Component on the pricing date. The Initial Component Value of a Basket Component that is an ETF is subject to adjustment as described in “General Terms of the Notes—Anti-Dilution Adjustments.”

Final Component Value: The closing value of a Basket Component on the valuation date (if there is one valuation date applicable to the notes) or the arithmetic average of the closing value of a Basket Component on each of the valuation dates (if there is more than one valuation date applicable to the notes), or any other dates specified in the relevant pricing supplement. The Final Component Value of a Basket Component that is an ETF is subject to adjustment as described in “General Terms of the

Notes—Anti-Dilution Adjustments.”

Maximum
Redemption
Amount:

The Maximum Redemption Amount, if applicable, will be specified in the relevant pricing supplement. If a Maximum Redemption Amount applies to your notes, then the payment at maturity will be limited to a percentage that will be set forth in the pricing supplement.

Cap:

The Cap, if applicable, will be specified in the relevant pricing supplement. If a Cap applies to your notes, the positive Percentage Change in the value of the Basket will be limited to the Cap.

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Upside Leverage Factor:	As specified in the relevant pricing supplement, if applicable. The Upside Leverage Factor may be less than, equal to or greater than 100%. If the Upside Leverage Factor is less than 100%, you will participate in less than the full upside performance (or in the case of bearish notes, downside performance) of the Basket. If the Upside Leverage Factor is greater than 100%, you will participate on a leveraged basis in the upside performance (or in the case of bearish notes, downside performance) of the Basket (subject to any applicable Maximum Redemption Amount).
Downside Leverage Factor:	As specified in the relevant pricing supplement, if applicable. The Downside Leverage Factor may be less than, equal to or greater than 100%. If the Downside Leverage Factor is less than 100%, you will participate in less than the full downside performance (or in the case of bearish notes, upside performance) of the Basket. If the Downside Leverage Factor is greater than 100%, you will participate on a leveraged basis in the downside performance (or in the case of bearish notes, upside performance) of the Basket, and you may lose a greater portion of the principal amount of your investment.
Digital Return:	A percentage that will be specified in the applicable pricing supplement. If a Digital Return applies to your notes, the return on your investment will be limited to the return represented by the Digital Return.
Booster Percentage:	A specified percentage increase (or in the case of bearish notes, decrease) in the value of the Basket. The Booster Percentage, if any, will be set forth in the relevant pricing supplement.
Buffer Value:	A specified value of the Basket that is less than (or in the case of bearish notes, greater than) the Initial Value. The Buffer Value, if any, will be expressed as a percentage of the Initial Value and will be set forth in the relevant pricing supplement.
Buffer Percentage:	A specified percentage that will be set forth in the relevant pricing supplement, if applicable. For example, if the Buffer Value is 90% of the Initial Value, the Buffer Percentage will be 10%.
Barrier:	If so specified in the applicable pricing supplement, the notes will be subject to a Barrier. In such a case, holders of the notes will be subject to possible loss of all or a portion of the principal amount of the notes if the value of the Basket falls beneath (or in the case of bearish notes, exceeds) a specified Barrier Value during a specified observation period. See “General Terms of the Notes—Payment at Maturity—Payment at Maturity Less than or Equal to Principal—Notes with a Barrier Value.”
Valuation Date(s):	Unless otherwise specified in the relevant pricing supplement, the valuation date, or if there is more than one valuation date, the final valuation date, will be the third trading day prior to the maturity date, subject to postponement as described below.
Additional Terms:	The applicable pricing supplement for your notes may set forth terms that are additional to, or different from, the terms described in this product supplement.
Maturity Date:	As specified in the applicable pricing supplement, subject to any prior automatic redemption, if applicable. If the valuation date or the final valuation date, as applicable, is postponed as described below, the maturity date will be postponed by the same number of trading day(s).

Automatic
Redemption:

We may issue notes that are subject to automatic redemption. If your notes are subject to automatic redemption, the pricing supplement will set forth the terms upon which the notes will be redeemed.

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Clearance and Settlement: DTC

Listing: The notes will not be listed on any securities exchange.

Calculation Agent: Unless otherwise set forth in the applicable pricing supplement, BMO Capital Markets Corp. will serve as calculation agent for the notes. The calculation agent will make all required determinations as to the amounts payable on the notes.

