

ROYAL BANK OF CANADA

Form FWP

December 26, 2018

ISSUER FREE WRITING PROSPECTUS

Filed Pursuant to Rule 433

Registration Statement No. 333-227001

Dated December 24, 2018

Royal Bank of Canada Trigger Callable Contingent Yield Notes (Daily Coupon Observation)

\$- Notes Linked to the Least Performing Underlying of the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index due on or about June 24, 2021

Investment Description

Trigger Callable Contingent Yield Notes (the “Notes”) are unsecured and unsubordinated debt securities issued by Royal Bank of Canada linked to the performance of the least performing underlying of the S&P 500[®] Index, the EURO STOXX 50[®] Index, and the Russell 2000[®] Index (each an “underlying index” and together the “underlying indices”). If the closing level of each underlying index is equal to or greater than its coupon barrier on each trading day during a Quarterly Observation Period, we will make a contingent coupon payment with respect to that period. If the closing level of any underlying index is less than its coupon barrier on any trading day during a Quarterly Observation Period, no contingent coupon payment will be made. We may, at our election, call the Notes early on any Quarterly Observation End Date (other than the final valuation date) regardless of the closing level of any of the underlying indices on that day. If we elect to call the Notes prior to maturity, we will pay the principal amount plus any contingent coupon for the Quarterly Observation Period ending on the applicable Quarterly Observation End Date, and no further amounts will be owed to you. If we do not elect to call the Notes prior to maturity and the ending levels of each of the underlying indices are equal to or greater than their respective trigger level (which is the same level as their coupon barrier), we will make a cash payment at maturity equal to the principal amount of your Notes, in addition to any contingent coupon for the final Quarterly Observation Period. If we do not elect to call the Notes prior to maturity and the closing level of any of the underlying indices is less than its trigger level, we will pay you less than the full principal amount, if anything, at maturity, resulting in a loss of your principal amount that is proportionate to the decline in the closing level of the underlying index with the largest percentage decrease between its initial level and final level (the “least performing underlying index”). The Notes are not subject to conversion into our common shares under subsection 39.2(2.3) of the Canada Deposit Insurance Corporation Act.

Investing in the Notes involves significant risks. You may lose some or all of your principal amount at maturity. You may receive few or no quarterly contingent coupons during the term of the Notes. You will be exposed to the market risk of each underlying index on each trading day of the Quarterly Observation Periods and on the final valuation date and any decline in the level of one underlying index may negatively affect your return and will not be offset or mitigated by a lesser decline or any potential increase in the level of the other underlying indices. Generally, a higher contingent coupon rate is associated with a greater risk of loss. The contingent repayment of principal applies only if you hold the Notes to maturity. Any payment on the Notes, including any repayment of principal, is subject to our creditworthiness. If we 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. The Notes will not be listed on any securities exchange.

Features Key Dates¹

Contingent Coupon — If the closing level of each underlying index is equal to or greater than its coupon barrier on each trading day during a Quarterly Observation Period, we will make a contingent coupon payment with respect to that period. We will not pay you the contingent coupon for any Quarterly Observation Period in which the closing level of any underlying index on any day during that period is less than its coupon barrier.

Issuer Callable — We may, at our election, call the Notes on any Quarterly Observation End Date (other than the final valuation date), regardless of the closing level of any underlying index on that Quarterly Observation End Date, and pay you the principal amount plus any contingent coupon otherwise due for the Quarterly Observation Period ending on that Quarterly Observation End Date. If the Notes are called, no further payments will be made after the Call Settlement Date.

Contingent Repayment of Principal at Maturity— If by maturity the Notes have not been called and each underlying index closes at or above its trigger level on the final valuation date, we will pay you the principal amount per Note at maturity, in addition to any contingent coupon with respect to the final Quarterly Observation Period. If any underlying index closes below its trigger level on the final valuation date, we will repay less than the principal amount, if anything, at maturity, resulting in a loss on your principal amount that is proportionate to the decline in the closing level of the least performing underlying index from its initial level to its final level. The contingent repayment of principal applies only if you hold the Notes until maturity. Any payment on the Notes, including any repayment of principal, is subject to our creditworthiness.

Trade Date ¹	December 24, 2018
Settlement Date ¹	December 28, 2018
Observation Periods ¹	Quarterly (see page 5)
Final Valuation Date ²	June 21, 2021
Maturity Date ²	June 24, 2021

Expected. In the event that we make any change to the expected trade date and settlement date, the final Quarterly Observation End Date and/or the maturity date will be changed so that the stated term of the Notes remains approximately the same.

¹ Subject to postponement if a market disruption event occurs as described under “General Terms of the Notes — Payment at Maturity” below.

NOTICE TO INVESTORS: THE NOTES ARE SIGNIFICANTLY RISKIER THAN CONVENTIONAL DEBT INSTRUMENTS. WE ARE NOT NECESSARILY OBLIGATED TO REPAY THE FULL PRINCIPAL AMOUNT OF THE NOTES AT MATURITY, AND THE NOTES CAN HAVE DOWNSIDE MARKET RISK SIMILAR TO THE LEAST PERFORMING UNDERLYING INDEX. YOU MAY BE EXPOSED TO THE MARKET RISK OF EACH UNDERLYING INDEX ON THE FINAL VALUATION DATE, AND ANY DECLINE IN THE LEVEL OF ANY UNDERLYING INDEX MAY NEGATIVELY AFFECT YOUR RETURN AND WILL NOT BE OFFSET OR MITIGATED BY A LESSER DECLINE OR ANY POTENTIAL INCREASE IN THE LEVEL OF THE OTHER UNDERLYING INDICES. THIS MARKET RISK IS IN ADDITION TO THE CREDIT RISK INHERENT IN PURCHASING A DEBT OBLIGATION OF ROYAL BANK OF CANADA. YOU SHOULD NOT PURCHASE THE NOTES IF YOU DO NOT UNDERSTAND OR ARE NOT COMFORTABLE WITH THE SIGNIFICANT RISKS INVOLVED IN INVESTING IN THE NOTES.

YOU SHOULD CAREFULLY CONSIDER THE RISKS DESCRIBED UNDER “KEY RISKS” BEGINNING ON PAGE 6 OF THIS FREE WRITING PROSPECTUS AND UNDER “RISK FACTORS” BEGINNING ON PAGE S-1 OF THE PROSPECTUS SUPPLEMENT BEFORE PURCHASING ANY NOTES. EVENTS RELATING TO ANY OF THOSE RISKS, OR OTHER RISKS AND UNCERTAINTIES, COULD ADVERSELY AFFECT THE MARKET VALUE OF, AND THE RETURN ON, YOUR NOTES. YOU MAY LOSE SOME OR ALL OF THE PRINCIPAL AMOUNT OF THE NOTES.

Note Offering

This free writing prospectus relates to Trigger Callable Contingent Yield Notes we are offering. The Notes are linked to the least performing underlying between the S&P 500[®] Index, the EURO STOXX 50[®] Index and the Russell 2000[®] Index. The Initial Levels, Trigger Levels and Coupon Barriers were determined on December 21, 2018. The Notes are offered at a minimum investment of 100 Notes at \$10.00 per Note (representing a \$1,000 investment), and integral multiples of \$10.00 in excess thereof.

