

ROYAL BANK OF CANADA
Form 424B2
June 04, 2018

May 2018

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Registration Statement No. 333-208507

PRICING SUPPLEMENT

Dated May 31, 2018

Filed Pursuant to Rule 424(b)(2)

STRUCTURED INVESTMENTS

Opportunities in International Equities

\$3,641,860 Buffered PLUS Based on the Performance of the EURO STOXX 50[®] Index due December 3, 2020

Buffered Performance Leveraged Upside SecuritiesSM

Principal at Risk Securities

The Buffered PLUS are senior unsecured obligations of Royal Bank of Canada, do not pay interest, do not guarantee any return of principal at maturity, provide a minimum payment at maturity of only 10% of the stated principal amount and have the terms described in the accompanying prospectus supplement and prospectus, as supplemented or modified by this document. At maturity, if the level of the underlying index has increased, investors will receive the stated principal amount of their investment plus a return reflecting the leveraged upside performance of the underlying index, subject to the maximum payment at maturity. If the level of the underlying index has decreased, but not by more than the specified buffer amount, investors will receive the stated principal amount of their investment.

However, if the level of the underlying index has decreased by more than the specified buffer amount, investors will lose 1% for every 1% decline beyond that amount, subject to the minimum payment of 10% of the stated principal amount. The Buffered PLUS are for investors who seek an equity index-based return and who are willing to risk their principal and forgo current income and upside above the maximum payment at maturity in exchange for the upside leverage and buffer feature, which in each case apply to a limited range of performance of the underlying index.

Investors may lose up to 90% of the principal amount of the Buffered PLUS. The Buffered PLUS are senior notes issued as part of Royal Bank of Canada's Global Medium-Term Notes, Series G program. All payments on the Buffered PLUS are subject to the credit risk of Royal Bank of Canada.

FINAL TERMS

Issuer: Royal Bank of Canada

Underlying index: The EURO STOXX 50[®] Index (Bloomberg symbol: "SX5E")

Aggregate principal amount: \$3,641,860

Stated principal amount: \$10 per Buffered PLUS

Issue price: \$10 per Buffered PLUS

Pricing date: May 31, 2018

Issue date: June 5, 2018

Maturity date: December 3, 2020, subject to adjustment as described in "Additional Information About the Securities" below.

Payment at maturity: If the final index level is greater than the initial index level,
\$10 + \$10 × leverage factor × underlying index return

In no event will the payment at maturity exceed the maximum payment at maturity.

If the final index level is less than or equal to the initial index level but has decreased from the initial index level by no more than 10%,

\$10

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If the final index level is less than the initial index level and has decreased from the initial index level by more than 10%,

$\$10 + [\$10 \times (\text{underlying index return} + \text{buffer amount})]$

This amount will be less than the stated principal amount of \$10, but will be at least \$1.00. You will lose some or a significant portion of the principal amount if the final index level is less than the initial index level by more than 10%.

Maximum payment at maturity:	\$17.50 per Buffered PLUS (175.00% of the stated principal amount).		
Leverage factor:	200%		
Buffer amount:	10%		
Underlying index return:	$(\text{final index level} - \text{initial index level}) / \text{initial index level}$		
Initial index level:	3,406.65, which is the closing level of the underlying index on the pricing date		
Final index level:	The closing level of the underlying index on the valuation date		
Valuation date:	November 30, 2020, subject to adjustment for non-trading days and certain market disruption events		
CUSIP/ISIN:	78013Q780 / US78013Q7806		
Listing:	The Buffered PLUS will not be listed on any securities exchange.		
Agent:	RBC Capital Markets, LLC (“RBCCM”).		
Commissions and issue price:	Price to public	Agent’s commissions	Proceeds to issuer
Per Buffered PLUS	\$10.00	\$0.25 ⁽¹⁾	
		\$0.05 ⁽²⁾	\$9.70
Total	\$3,641,860.00	\$91,046.50	\$3,532,604.20
		\$18,209.30	

(1) RBCCM, acting as agent for Royal Bank of Canada, will receive a fee of \$0.30 per \$10 stated principal amount and will pay to Morgan Stanley Wealth Management (“MSWM”) a fixed sales commission of \$0.25 for each Buffered PLUS that MSWM sells. See “Supplemental Information Regarding Plan of Distribution; Conflicts of Interest.”