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ADDITIONAL RISK FACTORS RELATING TO THE NOTES

An investment in the notes involves risks. This section describes significant risks relating to the terms of the notes. Before investing in the notes, you should read the following information about these risks, together with the other information contained in or incorporated by reference in the applicable pricing supplement, this product supplement and the accompanying prospectus supplement and prospectus.

General Risks Relating to the Notes

Your investment in the notes may result in a loss. The notes do not guarantee any return of principal unless otherwise specified in the relevant pricing supplement. The amount payable on the notes at maturity will depend primarily on the Percentage Change in the value of the Basket from the Initial Value to the Final Value and may be less, and possibly significantly less, than the principal amount. For notes without a buffer, if the Final Value is less than (or, in the case of bearish notes, greater than) the Initial Value, the return on your notes will be less than the principal amount. For notes with a buffer, if the Final Value is less than (or, in the case of bearish notes, greater than) the Buffer Value, the return on your notes will be less than the principal amount. In the case of notes with a Downside Leverage Factor greater than 100%, your notes will participate in the downside performance (or, in the case of bearish notes, upside performance) of the Basket on a leveraged basis. Depending on the Downside Leverage Factor and the other terms of your notes, you may lose all or a substantial portion of the amount that you invested to purchase the notes.

The notes do not pay interest and your return may be lower than the return on a conventional debt security of comparable maturity. Unless otherwise specified in the applicable pricing supplement, there will be no periodic interest payments on the notes as there would be on a conventional fixed-rate or floating-rate debt security having the same maturity. The yield that you will receive on your notes, which could be negative, may be less than the yield you could earn if you purchased a standard senior debt security of Bank of Montreal with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

The appreciation potential of the notes may be limited. If your notes are subject to a Maximum Redemption Amount, a Cap, or a Digital Return, they will provide less opportunity to participate in the appreciation (or, in the case of bearish notes, depreciation) of the Basket than an investment in a security linked to the Basket providing full participation in the appreciation (or, in the case of bearish notes, depreciation), because the payment at maturity will not exceed the Maximum Redemption Amount or the principal amount plus the Digital Return, as applicable, and the positive Percentage Change in the value of the Basket will be limited to the Cap, if applicable. Accordingly, your return on the notes may be less than your return would be if you made an investment in a security directly linked to the positive (or, in the case of bearish notes, negative) performance of the Basket.

Payments on the notes are subject to our credit risk, and changes in our credit ratings and credit spreads are expected to affect the market value of the notes. The notes are our senior unsecured debt securities. As a result, your receipt of the amount due on the maturity date is dependent upon our ability to repay our obligations at that time. Any decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the value of the notes. This will be the case even if the value of the Basket increases (or, in the case of bearish notes, decreases) after the pricing date. No assurance can be given as to what our financial condition will be at any time during the term of the notes.

Owning the notes is not the same as owning the Basket Components or their components or a security directly linked to the performance of the Basket Components or their components. The return on your notes will not reflect the return you would realize if you actually owned the Basket Components or their components or a security directly linked to

the performance of the Basket Components or their components and held that investment for a similar period. For example, your return on the notes will not reflect the return you would receive if you actually owned the securities included in an index or shares of an ETF, and received the dividends or distributions paid on those securities. Your notes may trade quite differently from the Basket. Changes in the value of the Basket may not result in comparable changes in the market value of your notes. Even if the value of the Basket increases (or, in the case of bearish notes, decreases) from the Initial Value during the term of the notes, the market value of the notes prior to maturity may not increase to the same extent. It is also possible for the market value of the notes prior to maturity to decrease while the value of the Basket increases (or, in the case of bearish notes, decreases).

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The notes may not have an active trading market. Your notes will not be listed on any securities exchange, and there may be little or no secondary market for your notes. Even if a secondary market for your notes develops, it may not provide significant liquidity. We expect that transaction costs in any secondary market would be high. As a result, the difference between bid and ask prices for your notes in any secondary market could be substantial. If you sell your notes before maturity, you may have to do so at a substantial discount from the issue price, and as a result, you may suffer substantial losses.