Underlying Indices	Contingent Coupon Rate	Initial Levels	Trigger Levels*	Coupon Barriers*	CUSIP	ISIN
SPX		2,416.62			78014H144	US78014H1445

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S&P 500 [®] Index (SPX)	19.10% per annum	1,812.47, which is 75% of the initial level	1,812.47, which is 75% of the initial level
EURO STOXX 50 [®] Index (SX5E)	SX5E	3,000.61	2,250.46, which is 75% of the initial level
Russell 2000 [®] Index (RTY)	RTY	1,292.086	969.065, which is 75% of the initial level

*Rounded to two decimal places with respect to the SPX and the SX5E, and three decimal places with respect to the RTY.

See “Additional Information About Royal Bank of Canada and the Notes” in this free writing prospectus. The Notes will have the terms specified in the prospectus dated September 7, 2018, the prospectus supplement dated September 7, 2018 and this free writing prospectus.

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

Offering of the Notes	Price to Public		Fees and Commissions ⁽¹⁾		Proceeds to Us	
	Total	Per Note	Total	Per Note	Total	Per Note
Notes linked to the Least Performing Underlying of the S&P 500 [®] Index, the EURO STOXX 50 [®] Index and the Russell 2000 [®] Index	•	\$10.00	•	\$0.10	•	\$9.90

⁽¹⁾ UBS Financial Services Inc., which we refer to as UBS, will receive a commission that will depend on market conditions on the trade date. In no event will the commission received by UBS exceed \$0.10 per \$10 principal amount of the Notes. See “Supplemental Plan of Distribution (Conflicts of Interest)” below.

The initial estimated value of the Notes as of the date of this document is \$9.7557 per \$10 in principal amount, which is less than the price to public. The pricing supplement relating to the Notes will set forth our updated estimate of the initial value of the Notes as of the trade date, which will not be more than \$0.20 less than this amount. The actual value of the Notes at any time will reflect many factors, cannot be predicted with accuracy, and may be less than this amount. We describe our determination of the initial estimated value under “Key Risks,” “Supplemental Plan of Distribution (Conflicts of Interest)” and “Structuring the Notes” below.

The Notes will not constitute deposits insured under the Canada Deposit Insurance Corporation Act or by the United States Federal Deposit Insurance Corporation or any other Canadian or United States government agency or instrumentality.

UBS Financial Services Inc. RBC Capital Markets, LLC

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Additional Information About Royal Bank of Canada and the Notes

Royal Bank of Canada has filed a registration statement (including a prospectus) with the Securities and Exchange Commission, or SEC, for the offering to which this free writing prospectus relates. Before you invest, you should read the prospectus in that registration statement and the other documents relating to this offering that Royal Bank of Canada has filed with the SEC for more complete information about Royal Bank of Canada and this offering. You may obtain these documents without cost by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, Royal Bank of Canada, any agent or any dealer participating in this offering will arrange to send you the prospectus, the prospectus supplement, and this free writing prospectus if you so request by calling toll-free 1-877-688-2301. 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 free writing prospectus together with the prospectus dated September 7, 2018, as supplemented by the prospectus supplement dated September 7, 2018, relating to our Series H medium-term notes of which these Notes are a part. This free writing prospectus, 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 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 “Key Risks” below, as the Notes involve risks not associated with conventional debt securities.

If the terms of the prospectus and prospectus supplement are inconsistent with the terms discussed herein, the terms discussed in this free writing prospectus will control.

You may access these on the SEC website at www.sec.gov as follows (or if such address has changed, by reviewing our filing for the relevant date on the SEC website):

..Prospectus supplement dated September 7, 2018:

<https://www.sec.gov/Archives/edgar/data/1000275/000121465918005975/f97180424b3.htm>

..Prospectus dated September 7, 2018:

<https://www.sec.gov/Archives/edgar/data/1000275/000121465918005973/l96181424b3.htm>

As used in this free writing prospectus, “we,” “us” or “our” refers to Royal Bank of Canada.

Investor Suitability

The Notes may be suitable for you if, among other considerations:

- .. You fully understand the risks inherent in an investment in the Notes, including the risk of loss of your entire initial investment.
- .. You can tolerate a loss of all or a substantial portion of your investment and are willing to make an investment that may have the same downside market risk as the least performing underlying index.
- .. You accept that you may not receive a contingent coupon payment on some or all of the coupon payment dates.
- .. You are willing to make an investment whose return is limited to the applicable contingent coupon payments, regardless of any potential appreciation of the underlying indices, which could be significant.
- .. You do not seek guaranteed current income from this investment and are willing to forgo the dividends paid on the equity securities composing the underlying indices.
- .. You can tolerate fluctuations in the price of the Notes prior to maturity that may be similar to or exceed the downside fluctuations of the underlying indices.
You are willing to invest in Notes for which there may be little or no secondary market and you accept that the secondary market will depend in large part on the price, if any, at which RBC Capital Markets, LLC, which we refer to as "RBCCM," is willing to purchase the Notes.
- .. You are willing to invest in the Notes based on the Contingent Coupon Rate, Coupon Barriers and Trigger Levels specified on the cover page of this free writing prospectus.
You are willing to accept individual exposure to each underlying index on each trading day of the Quarterly Observation Periods and on the final valuation date and understand that the performance of the least performing underlying index will not be offset or mitigated by the performance of the other underlying indices.
- .. You understand and accept the risks associated with the underlying indices.
- .. You are willing to invest in notes that may be called early at our election and you are otherwise willing to hold such securities to maturity.
- .. You are willing to assume our credit risk for all payments under the Notes, and understand that if we default on our obligations, you may not receive any amounts due to you, including any repayment of principal.

The Notes may not be suitable for you if, among other considerations:

- .. You do not fully understand the risks inherent in an investment in the Notes, including the risk of loss of your entire initial investment.
- .. You cannot tolerate a loss on your investment and require an investment designed to provide a full return of principal at maturity.
- .. You do not accept that you may not receive a contingent coupon payment on some or all of the coupon payment dates.
- .. You are not willing to make an investment that may have the same downside market risk as the least performing underlying index.
You believe that the levels of any underlying index will decline during the term of the Notes and is likely to close below its coupon barrier during the Quarterly Coupon Observation Periods and below its trigger level on the final valuation date.
- .. You seek an investment that participates in the full appreciation in the levels of the underlying indices or that has unlimited return potential.
- .. You cannot tolerate fluctuations in the price of the Notes prior to maturity that may be similar to or exceed the downside fluctuations of the least performing underlying index.
- .. You are unwilling to invest in the Notes based on the Contingent Coupon Rate, Coupon Barriers and Trigger Levels specified on the cover page of this free writing prospectus.
You are unwilling to accept individual exposure to each underlying index on each trading day of the Quarterly Observation Periods and on the final valuation date or do not understand that the performance of the least performing underlying index will not be offset or mitigated by the performance of the other underlying indices.
- .. You seek guaranteed current income from this investment or prefer to receive the dividends paid on the securities composing the underlying indices.
- .. You do not understand or accept the risks associated with the underlying indices.

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You are unable or unwilling to hold notes that may be called early at our election, or you are otherwise unable or unwilling to hold such securities to maturity, or you seek an investment for which there will be an active secondary market for the Notes.

You are not willing to assume our credit risk for all payments under the Notes, including any repayment of principal.

The suitability considerations identified above are not exhaustive. Whether or not the Notes are a suitable investment for you will depend on your individual circumstances, and you should reach an investment decision only after you and your investment, legal, tax, accounting, and other advisers have carefully considered the suitability of an investment in the Notes in light of your particular circumstances. You should also review carefully the “Key Risks” beginning on page 6 of this free writing prospectus for risks related to an investment in the Notes. In addition, you should review carefully the section below, “Information About the Underlying Indices,” for more information about these indices.