(2) Of the amount per \$10 stated principal amount received by RBCCM, acting as agent for Royal Bank of Canada, RBCCM will pay MSWM a structuring fee of \$0.05 for each Buffered PLUS.

The initial estimated value of the Buffered PLUS as of the date of this document is \$9.646 per \$10 Buffered PLUS, which is less than the price to public. The market value of the Buffered PLUS at any time will reflect many factors, cannot be predicted with accuracy, and may be less than this amount.

An investment in the Buffered PLUS involves certain risks. See “Risk Factors” beginning on page 6 of this document, beginning on page S-1 of the accompanying prospectus supplement, and beginning on page 1 of the prospectus.

You should read this document together with the related prospectus supplement and prospectus, each of which can be accessed via the hyperlinks below, before you decide to invest. Please also see “Additional Terms of the Buffered PLUS” in this document.

[Prospectus Supplement dated January 8, 2016](#)

[Prospectus dated January 8, 2016](#)

None of the Securities and Exchange Commission, any state securities commission or any other regulatory body has approved or disapproved of the Buffered PLUS or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense. The Buffered PLUS will not constitute deposits insured by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. government agency or instrumentality.

Buffered PLUS Based on the Performance of the EURO STOXX 50[®] Index due December 3, 2020

Buffered Performance Leveraged Upside SecuritiesSM

Principal at Risk Securities

Investment Summary

Buffered Performance Leveraged Upside Securities

Principal at Risk Securities

The Buffered PLUS Based on the Performance of the EURO STOXX 50[®] Index, due December 3, 2020 (the “Buffered PLUS”) can be used:

§ As an alternative to direct exposure to the underlying index that enhances returns for a certain range of positive performance of the underlying index, subject to the maximum payment at maturity.

§ To enhance returns and potentially outperform the underlying index in a moderately bullish scenario.

§ To achieve similar levels of upside exposure to the underlying index as a direct investment, subject to the maximum payment at maturity, while using fewer dollars by taking advantage of the leverage factor.

§ To obtain a buffer against a specified level of negative performance in the underlying index.

The Buffered PLUS are exposed on a 1:1 basis to the negative performance of the underlying index beyond the buffer amount.

Maturity: Approximately 2.5 years

Leverage factor: 200% (applicable only if the final index level is greater than the initial index level)

Buffer amount: 10%, with 1-to-1 downside exposure beyond the buffer

Maximum payment at maturity: \$17.50 per Buffered PLUS (175.00% of the stated principal amount).

Minimum payment at maturity: \$1.00 per Buffered PLUS (10% of the stated principal amount). Investors may lose up to 90% of the stated principal amount.

Coupon: None

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Key Investment Rationale

These Buffered PLUS offer leveraged upside exposure to the positive performance of the underlying index and a limited buffer against the negative performance of the underlying index, subject to the minimum payment at maturity. At maturity, if the level of the underlying index has increased, investors will receive the stated principal amount of their investment plus a return reflecting the leveraged upside performance of the underlying index, subject to the maximum payment at maturity. If the level of the underlying index has decreased, but not by more than the buffer amount, investors will receive the stated principal amount of their investment. However, if the level of the underlying index has decreased by more than the buffer amount, investors will lose 1% for every 1% decline beyond the specified buffer amount, subject to the minimum payment at maturity. Investors may lose up to 90% of the stated principal amount of the Buffered PLUS.

Leveraged Upside Performance	The Buffered PLUS offer investors an opportunity to capture enhanced returns relative to a direct investment in the underlying index within a certain range of positive performance.
Upside Scenario	The level of the underlying index increases and, at maturity, we will pay the stated principal amount of \$10 plus 200% of the underlying index return, subject to the maximum payment at maturity of \$17.50 per Buffered PLUS (175.00% of the stated principal amount)
Par Scenario	The level of the underlying index remains unchanged or declines from the initial index level by an amount less than or equal to the buffer amount of 10%, and the Buffered PLUS will pay the stated principal amount of \$10 at maturity.
Downside Scenario	The level of the underlying index declines by more than 10% and, at maturity, the Buffered PLUS will pay less than the stated principal amount by an amount that is proportionate to the percentage decrease in the level of the underlying index beyond the buffer amount of 10%. (For example, if the level of the underlying index declines by 25%, the Buffered PLUS will pay \$8.50, or 85% of the stated principal amount). The minimum payment at maturity is \$1.00 per Buffered PLUS.

