

ROYAL BANK OF CANADA
Form FWP
October 25, 2018

ISSUER FREE WRITING PROSPECTUS

Filed Pursuant to Rule 433

Registration Statement No. 333-227001

Dated October 25, 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 October 29, 2020

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 to⁹ 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.

Edgar Filing: ROYAL BANK OF CANADA - Form FWP

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 Date¹ October 26, 2018

Settlement Date¹ October 31, 2018

Observation Periods¹ Quarterly (see page 5)

Final Valuation Date² October 26, 2020

Maturity Date² October 29, 2020

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.

² 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 contingent coupon rate, initial levels, trigger levels and coupon barriers for the Notes will be determined on the trade date. 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	Tickers	Contingent Coupon Rate	Initial Levels	Trigger Levels	Coupon Barriers	CUSIP	ISIN
S&P 500 [®] Index (SPX)	SPX			75% of the initial level	75% of the initial level		
EURO STOXX 50 [®] Index (SX5E)	SX5E	14.00% to 14.50% per annum		75% of the initial level	75% of the initial level	78014G716	US78014G7161
Russell 2000 [®] Index (RTY)	RTY			75% of the initial level	75% of the initial level		

See “Additional Information About Royal Bank of Canada and the Notes” in this free writing prospectus. The Notes will

Edgar Filing: ROYAL BANK OF CANADA - Form FWP

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	Proceeds to Us
	Total Per Note	Commissions ⁽¹⁾ 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	· \$0.125	· \$9.875

⁽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 \$0.125 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 \$9.7916 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

Edgar Filing: ROYAL BANK OF CANADA - Form FWP

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 would be willing to invest in the Notes if the contingent coupon rate was set to the bottom of the range indicated on the cover page of this free writing prospectus (the actual contingent coupon rate will be determined on the trade date).

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 would be unwilling to invest in the Notes if the contingent coupon rate was set to the bottom of the range indicated on the cover page of this free writing prospectus (the actual contingent coupon rate will be determined on the trade date).

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.

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.

Edgar Filing: ROYAL BANK OF CANADA - Form FWP

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 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:	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. 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.
Contingent Coupon:	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.
	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.
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:	The contingent coupon rate will be between 14.00% and 14.50% per annum. The actual contingent coupon rate will be determined on the trade date.
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). 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.
Payment at Maturity:	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 × (1 + 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.

Coupon

Barriers:

With respect to each underlying index, 75% of its initial 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:

The closing level of each underlying index on the trade date.

Final

Levels:

The closing level of each underlying index on the final valuation date, as determined by the calculation agent.

Investment Timeline

Trade Date: The initial level, trigger level and coupon barrier of each underlying index are determined. The contingent coupon rate is set.

Quarterly (callable at our election): 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.

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.

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.

Edgar Filing: ROYAL BANK OF CANADA - Form FWP

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)
January 28, 2019	January 30, 2019
April 26, 2019	April 30, 2019
July 26, 2019	July 30, 2019
October 28, 2019	October 30, 2019
January 27, 2020	January 29, 2020
April 27, 2020	April 29, 2020
July 27, 2020	July 29, 2020
October 26, 2020 (the Final Valuation Date)	October 29, 2020* (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.

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, and the first potential date on which we may elect to call the Notes, occurs after approximately three months 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.