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Indicative Terms of the Notes¹

Issuer:	Royal Bank of Canada
Principal Amount per Note:	\$10.00 per Note (subject to a minimum purchase of 100 Notes of \$1,000)
Term ² :	Approximately 2.5 years, unless earlier called at our election.
Underlying Indices:	The S&P 500 [®] Index (“SPX”), the EURO STOXX 50 Index (“SX5E”) and the Russell 2000 Index
Issuer Call Feature:	<p>We may elect to call the Notes on any Quarterly Observation End Date (other than the final valuation date), regardless of the closing level of any underlying index on that date. If the Notes are called, we will pay you on the applicable Call Settlement Date a cash payment per Note equal to the principal amount plus any contingent coupon otherwise due on that date, and no further payments will be made on the Notes. Before we elect to call the Notes on a Quarterly Observation End Date, we will deliver written notice to The Depository Trust Company (“DTC”) on or before that date.</p> <p>If the closing levels of each of the underlying indices are equal to or greater than their respective coupon barriers on each trading day during a Quarterly Observation Period, we will pay you the contingent coupon for that period on the relevant coupon payment date.</p>
Contingent Coupon:	<p>If the closing level of any of the underlying indices is less than its coupon barrier on any trading day during a Quarterly Observation Period, the contingent coupon for that period will not accrue or be payable, and we will not make any payment to you on the relevant coupon payment date. Each contingent coupon will be a fixed amount based on equal quarterly installments at the contingent coupon rate.</p> <p>Contingent coupon payments on the Notes are not guaranteed. We will not pay you the contingent coupon for any Quarterly Observation Period in which the closing level of any underlying index on any trading day during that period is less than its coupon barrier.</p>
Quarterly Observation Period:	With respect to each coupon payment date, the period from but excluding the second immediately preceding Quarterly Observation End Date (or, in the case of the first coupon payment date, from but excluding the trade date) to and including the immediately preceding Quarterly Observation End Date.
Contingent Coupon Rate:	19.10% per annum
Coupon Payment Dates:	Two business days following each Quarterly Observation End Date (as set forth on page 5), except that the coupon payment date for the final Quarterly Observation Period is the maturity date.
Call Settlement Dates:	The first coupon payment date following the applicable Quarterly Observation End Date (other than the maturity date).
Payment at Maturity:	If we do not elect to call the Notes and the closing levels of each of the underlying indices are equal to or greater than their respective trigger levels on the final valuation date, we will pay you a cash payment per Note on the maturity date equal to \$10.00 plus any contingent coupon otherwise due on the maturity date.

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If we do not elect to call the Notes and the final level of the least performing underlying index is less than its trigger level, we will pay you a cash payment on the maturity date of less than the principal amount, if anything, resulting in a loss on your initial investment that is proportionate to the negative underlying return of the least performing underlying index, equal to:
 $\$10.00 \times (1 + \text{underlying return of the least performing underlying index})$ per Note

Least Performing Underlying Index:	The underlying index with the largest percentage decrease between its initial level and its final level.
Underlying Return:	$\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$
Trigger Levels:	With respect to each underlying index, 75% of its initial level, as set forth on the cover page. The trigger level equals the coupon barrier.
Coupon Barriers:	With respect to each underlying index, 75% of its initial level, as set forth on the cover page. The coupon barrier equals the trigger level.

¹ Terms used in this free writing prospectus, but not defined herein, shall have the meanings ascribed to them in the prospectus or the prospectus supplement.

² In the event we make any change to the expected trade date and settlement date, the final Quarterly Observation End Date and/or the maturity date (and the other dates set forth herein) will be changed to ensure that the stated term of the Notes remains approximately the same.

Initial Levels:	With respect to each underlying index, its closing level on December 21, 2018, as set forth on the cover page.
Final Levels:	The closing level of each underlying index on the final valuation date, as determined by the calculation agent.

Investment Timeline

December 21, 2018	The initial level, trigger level and coupon barrier of each underlying index were determined.
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If the closing levels of each of the underlying indices are equal to or greater than their respective coupon barriers on each trading day during a Quarterly Observation Period, we will pay you a contingent coupon payment on the applicable coupon payment date.

Quarterly (callable at our election):	We may, at our election and upon written notice to DTC, call the Notes on any Quarterly Observation End Date (other than the final valuation date), regardless of the closing level of any underlying index on that Quarterly Observation End Date. If we elect to call the Notes, we will pay you a cash payment per Note equal to the principal amount plus any contingent coupon otherwise due for the applicable Quarterly Observation Period, and no further payments will be made on the Notes.
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Maturity
Date:

The final level of each underlying index is observed on the final valuation date.

If we do not elect to call the Notes, and the final levels of each of the underlying indices are equal to or greater than their respective trigger levels (and their respective coupon barriers), we will repay the principal amount equal to \$10.00 per Note plus any contingent coupon otherwise due on the maturity date.

If we do not elect to call the Notes and the ending level of the least performing underlying index is less than its trigger level, we will repay less than the principal amount, if anything, resulting in a loss on your initial investment proportionate to the decline of the least performing underlying index, for an amount equal to:

$\$10.00 \times (1 + \text{underlying return of the least performing underlying index})$ per Note

INVESTING IN THE NOTES INVOLVES SIGNIFICANT RISKS. YOU MAY LOSE SOME OR ALL OF YOUR PRINCIPAL AMOUNT. YOU WILL BE EXPOSED TO THE MARKET RISK OF EACH UNDERLYING INDEX ON EACH TRADING DAY OF THE QUARTERLY OBSERVATION PERIODS AND ON THE FINAL VALUATION DATE AND ANY DECLINE IN THE LEVEL OF ONE UNDERLYING INDEX MAY NEGATIVELY AFFECT YOUR RETURN AND WILL NOT BE OFFSET OR MITIGATED BY A LESSER DECLINE OR ANY POTENTIAL INCREASE IN THE LEVEL OF THE OTHER UNDERLYING INDICES. ANY PAYMENT ON THE NOTES, INCLUDING ANY REPAYMENT OF PRINCIPAL, IS SUBJECT TO OUR CREDITWORTHINESS. IF WE 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.

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Quarterly Observation Periods, Quarterly Observation End Dates and Coupon Payment Dates

Quarterly Observation Periods Ending on the Following Quarterly Observation End Dates	Coupon Payment Dates / Call Settlement Dates (if called)
March 21, 2019	March 25, 2019
June 21, 2019	June 25, 2019
September 23, 2019	September 25, 2019
December 23, 2019	December 27, 2019
March 23, 2020	March 25, 2020
June 22, 2020	June 24, 2020
September 21, 2020	September 23, 2020
December 21, 2020	December 23, 2020
March 22, 2021	March 24, 2021
June 21, 2021 (the Final Valuation Date)	June 24, 2021* (the Maturity Date)

The Notes are not callable on the final valuation date. Thus, the Maturity Date is not a Call Settlement Date. Each of *the Quarterly Observation End Dates, and therefore the coupon payment dates, is subject to the market disruption event provisions set forth below under “General Terms of the Notes – Market Disruption Events.”

Key Risks

An investment in the Notes is subject to the risks described below, as well as the risks described under "Risk Factors" in the prospectus and the prospectus supplement. The return on the Notes is linked to the performance of the underlying indices. The Notes do not guarantee any return of principal at, or prior to, maturity. Investing in the Notes is not equivalent to investing directly in the securities composing the underlying indices. In addition, your investment in the Notes entails other risks not associated with an investment in conventional debt securities. You should consider carefully the following discussion of risks before you decide that an investment in the Notes is suitable for you.