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Additional Information

You should read this document together with the prospectus dated January 8, 2016, as supplemented by the prospectus supplement dated January 8, 2016, relating to our Senior Global Medium-Term Notes, Series G, of which the Buffered PLUS are a part. This document, together with these documents, contains the terms of the Buffered PLUS 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, brochures or other educational materials of ours.

You should rely only on the information provided or incorporated by reference in this document, the prospectus and the prospectus supplement. We have not authorized anyone else to provide you with different information, and we take no responsibility for any other information that others may give you. We and Morgan Stanley Wealth Management are offering to sell the Buffered PLUS and seeking offers to buy the Buffered PLUS only in jurisdictions where it is lawful to do so. The information contained in this document and the accompanying prospectus supplement and prospectus is current only as of their respective dates.

If the information in this document differs from the information contained in the prospectus supplement or the prospectus, you should rely on the information in this document.

You should carefully consider, among other things, the matters set forth in “Risk Factors” in this document and the accompanying prospectus supplement, as the Buffered PLUS involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the Buffered PLUS.

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

Prospectus dated January 8, 2016:

<http://www.sec.gov/Archives/edgar/data/1000275/000121465916008810/j18160424b3.htm>

Prospectus Supplement dated January 8, 2016:

<http://www.sec.gov/Archives/edgar/data/1000275/000121465916008811/p14150424b3.htm>

Our Central Index Key, or CIK, on the SEC website is 1000275.

Please see the section “Documents Incorporated by Reference” on page i of the above prospectus for a description of our filings with the SEC that are incorporated by reference therein.

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How the Buffered PLUS Work

Payoff Diagram

The payoff diagram below illustrates the payment at maturity on the Buffered PLUS for a range of hypothetical percentage changes in the closing level of the underlying index. The graph is based on the following terms:

Stated principal amount: \$10 per Buffered PLUS
Buffer amount: 10%
Leverage factor: 200%
Maximum payment at maturity: \$17.50 per Buffered PLUS (175.00% of the stated principal amount).
Minimum payment at maturity: \$1.00 per Buffered PLUS (10.00% of the stated principal amount)

Buffered PLUS Payoff Diagram

n The Buffered PLUS n The Underlying Index

How it works

Upside Scenario. If the final index level is greater than the initial index level, then investors would receive the \$10 stated principal amount plus a return reflecting 200% of the appreciation of the underlying index over the term of the § Buffered PLUS, subject to the maximum payment at maturity. Under the terms of the Buffered PLUS, an investor would realize the maximum payment at maturity of \$17.50 per Buffered PLUS (175.00% of the stated principal amount) at a final index level of 137.50% of the initial index level.

§ If the underlying index appreciates 28%, the investor would receive a 56% return, or \$15.60 per Buffered PLUS.

§ If the underlying index appreciates 50%, the investor would receive only the maximum payment at maturity of § \$17.50 per Buffered PLUS, or 175.00% of the stated principal amount.

Par Scenario. If the final index level is less than or equal to the initial index level but has decreased from the initial § index level by an amount less than or equal to the buffer amount of 10%, the investor would receive the \$10 stated principal amount.

§ If the underlying index depreciates 7%, the investor would receive \$10.00 per Buffered PLUS, a 0% return.

Downside Scenario. If the final index level is less than the initial index level by an amount greater than the buffer § amount of 10%, the investor would receive an amount that is less than the \$10 stated principal amount, based on a § 1% loss of principal for each 1% decline in the underlying index of more than 10%. The minimum payment at maturity is \$1.00 per Buffered PLUS.

§ If the underlying index depreciates 30%, the investor would lose 20% of the investor's principal and receive only § \$8.00 per Buffered PLUS at maturity, or 80% of the stated principal amount.