The market value of your notes may be influenced by many unpredictable factors. The following factors, many of which are beyond our control, may influence the market value of your notes:

• the value of the Basket, including, in the case of notes that have a buffer, whether the value of the Basket is below (or in the case of bearish notes, above) the Buffer Value;

• if your notes are subject to a Maximum Redemption Amount, a Cap, or a Digital Return, your potential return on the notes will be limited;

- the volatility of the value of each Basket Component;
- the dividend rate on the applicable securities represented by the Basket Components;

• economic, financial, political, military, regulatory, legal and other events that affect the applicable securities or commodities markets generally and the U.S. markets in particular, and which may affect the value of the Basket;

• if a Basket Component includes one or more indices, commodities or other assets that have returns that are denominated in currencies other than the U.S. dollar or prices in one or more non-U.S. markets (a “non-U.S. Underlying Asset”), changes in, and the volatility of, the exchange rates between the U.S. dollar and the relevant non-U.S. currency or currencies could have a negative impact on the payments due on your notes and their market value;

- interest rates in the market; and

- the time remaining to maturity of the notes.

These factors may influence the market value of your notes if you sell your notes before maturity. Our creditworthiness, as represented by our credit ratings or as otherwise perceived in the market will also affect the market value of your notes. If you sell your notes prior to maturity, you may receive less than the principal amount of your notes.

Changes in the value of one or more Basket Components may be offset by changes in the value of one or more other Basket Components. A change in the value of one or more Basket Components may not correlate with changes in the value of one or more other Basket Components. The value of one or more Basket Components may increase, while the value of one or more other Basket Components may not increase as much, or may even decrease. The opposite changes may occur in the case of bearish notes. Therefore, in determining the value of the Basket as of any time, increases (or, in the case of bearish notes, decreases) in the value of one Basket Component may be moderated, or wholly offset, by lesser increases or decreases (or, in the case of bearish notes, lesser decreases and increases) in the value of one or more other Basket Components. If the weightings of the applicable Basket Components are not equal, changes in the value of the Basket Components which are more heavily weighted could have a disproportionately adverse impact upon your notes.

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The amount to be paid at maturity will not be affected by all developments relating to the Basket. Changes in the value of the Basket during the term of the notes other than on the relevant valuation date or valuation dates will not be reflected in the calculation of the payment at maturity. The calculation agent will calculate this amount by comparing only the Final Value to the Initial Value (or the Buffer Value, as applicable). No other values of the Basket will be taken into account. As a result, you may receive less than the principal amount of your notes, even if the value of the Basket has increased (or, in the case of bear notes, decreased) at certain times during the term of the notes before decreasing to a value below (or, in the case of bearish notes, increasing to a value above) the Initial Value (or Buffer Value, as applicable) and, if applicable, below (or, in the case of bearish notes, above) the Barrier Value as of the relevant dates.

We will not hold any asset comprising any of the Basket Components for your benefit. The indenture and the terms governing your notes do not contain any restriction on our ability or the ability of any of our affiliates to sell, pledge or otherwise convey all or any portion of the securities, commodities or other assets that may comprise any of the Basket Components that we or they may acquire. Neither we nor our affiliates will pledge or otherwise hold any assets for your benefit, including any assets included in a Basket Component. Consequently, in the event of our bankruptcy, insolvency or liquidation, any of those assets that we own will be subject to the claims of our creditors generally and will not be available for your benefit specifically.

You must rely on your own evaluation of the merits of an investment linked to the Basket. In the ordinary course of their business, our affiliates may have expressed views on expected movements in any Basket Component or the securities or other assets that it represents, and may do so in the future. These views or reports may be communicated to our clients and clients of our affiliates. However, these views are subject to change from time to time. Moreover, other professionals who transact business in markets relating to any Basket Component may at any time have significantly different views from those of our affiliates. For these reasons, you are encouraged to derive information concerning the applicable Basket Components from multiple sources, and you should not rely solely on views expressed by our affiliates.