Risks Relating to the Notes Generally

Your investment in the Notes may result in a loss. The Notes do not guarantee any return of principal. The amount payable to you at maturity, if any, will be determined as described in this free writing prospectus. If we do not elect to call the Notes and the closing level of any underlying index has declined below its trigger level on the final valuation date, you will be fully exposed to any depreciation of the least performing underlying index from its initial level to its final level. In this case, we will repay less than the full principal amount at maturity, resulting in a loss of principal that is proportionate to the negative return of the least performing underlying index. Under these circumstances, you will lose 1% (or a fraction thereof) of the principal amount for every 1% (or a fraction thereof) decrease in the level of the least performing underlying index below its initial level. Accordingly, you may lose the entire principal amount of your Notes.

The Notes are subject to our credit risk. The Notes are subject to our credit risk, and our credit ratings and credit spreads may adversely affect the market value of the Notes. Investors are dependent on our ability to pay all amounts due on the Notes, and therefore investors are subject to our credit risk and to changes in the market's view of our creditworthiness. 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. If we 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.

The Notes Will Be Subject to Risks, Including Non-Payment in Full, Under Canadian Bank Resolution Powers: Under Canadian bank resolution powers, the Canada Deposit Insurance Corporation ("CDIC") may, in circumstances where we have ceased, or are about to cease, to be viable, assume temporary control or ownership over us and may be granted broad powers by one or more orders of the Governor in Council (Canada), including the power to sell or dispose of all or a part of our assets, and the power to carry out or cause us to carry out a transaction or a series of transactions the purpose of which is to restructure our business of the Bank. As See "Description of Debt Securities - Canadian Bank Resolution Powers" in the accompanying prospectus for a description of the Canadian bank resolution powers, including the bail-in regime. If the CDIC were to take action under the Canadian bank resolution powers with respect to us, this could result in holders of the Notes being exposed to losses.

You may not receive any contingent coupons with respect to your Notes. Royal Bank of Canada will not necessarily make periodic coupon payments on the Notes. If the closing level of any underlying index on any trading day during a Quarterly Observation Period is less than its coupon barrier, we will not pay you the contingent coupon applicable to that period. This will be the case even if the closing level of each other underlying index is greater than or equal to its respective coupon barrier on each trading day during that Quarterly Observation Period, and even if the closing level of that underlying index was higher than its coupon barrier on every other trading day during the Quarterly Observation Period. If the closing level of any underlying index is less than its coupon barrier on any trading day during each Quarterly Observation Period, we will not pay you the applicable contingent coupon during the term of, and you will not receive a positive return on, your Notes. Generally, this non-payment of the contingent coupon will coincide with a greater risk of principal loss on your Notes.

The return on the Notes is limited to the sum of any contingent coupons and you will not participate in any appreciation of any underlying index. The return potential of the Notes is limited to the pre-specified contingent coupon rate, regardless of the appreciation of any underlying index, which may be significant. In addition, the total return on the Notes will vary based on the number of Quarterly Observation Periods for which the contingent coupon is payable prior to maturity, or if we elect to call the Notes. Further, if we elect to call the Notes, you will not receive any contingent coupons or any other payments in respect of any Quarterly Observation Periods after the Call Settlement Date. If we do not elect to call the Notes, you may be subject to the risk of decline in the level of each underlying index, even though you are not able to participate in any potential appreciation of any underlying index.

As a result, the return on an investment in the Notes could be less than the return on a hypothetical direct investment in the securities represented by any underlying index. In addition, if we do not elect to call the Notes and the final level of any underlying index is below its trigger level, you will lose some or all of your principal amount and the overall return on the Notes would be less than the amounts that would be paid on a conventional debt security of ours of comparable maturity.

If you sell the Notes prior to maturity, you may receive less than the principal amount. If we do not elect to call the Notes, you should be willing to hold the Notes until maturity. If you are able to sell the Notes in the secondary market prior to maturity, you may have to sell them for a loss relative to the principal amount, even if the levels of the underlying indices are above their respective trigger levels. In addition, you will not receive the benefit of any contingent repayment of principal associated with the trigger levels if you sell the Notes before the maturity date. The potential returns described in this document assume that the Notes, which are not designed to be short-term trading instruments, are held to maturity.

The Notes may be called early and are subject to reinvestment risk. We may, in our sole discretion, elect to call the Notes on any Quarterly Observation End Date (other than the final valuation date), regardless of the closing level of any underlying index on that Quarterly Observation End Date. If we elect to call your Notes early, you will no longer have the opportunity to receive any contingent coupons after the applicable Call Settlement Date. The first Quarterly Observation End Date, which is the first potential date on which we may elect to call the Notes, occurs approximately three months after the trade date, and therefore you may not have the opportunity to receive any contingent coupons after approximately three months. In the event we elect to call the Notes, there is no guarantee that you would be able to reinvest the proceeds at a comparable rate of return for a similar level of risk. To the extent you are able to reinvest such proceeds at an investment comparable to the Notes; you may incur transaction costs such as dealer discounts and hedging costs built into the price of the new securities.

It is more likely that we will elect to call the Notes prior to maturity when the expected interest payable on the Notes is greater than the interest that would be payable on other instruments issued by us of comparable maturity, terms and credit rating trading in the market. We

are less likely to call the Notes prior to maturity when the expected interest payable on the Notes is less than the interest that would be payable on other comparable instruments issued by us, which includes when the level of any of the underlying indices is less than its respective coupon barrier. Therefore, the Notes are more likely to remain outstanding when the expected interest payable on the Notes is less than what would be payable on other comparable instruments and when your risk of not receiving a contingent coupon is relatively higher.

The contingent coupon rate will reflect in part the volatility of the underlying indices and may not be sufficient to compensate you for the risk of loss at maturity. "Volatility" refers to the frequency and magnitude of changes in the levels of the underlying indices. The greater the volatility of the underlying indices, the more likely it is that the level of any underlying index could close below its coupon barrier on any trading day during a Quarterly Observation Period or below its trigger level on the final valuation date. This risk will generally be reflected in a higher contingent coupon rate for the Notes than the interest rate payable on our conventional debt securities with a comparable term. In addition, lower correlation between the underlying indices can also indicate a greater likelihood of one underlying index closing below its coupon barrier or trigger level on any trading day during a Quarterly Observation Period or the final valuation date, respectively. This greater risk will also be reflected in a higher contingent coupon rate than on a security linked to underlying indices with a greater degree of correlation. However, while the contingent coupon will be a fixed amount, the underlying indices' volatility and correlation can change significantly over the term of the Notes. The levels of one or any of the underlying indices could fall sharply as of any trading day during a Quarterly Observation Period or the final valuation date, which could result in missed contingent coupon payments and a significant loss of your principal amount.

Your return on the Notes may be lower than the return on a conventional debt security of comparable maturity. The return that you will receive on the Notes, which could be negative, may be less than the return you could earn on other investments. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money, such as inflation.