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Risk Factors

An investment in the Buffered PLUS is subject to the risks described below, as well as the risks described under “Risk Factors” in the accompanying prospectus supplement and prospectus. Investors in the Buffered PLUS are also exposed to further risks related to the issuer of the Buffered PLUS, Royal Bank of Canada, which are described in Royal Bank of Canada’s annual report on Form 40-F for its most recently completed fiscal year, filed with the SEC and incorporated by reference herein. See the categories of risks, identified and disclosed in the management’s discussion and analysis of financial condition and results of operations included in the annual report on Form 40-F. This section (and the management’s discussion and analysis section of the annual report on Form 40-F) describes the most significant risks relating to the Buffered PLUS. You should carefully consider whether the Buffered PLUS are suited to your particular circumstances.

The Buffered PLUS do not pay interest and provide a minimum payment at maturity of only 10% of your principal.

The terms of the Buffered PLUS differ from those of ordinary debt securities in that the Buffered PLUS do not pay interest and provide a minimum payment at maturity of only 10% of your principal. If the final index level has § declined from the initial index level by an amount greater than the buffer amount of 10%, the payout at maturity will be an amount in cash that is less than the \$10 stated principal amount of each Buffered PLUS by an amount proportionate to the decrease in the level of the underlying index, beyond the buffer amount of 10%, and may be as low as \$1.00 per Buffered PLUS.

The appreciation potential of the Buffered PLUS is limited by the maximum payment at maturity. The appreciation potential of the Buffered PLUS is limited by the maximum payment at maturity of \$17.50 per Buffered PLUS, or § 175.00% of the stated principal amount. Although the leverage factor provides 200% exposure to any increase in the § level of the underlying index as of the valuation date above the initial index level, because the payment at maturity will be limited to 175.00% of the stated principal amount, any increase in the final index level over the initial index level by more than 37.50% of the initial index level will not further increase the return on the Buffered PLUS.

The market price of the Buffered PLUS will be influenced by many unpredictable factors. Many factors will § influence the value of the Buffered PLUS in the secondary market and the price at which RBCCM may be willing to purchase or sell the Buffered PLUS in the secondary market, including:

§ the trading price and volatility (frequency and magnitude of changes in value) of the securities represented by the § underlying index;

§ dividend yields on the securities represented by the underlying index;

§ market interest rates;

§ our creditworthiness, as represented by our credit ratings or as otherwise perceived in the market;

§ time remaining to maturity;

§ geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the underlying § index; and

§ the exchange rate between the U.S. dollar and the euro.

The level of the underlying index may be volatile, and you should not take the historical levels of the underlying index as an indication of future performance. See “Information About the Underlying Index” below. You may receive less, and possibly significantly less, than the stated principal amount per Buffered PLUS if you sell your Buffered PLUS prior to maturity.

The Buffered PLUS are subject to the credit risk of Royal Bank of Canada, and any actual or anticipated changes to its credit ratings or credit spreads may adversely affect the market value of the Buffered PLUS. You are dependent on Royal Bank of Canada’s ability to pay all amounts due on the Buffered PLUS at maturity and therefore you are subject to the credit risk of Royal Bank of Canada. If Royal Bank of Canada defaults on its obligations under the § Buffered PLUS, your investment would be at risk and you could lose some or all of your investment. As a result, the market value of the Buffered PLUS prior to maturity will be affected by changes in the market’s view of Royal Bank of Canada’s creditworthiness. Any actual or anticipated decline in Royal Bank of Canada’s credit ratings or increase in the credit spreads charged by the market for taking Royal Bank of Canada credit risk is likely to adversely affect the market value of the Buffered PLUS.

The amount payable on the Buffered PLUS is not linked to the level of the underlying index at any time other than the valuation date. The final index level will be based on the closing level of the underlying index on the valuation date, subject to adjustment for non-trading days and certain market disruption events. Even if the level of the underlying index appreciates prior to the valuation date but then decreases on the valuation date to a level that is less than the initial index level, the payment at maturity will be less, and may be significantly less, than it would have been had the payment at maturity been linked to the level of the underlying index prior to that decrease. Although the actual level of the underlying index on the maturity date or at other times during the term of the Buffered PLUS may be higher than the final index level, the payment at maturity will be based solely on the closing level of the underlying index on the valuation date.