Our trading and other transactions relating to the Basket Components or related assets, and futures, options or other derivative products may adversely affect the market value of the notes. As described below under “Use of Proceeds and Hedging,” we or one or more affiliates may hedge our obligations under the notes by purchasing or selling securities, commodities or other assets included in the Basket Components, futures or options relating to the Basket Components, or other derivative instruments with returns linked or related to changes in the performance of the Basket Components. We or our affiliates may adjust these hedges by, among other things, purchasing or selling those assets at any time. Although they are not expected to do so, any of these hedging activities may adversely affect the value of the Basket, and, therefore, the market value of the notes, and the amounts payable at maturity. It is possible that we or one or more of our affiliates could receive substantial returns from these hedging activities, even though the market value of the notes decreases.

We or one or more of our affiliates may also engage in trading relating to the Basket Components on a regular basis as part of our general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for our customers, including block trades. Any of these activities could adversely affect the value of the Basket and, therefore, the market value of the notes. We or one or more of our affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of one or more Basket Components. By introducing competing products into the marketplace in this manner, we or one or more of our affiliates could adversely affect the market value of the notes.

Our business activities and the business activities of our affiliates may create conflicts of interest. As noted above, we and our affiliates expect to engage in trading activities related to the Basket Components that are not for the account of holders of the notes or on their behalf. These trading activities may present a conflict between the holders' interests

in the notes and the interests we and our affiliates will have in their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the values of the Basket Components, could be adverse to the interests of the holders of the notes. We and one or more of our affiliates may, at present or in the future, engage in business with the issuers of the equity securities included in a Basket Component, including making loans to or providing advisory services to those companies. These services could include investment banking and merger and acquisition advisory services. These activities may present a conflict between our or one or more of our affiliates' obligations and your interests as a holder of the notes. Moreover, we and our affiliates may have published, and in the future expect to publish, research reports with respect to a Basket Component or the securities or other assets that it represents. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the notes. Any of these activities by us or one or more of our affiliates may affect the value of the Basket and, therefore, the market value of the notes.

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The calculation agent can postpone the determination of the Final Value if a market disruption event occurs to any Basket Component. The determination of the Final Value may be postponed if the calculation agent determines that a market disruption event has occurred or is continuing on any valuation date with respect to a Basket Component. If such a postponement occurs, the calculation agent will use the closing value of that Basket Component on the first subsequent trading day on which no market disruption event occurs or is continuing. In no event, however, will any valuation date be postponed by more than ten trading days. As a result, if a market disruption event occurs or is continuing on a valuation date, the maturity date for the notes could also be postponed, although not by more than ten trading days.

If the determination of the value of a Basket Component for any valuation date is postponed to the last possible day, but a market disruption event occurs or is continuing on that day, that day will nevertheless be the date on which the value of that Basket Component will be determined by the calculation agent. In such an event, the calculation agent will make a good faith estimate in its sole discretion of the value that would have prevailed in the absence of the market disruption event. See “General Terms of the Notes—Market Disruption Events.”

As calculation agent, BMO Capital Markets Corp. will have the authority to make determinations that could affect the value of your notes and your payment at maturity. As calculation agent for your notes, BMO Capital Markets Corp. will have discretion in making various determinations that affect your notes, including determining the Final Value, determining whether any market disruption events have occurred, whether an anti-dilution adjustment is needed, and determining whether any index included in the Basket has been materially changed. The exercise of this discretion by BMO Capital Markets Corp. could adversely affect the value of your notes and may present BMO Capital Markets Corp., which is our wholly owned subsidiary, with a conflict of interest.

The historical performance of the Basket Components should not be taken as an indication of their future performance. The value of the Basket will determine the amount to be paid on the notes at maturity. The historical performance of the Basket Components does not necessarily give an indication of their future performance. As a result, it is impossible to predict whether the value of the Basket will rise or fall during the term of the notes. The value of the Basket Components and the Basket will be influenced by complex and interrelated political, economic, financial and other factors.

Significant aspects of the tax treatment of the notes are uncertain. The tax treatment of the notes is uncertain. We do not plan to request a ruling from the Internal Revenue Service or from any Canadian authorities regarding the tax treatment of the notes, and the Internal Revenue Service or a court may not agree with the tax treatment described in this product supplement.