The initial estimated value of the Notes will be less than the price to the public. The initial estimated value that is set forth on the cover page of this document, and that will be set forth in the final pricing supplement for the Notes, will be less than the public offering price you pay for the Notes, does not represent a minimum price at which we, RBCCM or any of our other affiliates would be willing to purchase the Notes in any secondary market (if any exists) at any time. If you attempt to sell the Notes prior to maturity, their market value may be lower than the price you paid for them and the initial estimated value. This is due to, among other things, changes in the levels of the underlying indices, the borrowing rate we pay to issue securities of this kind, and the inclusion in the price to the public of the underwriting discount, and our estimated profit and the costs relating to our hedging of the Notes. These factors, together with various credit, market and economic factors over the term of the Notes, are expected to reduce the price at which you may be able to sell the Notes in any secondary market and will affect the value of the Notes in complex and unpredictable ways. Assuming no change in market conditions or any other relevant factors, the price, if any, at which you may be able to sell your Notes prior to maturity may be less than the price to public, as any such sale price would not be expected to include the underwriting discount and our estimated profit and the costs relating to our hedging of the Notes. In addition, any price at which you may sell the Notes is likely to reflect customary bid-ask spreads for similar trades. In addition to bid-ask spreads, the value of the Notes determined for any secondary market price is expected to be based on a secondary market rate rather than the internal borrowing rate used to price the Notes and determine the initial estimated value. As a result, the secondary price will be less than if the internal borrowing rate was used. The Notes are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your Notes to maturity.

Our initial estimated value of the Notes is an estimate only, calculated as of the time the terms of the Notes are set. The initial estimated value of the Notes is based on the value of our obligation to make the payments on the Notes, together with the mid-market value of the derivative embedded in the terms of the Notes. See "Structuring the Notes" below. Our estimate is based on a variety of assumptions, including our credit spreads, expectations as to dividends, interest rates and volatility, and the expected term of the Notes. These assumptions are based on certain forecasts about future events, which may prove to be incorrect. Other entities may value the Notes or similar securities at a price that is significantly different than we do.

The value of the Notes at any time after the trade date will vary based on many factors, including changes in market conditions, and cannot be predicted with accuracy. As a result, the actual value you would receive if you sold the

Notes in any secondary market, if any, should be expected to differ materially from the initial estimated value of your Notes and the amounts that may be paid on the Notes.

Your return on the Notes will not reflect dividends on the equity securities composing the underlying indices. The return on the Notes will not reflect the return you would realize if you actually owned the equity securities composing the underlying indices and received the dividends paid on those equity securities. The final levels of each of the underlying indices and the determination of the amount to be paid at maturity or whether the contingent coupon is payable will not take into consideration the value of those dividends.

If the levels of the underlying indices change, the market value of the Notes may not change in the same manner.

Owning the Notes is not the same as owning the securities composing the underlying indices. Accordingly, changes in the levels of the underlying indices may not result in a comparable change of the market value of the Notes. If the levels of the underlying indices on any trading day increase above their respective initial levels or coupon barriers, the value of the Notes may not increase in a comparable manner, if at all. It is possible for the levels of the underlying indices to increase while the value of the Notes declines.

The determination of the payment at maturity on the Notes does not take into account all developments in the levels of the underlying indices. Changes in the levels of the underlying indices prior to the final valuation date will not be reflected in the calculation of the amount payable, if any, at maturity. The calculation agent will calculate the payment at maturity by comparing only the closing level of the least performing underlying index on the final valuation date relative to its initial level. No other levels will be taken into account. As a result, you may lose some or all of your principal amount even if the level of the least performing underlying index has risen at certain times during the term of the Notes before falling to a level below its trigger level on the final valuation date.

The Notes are not designed to be short-term trading instruments. The price at which you will be able to sell the Notes to us or our affiliates prior to maturity, if at all, may be at a substantial discount from the principal amount of the Notes, even in cases where the closing levels of the underlying indices have appreciated since the date on which the Initial Levels were determined. In addition, you will not receive the benefit of any contingent repayment of principal associated with the trigger levels if you sell the Notes before the maturity date. The potential returns described in this document assume that the Notes, which are not designed to be short-term trading instruments, are held to maturity.

You must rely on your own evaluation of the merits of an investment linked to the underlying indices. In the ordinary course of their business, our affiliates, or UBS or its affiliates, may have expressed views on expected movements in each of the underlying indices or the securities included in the underlying indices, and may do so in the future. These views or reports may be communicated to our respective clients and clients of our respective affiliates. However, these views are subject to change from time to time. Moreover, other professionals who transact business in markets relating to any underlying index, may at any time have significantly different views from those of ours, and those of UBS and its affiliates. For these reasons, you are encouraged to derive information concerning the underlying indices from multiple sources, and you should not rely solely on views expressed by us, UBS, or our respective affiliates. Your return on the Notes is not linked to a basket consisting of the underlying indices. Rather, it will be contingent upon the performance of each individual underlying index. Unlike an instrument with a return linked to a basket of indices or other underlying assets, in which risk is mitigated and diversified among all of the components of the basket, you will be exposed equally to the risks related to each of the underlying indices. Poor performance by any one of the underlying indices over the term of the Notes may negatively affect your return and will not be offset or mitigated by a positive performance by the other underlying indices. To receive any contingent coupon payment or contingent repayment of principal at maturity from us, all underlying indices must close above their initial levels, coupon barriers and trigger levels, respectively, on each trading day during a Quarterly Observation Period and on the final valuation date. In addition, if not called at our election prior to maturity, you may incur a loss proportionate to the negative return of the least performing underlying index. Accordingly, your investment is subject to the market risk of each underlying index, which results in a higher risk of your not receiving contingent coupon payments and incurring a loss at maturity.

Because the Notes are linked to the individual performance of more than one underlying index, it is more likely that one of the underlying indices will decrease in value below its coupon barrier and its trigger level, increasing the probability that you will not receive the contingent coupons and that you will lose some or all of your initial investment. The risk that you will not receive the contingent coupons and that you will lose some or all of your initial investment in the Notes is greater if you invest in the Notes as opposed to securities that are linked to the performance of fewer underlying indices if their terms are otherwise substantially similar. With a greater total number of underlying indices, it is more likely that one of the underlying indices will be below its coupon barrier or trigger level, and therefore it is more likely that you will not receive the contingent coupons and that at maturity you will receive an amount in cash which is worth less than your principal amount. In addition, the performances of a pair of underlying indices may be positively or negatively correlated, or may not be correlated at all. If a pair of underlying indices is not correlated to each other or is negatively correlated, there is a greater potential for one of those underlying indices to close below its coupon barrier or trigger level on any day during a Quarterly Observation Period or on the final valuation date, respectively, and therefore the risk of missing a contingent coupon payment and that a loss of principal will occur is even greater. Further, with three underlying indices, it is more likely that the performance of one pair of underlying indices will not be correlated or will be negatively correlated.

It is impossible to predict what the correlations between the underlying indices will be over the term of the Notes. The underlying indices represent different equity markets and these different equity markets may not perform similarly over the term of the Notes. Although the correlation of the underlying indices' performance may change over the term of the Notes, the contingent coupon rate is determined, in part, based on the underlying indices' performance calculated using our internal models at the time when the terms of the Notes are determined. As stated earlier, a higher contingent coupon rate is generally associated with lower correlation of the underlying indices, which reflects a greater potential for missed contingent coupons and for a loss on your investment at maturity. See "Correlation of the Underlying Indices" below.

Risks Relating to Liquidity and Secondary Market Issues

Secondary trading in the Notes may be limited. The Notes will not be listed on a securities exchange. There may be little or no secondary market for the Notes. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Notes easily.