Investing in the Buffered PLUS is not equivalent to investing in the underlying index. Investing in the Buffered PLUS is not equivalent to investing in the underlying index or its component stocks. Investors in the Buffered PLUS will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to stocks that constitute the underlying index.

The initial estimated value of the Buffered PLUS is less than the price to the public. The initial estimated value that is set forth on the cover page of this document does not represent a minimum price at which we, RBCCM or any of our affiliates would be willing to purchase the Buffered PLUS in any secondary market (if any exists) at any time. If you attempt to sell the Buffered PLUS 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,

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among other things, changes in the level of the underlying index, the borrowing rate we pay to issue securities of this kind, and the inclusion in the price to the public of the agent's commissions and the estimated costs relating to our hedging of the Buffered PLUS. These factors, together with various credit, market and economic factors over the term of the Buffered PLUS, are expected to reduce the price at which you may be able to sell the Buffered PLUS in any secondary market and will affect the value of the Buffered PLUS 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 Buffered PLUS prior to maturity may be less than your original purchase price, as any such sale price would not be expected to include the agent's commissions and the hedging costs relating to the Buffered PLUS. In addition to bid-ask spreads, the value of the Buffered PLUS determined for any secondary market price is expected to be based on the secondary rate rather than the internal funding rate used to price the Buffered PLUS and determine the initial estimated value. As a result, the secondary price will be less than if the internal funding rate was used. The Buffered PLUS are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your Buffered PLUS to maturity.

Our initial estimated value of the Buffered PLUS is an estimate only, calculated as of the pricing date. The initial estimated value of the Buffered PLUS is based on the value of our obligation to make the payments on the Buffered PLUS, together with the mid-market value of the derivative embedded in the terms of the Buffered PLUS. See § "Structuring the Buffered PLUS" 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 Buffered PLUS.

These assumptions are based on certain forecasts about future events, which may prove to be incorrect. Other entities may value the Buffered PLUS or similar securities at a price that is significantly different than we do. The value of the Buffered PLUS at any time after the pricing 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 Buffered PLUS in any secondary market, if any, should be expected to differ materially from the initial estimated value of your Buffered PLUS.

An investment in the Buffered PLUS is subject to risks relating to non-U.S. securities markets. Because foreign companies or foreign equity securities included in the underlying index are publicly traded in the applicable foreign countries and are denominated in currencies other than U.S. dollars, an investment in the Buffered PLUS involves particular risks. For example, the non-U.S. securities markets may be more volatile than the U.S. securities markets, and market developments may affect these markets differently from the U.S. or other securities markets. Direct or § indirect government intervention to stabilize the securities markets outside the U.S., as well as cross-shareholdings in certain companies, may affect trading prices and trading volumes in those markets. Also, the public availability of information concerning the foreign issuers may vary depending on their home jurisdiction and the reporting requirements imposed by their respective regulators. In addition, the foreign issuers may be subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

The securities included in the underlying index are issued by companies located within the Eurozone, which is and has been undergoing severe financial stress, and the political, legal and regulatory ramifications are impossible to predict. Changes within the Eurozone could have a material adverse effect on the performance of the underlying index and, consequently, on the value of the Buffered PLUS.

The Buffered PLUS will not be adjusted for changes in exchange rates. Although the equity securities composing the underlying index are traded in euro, and the Buffered PLUS are denominated in U.S. dollars, the amount payable on the Buffered PLUS at maturity, if any, will not be adjusted for changes in the exchange rates between the U.S. dollar § and the euro. Changes in exchange rates, however, may also reflect changes in the applicable non-U.S. economies that in turn may affect the level of the underlying index, and therefore the Buffered PLUS. The amount we pay in respect of your Buffered PLUS on the maturity date, if any, will be determined solely in accordance with the procedures described in this document.

§ Adjustments to the underlying index could adversely affect the value of the Buffered PLUS. The sponsor of the underlying index (the "index sponsor") may add, delete or substitute the stocks constituting the underlying index, or

make other methodological changes. Further, the index sponsor may discontinue or suspend calculation or publication of the underlying index at any time. Any of these actions could affect the value of and the return on the Buffered PLUS.