If the Basket includes the type of financial asset described under Section 1260 of the Code (including, among others, any equity interest in pass-thru entities such as ETFs, regulated investment companies, real estate investment trusts, partnerships, and passive foreign investment companies, each a “Section 1260 Financial Asset”), while the matter is not entirely clear, unless otherwise specified in the applicable pricing supplement, there exists a substantial risk that an investment in a note is, in whole or in part, a “constructive ownership transaction” to which Section 1260 of the Internal Revenue Code of 1986, as amended (the “Code”) applies. If Section 1260 of the Code applies, all or a portion of any long-term capital gain recognized by a United States Holder in respect of a note will be recharacterized as ordinary income and certain interest charges may apply. See the section entitled “Supplemental Tax Considerations – Supplemental U.S. Federal Income Tax Considerations – Potential Application of Section 1260 of the Code”.

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The Internal Revenue Service has issued a notice indicating that it and the Treasury Department are actively considering whether, among other issues, a holder should be required to accrue interest over the term of an instrument such as the notes even though that holder will not receive any payments with respect to the notes until maturity and whether all or part of the gain a holder may recognize upon sale or maturity of an instrument such as the notes could be treated as ordinary income. The outcome of this process is uncertain and could apply on a retroactive basis.

Please read carefully the sections entitled “Supplemental Tax Considerations” in this product supplement, the section “United States Federal Income Taxation” in the accompanying prospectus and the section entitled “Certain Income Tax Consequences” in the accompanying prospectus supplement. You should consult your tax advisor about your own tax situation.

Insurance companies and employee benefit plans should carefully review the legal issues of an investment in the notes. Any insurance company or fiduciary of a pension plan or other employee benefit plan that is subject to the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended, which we call “ERISA,” or the Code including an IRA or Keogh plan (or a governmental plan to which similar prohibitions apply), and that is considering purchasing the notes with the assets of the insurance company or the assets of such plan, should consult with its counsel regarding whether the purchase or holding of the notes could become a “prohibited transaction” under ERISA, the Internal Revenue Code or any substantially similar prohibition in light of the representations a purchaser or holder in any of the above categories is deemed to make by purchasing and holding the notes. These issues are discussed in more detail in the section “Employee Retirement Income Security Act” below.

Risks Relating to the Applicable Basket Components

You will not have any shareholder rights and will have no right to receive any securities represented by the Basket Components at maturity. Investing in your notes will not make you a holder of any securities represented by the Basket Components. Neither you nor any other holder or owner of the notes will have any voting rights, any right to receive dividends or other distributions or any other rights with respect to any of these securities.

Changes that affect an index represented by a Basket Component could affect the market value of the notes and the amount you will receive at maturity. The policies of a sponsor of any index (the “Index Sponsor”) that is represented by a Basket Component concerning the calculation of that index, additions, deletions or substitutions of the components of that index and the manner in which changes affecting those components, such as stock dividends, reorganizations or mergers, may be reflected in the index and, therefore, could affect the value of the Basket, the amount payable on the notes at maturity, and the market value of the notes prior to maturity. The value of the Basket, the amount payable on the notes and their market value could also be affected if the Index Sponsor changes these policies, for example, by changing the manner in which it calculates the index, or if the Index Sponsor discontinues or suspends the calculation or publication of the index.

We have no affiliation with the sponsor or investment advisor of any ETF or any Index Sponsor and will not be responsible for any actions taken by them. Unless otherwise specified in the relevant pricing supplement, no sponsor or investment advisor of any ETF or any Index Sponsor is an affiliate of ours or will be involved in any offerings of the notes in any way. Consequently, we have no control over the actions of any sponsor or investment advisor of an ETF or any Index Sponsor, including any actions of the type that would require the calculation agent to adjust the payment to you at maturity. No sponsor or investment advisor of any ETF or any Index Sponsor has any obligation of any sort with respect to the notes. Thus, no sponsor or investment advisor of any ETF or any Index Sponsor has any obligation to take your interests into consideration for any reason, including in taking any actions that might affect the value of the notes. None of our proceeds from any issuance of the notes will be delivered to any sponsor or investment advisor of an ETF or any Index Sponsor except to the extent that we are required to pay an Index Sponsor licensing fees with respect to a Basket Component that is an index.

Neither we nor any of our affiliates have undertaken any independent review of, or made any due diligence inquiry with respect to, the information about a Basket Component contained in any public disclosure of information. You, as an investor in the notes, should make your own investigation into the Basket Components.

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