RBCCM intends to act as a market maker for the Notes, but is not required to do so. Because we do not expect that other market makers will participate significantly in the secondary market for the Notes, the price at which you may be able to trade the Notes is likely to depend on the price, if any, at which RBCCM is willing to buy the Notes. If at any time RBCCM does not act as a market maker, it is likely that there would be little or no secondary market for the

Notes. We expect that transaction costs in any secondary market would be high. As a result, the difference between the bid and asked prices for the Notes in any secondary market could be substantial. If you sell the 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 terms of the Notes at issuance and their market value prior to maturity will be influenced by many unpredictable factors. Many economic and market factors will influence the terms of the Notes at issuance and their value prior to maturity. These factors are similar in some ways to those that could affect the value of a combination of instruments that might be used to replicate the payments on the Notes, including a combination of a bond with one or more options or other derivative instruments. For the market value of the notes, we expect that, generally, the levels of the underlying indices on any day will affect the value of the Notes more than any other single factor. However, you should not expect the value of the Notes in the secondary market to vary in proportion to changes in the levels of the underlying indices. The value of the Notes will be affected by a number of other factors that may either offset or magnify each other, including:

- the level of the underlying indices;
- whether the levels of the underlying indices are below their respective coupon barriers or the trigger levels;
- the expected volatility of the underlying indices;
- the expected correlation of the underlying indices;
- the time to maturity of the Notes;
 - the dividend rate on the securities composing the underlying indices;
- interest and yield rates in the market generally, as well as in the markets of the equity securities composing the underlying indices;
- economic, financial, political, regulatory or judicial events that affect the underlying indices or the equity securities composing the underlying indices or stock markets generally, and which may affect the levels of the underlying indices;

..the exchange rate and the volatility of the exchange rate between the U.S. dollar and euro, which is the currency in which the equity securities included in the SX5E are traded; and

..our creditworthiness, including actual or anticipated downgrades in our credit ratings.

Some or all of these factors will influence the terms of the Notes at issuance as well as the price you will receive if you choose to sell the Notes prior to maturity. The impact of any of the factors set forth above may enhance or offset some or all of any change resulting from another factor or factors. You may have to sell the Notes at a substantial discount from the principal amount if the levels of the underlying indices are at, below or not sufficiently above, their respective initial levels, coupon barriers or trigger levels.

Risks Relating to the Underlying Indices

Changes that affect an underlying index will affect the market value of the Notes and the payments on the Notes. The policies of the applicable index sponsor concerning the calculation of each underlying index, additions, deletions or substitutions of the components of that underlying index and the manner in which changes affecting those components, such as stock dividends, reorganizations or mergers, may be reflected in the underlying index and, therefore, could affect the amounts payable on the Notes, and the market value of the Notes prior to maturity. The amounts 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 applicable underlying index, or if the index sponsor discontinues or suspends calculation or publication of that underlying index, in which case it may become difficult to determine the market value of the Notes.

We have no affiliation with any index sponsor and will not be responsible for any actions taken by an index sponsor. No index sponsor is an affiliate of ours or will be involved in the offering of the Notes in any way. Consequently, we have no control of the actions of any index sponsor, including any actions of the type that might impact the value of the Notes. No index sponsor has any obligation of any sort with respect to the Notes. Thus, no 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 the issuance of the Notes will be delivered to any index sponsor. The historical performance of the underlying indices should not be taken as an indication of their future performance. The levels of the underlying indices will determine the amount to be paid on the Notes. The historical performance of each underlying index does not give an indication of its future performance. As a result, it is impossible to predict whether the level of the underlying indices will rise or fall during the term of the Notes. The level of each underlying index will be influenced by complex and interrelated political, economic, financial and other factors. The level of each underlying index may decrease such that you may not receive any return on your investment or any contingent coupon payments. There can be no assurance that the level of each underlying index will not decrease so that at maturity you will not lose some or all of your investment.

An investment in the Notes is subject to risks associated with non-U.S. securities markets. The securities included in the SX5E have been issued by non-U.S. companies. An investment in securities linked to the value of non-U.S. equity securities involves particular risks. Non-U.S. securities markets may be more volatile than U.S. securities markets, and market developments may affect non-U.S. securities markets differently from the U.S. securities markets. Direct or indirect government intervention to stabilize these non-U.S. securities markets, as well as cross shareholdings among non-U.S. companies, may affect trading prices and volumes in those markets. Also, there is generally less publicly available information in the U.S. about non-U.S. companies than about those U.S. companies that are subject to the reporting requirements of the SEC, and non-U.S. companies are subject to accounting, disclosure, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

Prices of securities in non-U.S. countries are subject to political, economic, financial and social factors that may be unique to the particular countries. These factors, which could negatively affect the non-U.S. securities markets, include the possibility of recent or future changes in the economic and fiscal policies of non-U.S. governments, the possible imposition of, or changes in, currency exchange laws or other non-U.S. laws or restrictions applicable to non-U.S. companies or investments in non-U.S. equity securities, the possibility of fluctuations in the rate of exchange between currencies, the possibility of outbreaks of hostility and political instability and the possibility of natural disaster or adverse public health developments in the relevant region. Moreover, the economies of certain foreign countries may differ favorably or unfavorably from the U.S. economy in important respects, such as growth of gross national product, rate of inflation, trade surpluses or deficits, capital reinvestment, resources and self-sufficiency.

As a holder of the Notes, you will not have direct exposure to fluctuations in the U.S. dollar/euro exchange rate related to the SX5E. The value of the Notes will not be adjusted for exchange rate fluctuations between the U.S. dollar and the euro, even though any currency fluctuations could affect the performance of the SX5E. Therefore, if the euro appreciates or depreciates relative to the U.S. dollar over the term of the Notes, you will not receive any additional payment or incur any reduction in any payment on the Notes.

An investment in the Notes linked to the RTY is subject to risks associated in investing in stocks with a small market capitalization. The RTY consists of stocks issued by companies with relatively small market capitalizations. These companies often have greater stock price volatility, lower trading volume and less liquidity than large-capitalization companies. As a result, the level of this underlying index may be more volatile than that of a market measure that does not track solely small-capitalization stocks. Stock prices of small-capitalization companies are also often more vulnerable than those of large-capitalization companies to adverse business and economic developments, and the stocks of small-capitalization companies may be thinly traded, and be less attractive to many investors if they do not pay dividends. In addition, small capitalization companies are often less well-established and less stable financially than large-capitalization companies and may depend on a small number of key personnel, making them more vulnerable to loss of those individuals. Small capitalization companies tend to have lower revenues, less diverse product lines, smaller shares of their target markets, fewer financial resources and fewer competitive strengths than large-capitalization companies. These companies may also be more susceptible to adverse developments related to their products or services.

Risks Relating to Hedging Activities and Conflicts of Interest

We, UBS or our respective affiliates may have adverse economic interests to the holders of the Notes. RBCCM, UBS and our respective affiliates trade the securities represented by the underlying indices, and other financial instruments related to the underlying

indices, on a regular basis, for their accounts and for other accounts under our or their management. UBS, RBCCM and these affiliates may also issue or underwrite or assist unaffiliated entities in the issuance or underwriting of other securities or financial instruments that relate to the underlying indices. To the extent that we, UBS or any of our respective affiliates serves as issuer, agent or underwriter for such securities or financial instruments, our or their interests with respect to such products may be adverse to those of the holders of the Notes. Any of these trading activities could potentially affect the performance of the underlying indices and, accordingly, could affect the value of the Notes, and the amounts, if any, payable on the Notes.

We, UBS or our respective affiliates may currently or from time to time engage in business with the issuers of the securities represented by the underlying indices, including extending loans to, or making equity investments in, or providing advisory services to them, including merger and acquisition advisory services. In the course of this business, we, UBS or our respective affiliates may acquire non-public information about these companies, and we will not disclose any such information to you. None of us, UBS or our respective affiliates makes any representation or warranty to any purchaser of a Note with respect to any matters whatsoever relating to our business with the issuer of any security included in the underlying indices or future price movements of any such security.