§ We have no affiliation with the index sponsor and will not be responsible for any actions taken by the index sponsor. The index sponsor is not an affiliate of ours and will not be involved in the offering of the Buffered PLUS in any way. Consequently, we have no control over the actions of the index sponsor, including any actions of the type that would require the calculation agent to adjust the payment to you at maturity. The index sponsor has no obligation of any sort with respect to the Buffered PLUS. Thus, the index sponsor has no obligation to take your interests into consideration for any reason, including in taking any actions that might affect the value of the Buffered PLUS. None of our proceeds from the issuance of the Buffered PLUS will be delivered to the index sponsor.

The Buffered PLUS will not be listed on any securities exchange and secondary trading may be limited. The Buffered PLUS will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the Buffered PLUS. RBCCM may, but is not obligated to, make a market in the Buffered PLUS, and, if it chooses to do so at any time, it may cease doing so. When it does make a market, it will generally do so for transactions of routine secondary market size at prices based on its estimated of the current value of the Buffered § PLUS, taking into account its bid/offer spread, our credit spreads, market volatility, the notional size of the proposed sale, the cost of unwinding any related hedging positions, the time remaining to maturity and the likelihood that it will be able to resell the Buffered PLUS. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Buffered PLUS easily. Because we do not expect that other broker-dealers will participate significantly

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in the secondary market for the Buffered PLUS, the price at which you may be able to trade your Buffered PLUS is likely to depend on the price, if any, at which RBCCM is willing to transact. If, at any time, RBCCM were not to make a market in the Buffered PLUS, it is likely that there would be no secondary market for the Buffered PLUS. Accordingly, you should be willing to hold your Buffered PLUS to maturity.

Historical levels of the underlying index should not be taken as an indication of its future levels during the term of the Buffered PLUS. The trading prices of the equity securities comprising the underlying index will determine the § level of the underlying index at any given time. As a result, it is impossible to predict whether the level of the underlying index will rise or fall. Trading prices of the equity securities comprising the underlying index will be influenced by complex and interrelated political, economic, financial and other factors.

Hedging and trading activity by us and our subsidiaries could potentially adversely affect the value of the Buffered PLUS. One or more of our subsidiaries and/or third party dealers expect to carry out hedging activities related to the Buffered PLUS (and possibly to other instruments linked to the underlying index or the securities it represents), including trading in those securities as well as in other related instruments. Some of our subsidiaries also may conduct trading activities relating to the underlying index on a regular basis as part of their general broker-dealer and § other businesses. Any of these hedging or trading activities on or prior to the pricing date could have affected the initial index level and, therefore, could have increased the level at which the underlying index must close on the valuation date so that investors do not suffer a loss on their initial investment in the Buffered PLUS. Additionally, such hedging or trading activities during the term of the Buffered PLUS, including on the valuation date, could adversely affect the closing level of the underlying index on the valuation date and, accordingly, the amount of cash an investor will receive at maturity.

Our business activities may create conflicts of interest. We and our affiliates may engage in trading activities related to the underlying index or the securities represented by the underlying index that are not for the account of holders of the Buffered PLUS or on their behalf. These trading activities may present a conflict between the holders' interest in § the Buffered PLUS and the interests we and our affiliates will have in proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for our customers and in accounts under our management. These trading activities could be adverse to the interests of the holders of the Buffered PLUS.

We and our affiliates may presently or from time to time engage in business with one or more of the issuers of the securities represented by the underlying index. This business may include extending loans to, or making equity investments in, such companies or providing advisory services to such companies, including merger and acquisition advisory services. In the course of business, we and our affiliates may acquire non-public information relating to these companies, which we have no obligation to disclose to you, and, in addition, one or more of our affiliates may publish research reports about these companies. Neither we nor the agent have made any independent investigation regarding any matters whatsoever relating to the issuers of the securities represented by the underlying index.

Moreover, we and our affiliates may have published, and in the future expect to publish, research reports with respect to the underlying index or the securities which 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 Buffered PLUS. Any of these activities by us or one or more of our affiliates may affect the level of the underlying index and, therefore, the market value of the Buffered PLUS.

The calculation agent, which is a subsidiary of the issuer, will make determinations with respect to the Buffered PLUS, which may create a conflict of interest. Our wholly owned subsidiary, RBCCM, will serve as the calculation agent. As calculation agent, RBCCM determined the initial index level and will determine the final index level and the underlying index return and will calculate the amount of cash you will receive at maturity. Moreover, certain § determinations made by RBCCM, in its capacity as calculation agent, may require it to exercise discretion and make subjective judgments, such as with respect to the occurrence or non-occurrence of market disruption events and the selection of a successor index or the calculation of the final index level in the event of a market disruption event or discontinuance of the underlying index. These potentially subjective determinations may adversely affect the payout to you at maturity, if any. For further information regarding these types of determinations see "Additional Terms of the Buffered PLUS" below.

Significant aspects of the tax treatment of the Buffered PLUS are uncertain. The tax treatment of an investment in the Buffered PLUS is uncertain. We do not plan to request a ruling from the Internal Revenue Service or from the § Canada Revenue Agency regarding the tax treatment of an investment in the Buffered PLUS, 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 U.S. 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 Buffered PLUS even though that holder will not receive any payments with respect to the Buffered PLUS until maturity and whether all or part of the gain a holder may recognize upon sale, exchange or maturity of an instrument such as the Buffered PLUS should 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 “Canadian Federal Income Tax Consequences” and “Supplemental Discussion of U.S. Federal Income Tax Consequences” in this document, the section entitled “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.

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Additional Terms of the Buffered PLUS

Please read this information in conjunction with the summary terms on the front cover of this document.

Additional Provisions

Postponement of the valuation date: If the valuation date occurs on a day that is not a trading day or on a day on which the calculation agent has determined that a market disruption event (as defined below) has occurred or is continuing, then the valuation date will be postponed until the next succeeding trading day on which the calculation agent determines that a market disruption event does not occur or is not continuing; provided that in no event will the valuation date be postponed by more than five trading days. If the valuation date is postponed by five trading days, and a market disruption event occurs or is continuing on that fifth trading day, then the calculation agent may determine, in its good faith and reasonable judgment, what the closing level of the underlying index would have been in the absence of the market disruption event. If the valuation date is postponed, then the maturity date will be postponed by an equal number of business days. No interest shall accrue or be payable as a result of such postponement.

Market disruption events: With respect to the underlying index and any relevant successor index, a “market disruption event” means:

§ a suspension, absence or material limitation of trading of equity securities then constituting 20% or more of the level of the underlying index (or the relevant successor index) on the relevant exchanges (as defined below) for such securities for more than two hours of trading during, or during the one hour period preceding the close of, the principal trading session on such relevant exchange; or

§ a breakdown or failure in the price and trade reporting systems of any relevant exchange as a result of which the reported trading prices for equity securities then constituting 20% or more of the level of the underlying index (or the relevant successor index) during the one hour preceding the close of the principal trading session on such relevant exchange are materially inaccurate; or

§ a suspension, absence or material limitation of trading on the primary exchange or market for trading in futures or options contracts related to the underlying index (or the relevant successor index) for more than two hours of trading during, or during the one hour period preceding the close of, the principal trading session on such exchange or market; or

§ a decision to permanently discontinue trading in the relevant futures or options contracts; in each case as determined by the calculation agent in its sole discretion; and

§ a determination by the calculation agent in its sole discretion that the event described above materially interfered with our ability or the ability of any of our affiliates to adjust or unwind all or a material portion of any hedge with respect to the Buffered PLUS.

For purposes of determining whether a market disruption event with respect to the underlying index (or the relevant successor index) exists at any time, if trading in a security included in the underlying index (or the relevant successor index) is materially suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the underlying index (or the relevant successor index) will be based on a comparison of (a) the portion of the level of the underlying index (or the relevant successor index) attributable to that security relative to (b) the overall level of the underlying index (or the relevant successor index), in each case immediately before that suspension or limitation.