Additionally, we, UBS or our respective affiliates may serve as issuer, agent or underwriter for additional issuances of securities with returns linked or related to changes in the level of one or more of the underlying indices. By introducing competing products into the marketplace in this manner, we could adversely affect the value of the Notes. We may hedge our obligations under the Notes through certain affiliates, who would expect to make a profit on such hedge. We or our affiliates may adjust these hedges by, among other things, purchasing or selling those assets at any time, including around the time of the final valuation date, which could have an impact on the return of the Notes. Because hedging our obligations entails risk and may be influenced by market forces beyond our or our affiliates' control, such hedging may result in a profit that is more or less than expected, or it may result in a loss.

We, UBS or our respective affiliates may currently or from time to time engage in trading activities related to the euro, which is the currency in which the securities represented by the SX5E are denominated. These trading activities could potentially affect the exchange rates with respect to the euro and could affect the level of the SX5E.

In the course of our currency trading activities, we, UBS or our respective affiliates may acquire material nonpublic information with respect to currency exchange rates, and we will not disclose any such information to you. In addition, we, UBS or our respective affiliates may produce and/or publish research reports, or otherwise express views, with respect to expected movements in currency exchange rates. We, UBS and our respective do not make any representation or warranty to any purchaser of the Notes with respect to any matters whatsoever relating to future currency exchange rate movements, and any prospective purchaser of the Notes should undertake an independent investigation of the applicable currencies as, in its judgment, is appropriate to make an informed decision with respect to an investment in the Notes.

The calculation agent will have significant discretion with respect to the Notes, which may be exercised in a manner that is adverse to your interests. Our wholly-owned subsidiary, RBCCM, will act as the calculation agent. The calculation agent will determine, among other things, the closing levels of the underlying indices on each trading day; the final level for each underlying index; the underlying return for each underlying index; and the amounts, if any, that we will pay to you on the Notes. The calculation agent will also be responsible for determining whether a market disruption event has occurred. The calculation agent may exercise its discretion in a manner which reduces your return on the Notes. Since these determinations by the calculation agent may affect the payments on the Notes, the calculation agent may have a conflict of interest if it needs to make a determination of this kind.

Market disruptions may adversely affect your return. The calculation agent may, in its sole discretion, determine that the markets have been affected in a manner that prevents it from properly determining the closing level of one or any of the underlying indices on the final valuation date or calculating the underlying return for each underlying index and the amount, if any, that we are required to pay you. These events may include disruptions or suspensions of trading in the markets as a whole. If the calculation agent, in its sole discretion, determines that any of these events prevents us or any of our affiliates from properly hedging our obligations under the Notes, it is possible that the maturity date will be postponed, and your return will be adversely affected. See "General Terms of the Notes — Market Disruption Events."

Non-U.S. investors may be subject to certain additional risks. This document contains a general description of certain U.S. tax considerations relating to the Notes. In the event you are a non-U.S. investor, you should consult your tax

advisors as to the consequences, under the tax laws of the country where you are resident for tax purposes, of acquiring, holding and disposing of the Notes and receiving the payments that might be due under the Notes. For a discussion of the Canadian federal income tax consequences of investing in the Notes, please see the section entitled “Tax Consequences — Canadian Taxation” in the accompanying prospectus. If you are not a Non-resident Holder (as defined in the section titled “Tax Consequences—Canadian Taxation” in the accompanying prospectus) or if you acquire the Notes in the secondary market, you should consult your tax advisors as to the consequences of acquiring, holding and disposing of the Notes and receiving the payments that may be due under the Notes.

Significant aspects of the income tax treatment of an investment in the Notes may be uncertain. The tax treatment of an investment in the Notes is uncertain. We do not plan to request a ruling from the Internal Revenue Service or the Canada Revenue Agency regarding the tax treatment of an investment in the Notes, and the Internal Revenue Service, the Canada Revenue Agency or a court may not agree with the tax treatment described in this document. 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 ordinary income on a current basis irrespective of any contingent coupons. The outcome of this process is uncertain and could apply on a retroactive basis.

Please read carefully the sections entitled “Supplemental Discussion of U.S. Federal Income Tax Consequences” in this document, the section “Tax Consequences” 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.

Use of Proceeds and Hedging

The net proceeds we receive from the sale of the Notes will be used for general corporate purposes and, in part, by us or by one or more of our affiliates in connection with hedging our obligations under the Notes. The original issue price of the Notes includes the underwriting commission (as shown on the cover page of this document) paid with respect to the Notes and the estimated cost of hedging our obligations under the Notes.

In anticipation of the sale of the Notes, we expect to enter into hedging transactions with one or more of our affiliates, involving the underlying indices or the securities composing the underlying indices, and/or related listed and/or over-the-counter derivative instruments prior to or on the trade date. From time to time, including around the time of the maturity date, we and our respective affiliates may enter into additional hedging transactions or unwind those that we or they have entered into. In this regard, we and our respective affiliates may:

- acquire or dispose of investments relating to the underlying indices;
- acquire or dispose of long or short positions in listed or over-the-counter derivative instruments related to the underlying indices; or
- any combination of the above two.

We and our affiliates may acquire a long or short position in securities similar to the Notes from time to time and may, in our or their sole discretion, hold or resell those similar securities.

We and our affiliates may close out our or their hedges at any time during the term of the Notes. That step may, for example, involve sales or purchases of over-the-counter derivative instruments linked to the underlying indices.

Hypothetical Examples

Hypothetical terms only. Actual terms may vary. See the cover page for actual offering terms.

The examples below illustrate the hypothetical payments on a coupon payment date, upon an issuer call or at maturity under different hypothetical scenarios for a \$10.00 Note on an offering of the Notes, with the assumptions set forth below.* We cannot predict the closing level of any underlying index on any trading day during the term of the Notes, including on any trading day during any Quarterly Observation Period or on the Final Valuation Date. You should not take these examples as an indication or assurance of the expected performance of the Notes. Numbers in the examples below have been rounded for ease of analysis.

Principal Amount:	\$10.00
Term:	Approximately 2.5 years (unless earlier called)
Hypothetical Initial Level:	1,000 for each underlying index
Contingent Coupon Rate:	19.10% per annum (or 4.775% per quarter)
Quarterly Observation Periods/Quarterly Observation End Dates:	Quarterly
Hypothetical Trigger Level:	750 for each underlying index, which is 75% of its hypothetical initial level
Hypothetical Coupon Barrier:	750 for each underlying index, which is 75% of its hypothetical initial level

* Terms used for purposes of these hypothetical examples do not represent the actual initial levels, coupon barriers or trigger levels. The hypothetical initial levels above have been chosen for illustrative purposes only and do not represent the actual initial level for any underlying index. The actual initial level and resulting trigger level and coupon barrier of each underlying index are based on its closing level on December 21, 2018.

The examples below are hypothetical. These examples are intended to illustrate (a) the effect of an issuer call, (b) how the payment of a Contingent Coupon with respect to any Quarterly Observation Period will depend on whether the closing level of any underlying index is less than its Coupon Barrier on any trading day during that Quarterly Observation Period, (c) how the value of the payment at maturity on the Notes will depend on whether the Final Index Level of any underlying index is less than its Trigger Level and (d) how the total return on the Notes may be less than the total return on a direct investment in any or all Indices in certain scenarios. The "total return" as used in this pricing supplement is the number, expressed as a percentage, that results from comparing the total payments per \$10.00 in principal amount of the Notes over their term to the \$10.00 initial issue price.