For purposes of determining whether a market disruption event with respect to the underlying index (or the relevant successor index) has occurred:

§ a limitation on the hours or number of days of trading will not constitute a market disruption event if it results from an announced change in the regular business hours of the relevant exchange, or the primary exchange or market for trading in futures or options contracts related to the underlying index (or the relevant successor index);

§ limitations pursuant to the rules of any relevant exchange similar to NYSE Rule 80B (or any applicable rule or regulation enacted or promulgated by any other self-regulatory organization or any

government agency of scope similar to NYSE Rule 80B as determined by the calculation agent) on trading during significant market fluctuations will constitute a suspension, absence or material limitation of trading;

Buffered PLUS Based on the Performance of the EURO STOXX 50® Index due December 3, 2020
Buffered Performance Leveraged Upside SecuritiesSM
Principal at Risk Securities

§ a suspension of trading in futures or options contracts on the underlying index (or the relevant successor index) by the primary exchange or market trading in such contracts by reason of:

§ a price change exceeding limits set by such exchange or market,

§ an imbalance of orders relating to such contracts, or

§ a disparity in bid and ask quotes relating to such contracts,

will, in each such case, constitute a suspension, absence or material limitation of trading in futures or options contracts related to the underlying index (or the relevant successor index); and

§ a “suspension, absence or material limitation of trading” on any relevant exchange or on the primary exchange or market on which futures or options contracts related to the underlying index (or the relevant successor index) are traded will not include any time when such exchange or market is itself closed for trading under ordinary circumstances.

“Relevant exchange” means, with respect to the underlying index or any successor index, the primary exchange or market of trading for any security (or any combination thereof) then included in the underlying index or such successor index, as applicable.

Discontinuation of/adjustments to the underlying index: If the index sponsor discontinues publication of the underlying index and the index sponsor or another entity publishes a successor or substitute index that the calculation agent determines, in its sole discretion, to be comparable to the discontinued index (such index being referred to herein as a “successor index”), then the closing level of the underlying index on the valuation date will be determined by reference to the level of such successor index at the close of trading on the relevant exchange for the successor index on such day.

Upon any selection by the calculation agent of a successor index, the calculation agent will cause written notice to be promptly furnished to the trustee, to us and to the holders of the Buffered PLUS. If the index sponsor discontinues publication of the underlying index prior to, and that discontinuation is continuing on the valuation date, and the calculation agent determines, in its sole discretion, that no successor index is available at that time or the calculation agent has previously selected a successor index and publication of that successor index is discontinued prior to, and that discontinuation is continuing on, the valuation date, then the calculation agent will determine the closing level of the underlying index for that date. The closing level of the underlying index will be computed by the calculation agent in accordance with the formula for and method of calculating the underlying index or successor index, as applicable, last in effect prior to the discontinuation, using the closing price (or, if trading in the relevant securities has been materially suspended or materially limited, the calculation agent’s good faith estimate of the closing price that would have prevailed but for the suspension or limitation) at the close of the principal trading session on that date of each security most recently included in the underlying index or successor index, as applicable.

If at any time the method of calculating the underlying index or a successor index, or the level thereof, is changed in a material respect, or if the underlying index or a successor index is in any other way modified so that the underlying index or successor index does not, in the opinion of the calculation agent, fairly represent the level of the underlying index or successor index had those changes or modifications not been made, then the calculation agent will, at the close of business in New York City on the date on which the closing level of the underlying index is to be determined, make any calculations and adjustments as, in the good faith judgment of the calculation agent, may be necessary in order to arrive at a level of a stock index comparable to the underlying index or successor index, as the case may be, as if those changes or modifications had not been made, and calculate the closing level of the underlying index with reference to the underlying index or such successor index, as adjusted. Accordingly, if the method of calculating the underlying index or a successor index is modified so that the level of the underlying index or such successor index is a fraction of what it would have been if there had been no such modification (e.g., due to a split in the underlying index), then the calculation agent will adjust its calculation of the underlying index or such

successor index in order to arrive at a level of the underlying index or such successor index as if there had been no such modification (e.g., as if such split had not occurred).

Notwithstanding these alternative arrangements, discontinuation the publication of or modification of the underlying index or successor index, as applicable, may adversely affect the value of the Buffered PLUS.

Business day: A business day means a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in The City of New York generally are authorized or obligated by law, regulation or executive order to close.

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