Example 1 — We Elect to Call the Notes on the First Quarterly Observation End Date

Quarterly Observation Period	Lowest Closing Level During Applicable Quarterly Observation Period	Payment (per Note)						
First Quarterly Observation Period	SPX Index: 1,100.00 SX5E Index: 1,200.00 RTY Index: 1,300.000	We elect to call the Notes. Closing level of each underlying index above its coupon barrier on each trading day during Quarterly Observation Period; we pay contingent coupon of \$0.4775 on Call Settlement Date.						
Total Payments (per \$10.00 Note):		<table> <tr> <td>Payment on Call Settlement Date:</td> <td>\$10.4775 (\$10.00 + \$0.4775)</td> </tr> <tr> <td>Total:</td> <td>\$10.4775</td> </tr> <tr> <td>Total Return:</td> <td>4.775%</td> </tr> </table>	Payment on Call Settlement Date:	\$10.4775 (\$10.00 + \$0.4775)	Total:	\$10.4775	Total Return:	4.775%
Payment on Call Settlement Date:	\$10.4775 (\$10.00 + \$0.4775)							
Total:	\$10.4775							
Total Return:	4.775%							

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On the first Quarterly Observation End Date, we elect to call the Notes. Because the closing level of each underlying index is above its applicable coupon barrier on each trading day during the first Quarterly Observation Period, we will pay you on the Call Settlement Date \$10.4775 per \$10.00 principal amount of the Notes, which is equal to your principal amount plus the contingent coupon due on the coupon payment date that is also the Call Settlement Date. No further amounts will be owed to you under the Notes.

Example 2 — Notes Are NOT Called and the Final Level of Each Underlying Index Is Above Its Trigger Level

Quarterly Observation Period	Lowest Closing Level During Applicable Quarterly Observation Period	Final Level	Payment (per Note)
First Quarterly Observation Period	SPX Index: 1,150.00 SX5E Index: 1,100.00 RTY Index: 850.000	N/A	Notes NOT called at our election. Closing level of each underlying index above its coupon barrier on each trading day during Quarterly Observation Period; we pay contingent coupon of \$0.4775 on the first coupon payment date.
Second Quarterly Observation Period	SPX Index: 1,200.00 SX5E Index: 1,150.00 RTY Index: 800.000	N/A	Notes NOT called at our election. Closing level of each underlying index above its coupon barrier on each trading day during Quarterly Observation Period; we pay contingent coupon of \$0.4775 on the second coupon payment date.
Third Quarterly Observation Period	SPX Index: 1,150.00 SX5E Index: 1,100.00 RTY Index: 600.000	N/A	Notes NOT called at our election. Closing level of the RTY Index below its coupon barrier on at least one day during Quarterly Observation Period; we DO NOT pay contingent coupon on third coupon payment date.
Fourth to Ninth Quarterly Observation Periods	Various (at least one underlying index below coupon barrier)	N/A	Notes NOT called at our election. Closing level of at least one underlying index below its coupon barrier on at least one day during Quarterly Observation Period; we DO NOT pay contingent coupon on any of the fourth to ninth coupon payment dates.
Tenth Quarterly Observation Period (the final Quarterly)	SPX Index: 1,000.00 SX5E Index: 1,050.00 RTY Index: 800.000	SPX Index: 1,150.00 SX5E Index:	Notes NOT callable. Final level of each underlying index above its trigger level and closing level of each underlying index above its coupon barrier on each trading day during Quarterly Observation Period; we repay principal plus we pay contingent

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Observation Period)	1,100.00 RTY Index: 850.000	coupon of \$0.4775 on the maturity date.								
Total Payments (per \$10.00 Note):		<table> <tr> <td>Payment at Maturity:</td> <td>\$10.4775 (\$10.00 + \$0.4775)</td> </tr> <tr> <td>Prior Contingent Coupons:</td> <td>\$0.955 (\$0.4775 × 2)</td> </tr> <tr> <td>Total:</td> <td>\$11.4325</td> </tr> <tr> <td>Total Return:</td> <td>14.325%</td> </tr> </table>	Payment at Maturity:	\$10.4775 (\$10.00 + \$0.4775)	Prior Contingent Coupons:	\$0.955 (\$0.4775 × 2)	Total:	\$11.4325	Total Return:	14.325%
Payment at Maturity:	\$10.4775 (\$10.00 + \$0.4775)									
Prior Contingent Coupons:	\$0.955 (\$0.4775 × 2)									
Total:	\$11.4325									
Total Return:	14.325%									

In this example, we do not elect to call the Notes and the Notes remain outstanding until maturity. Because the final level of each underlying index is greater than or equal to its trigger level and the closing level of each underlying index is greater than or equal to its coupon barrier on each trading day during the final Quarterly Observation Period, we will pay you on the maturity date \$10.4775 per \$10.00 in principal amount of the Notes, which is equal to your principal amount plus the contingent coupon due on the coupon payment date that is also the maturity date.

In addition, because the closing level of each underlying index was greater than or equal to its coupon barrier on each trading day during the first and second Quarterly Observation Periods, we will pay the contingent coupon of \$0.4775 on the first and second coupon payment dates. However, because the closing level of at least one underlying index was less than its coupon barrier on at least one day during each of the third through ninth Quarterly Observation Periods, we will not pay any contingent coupon on the coupon payment dates following the applicable Quarterly Observation Periods. Accordingly, we will have paid a total of \$11.4325 per \$10.00 in principal amount of the Notes for a 14.325% total return over the approximately 2.5 year term of the Notes.

Example 3 — Notes Are NOT Called and the Final Level of Each Underlying Index Is Above Its Trigger Level

Quarterly Observation Period	Lowest Closing Level During Applicable Quarterly Observation Period	Final Level	Payment (per Note)
First Quarterly Observation Period	SPX Index: 950.00 SX5E Index: 800.00 RTY Index: 1,200.000	N/A	Notes NOT called at our election. Closing level of each underlying index above its coupon barrier on each trading day during Quarterly Observation Period; we pay contingent coupon of \$0.4775 on the first coupon payment date.
Second Quarterly Observation Period	SPX Index: 900.00 SX5E Index: 750.00 RTY Index: 1,150.000	N/A	Notes NOT called at our election. Closing level of each underlying index above its coupon barrier on each trading day during Quarterly Observation Period; we pay contingent

			coupon of \$0.4775 on the second coupon payment date.
Third Quarterly Observation Period	SPX Index: 1,150.00 SX5E Index: 900.00 RTY Index: 600.000	N/A	Notes NOT called at our election. Closing level of the RTY Index below its coupon barrier on at least one day during Quarterly Observation Period; we DO NOT pay contingent coupon on the third coupon payment date.
Fourth to Ninth Quarterly Observation Periods	Various (at least one underlying index below coupon barrier)	N/A	Notes NOT called at our election. Closing level of at least one underlying index below its coupon barrier on at least one day during Quarterly Observation Period; we DO NOT pay contingent coupon on any of the fourth to ninth coupon payment dates.
Tenth Quarterly Observation Period (the final Quarterly Observation Period)	SPX Index: 1,050.00 SX5E Index: 800.00 RTY Index: 500.000	SPX Index: 1,100.00 SX5E Index: 900.00 RTY Index: 800.000	Notes NOT callable. Final level of each underlying index above its trigger level but closing level of the RTY Index below its coupon barrier on at least one day during Quarterly Observation Period; we repay principal but do not pay contingent coupon.
Total Payments (per \$10.00 Note):			Payment at Maturity: \$10.00 Prior Contingent Coupons: \$0.955 (\$0.4775 × 2)