

ROYAL BANK OF CANADA

Form 424B2

October 12, 2018

PRICING SUPPLEMENT

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Dated October 11, 2018

Royal Bank of Canada Step Down Trigger Autocallable Notes

\$3,660,000 Notes Linked to the Least Performing Underlying of the S&P 500® Index and the Russell 2000® Index due on October 15, 2021

Investment Description

Step Down Trigger Autocallable Notes (the “Notes”) are unsecured and unsubordinated debt securities issued by Royal Bank of Canada linked to the performance of the least performing of the S&P 500® Index and the Russell 2000® Index (each, an “Underlying Index,” and together, the “Underlying Indices”). If each Underlying Index closes at or above (a) its closing level on October 10, 2018 (its “Initial Level”) on any of the first two Observation Dates (which will occur first approximately one year after the settlement date and then annually thereafter as described below), or (b) its Downside Threshold on the final Observation Date, then we will automatically call the Notes and pay you a Call Price equal to the principal amount per Note plus a Call Return based on the Call Return Rate. The Call Return increases the longer the Notes are outstanding, as described below. If by maturity the Notes have not been called and the Least Performing Underlying Index (as defined below) closes below the Downside Threshold on the final Observation Date, we will repay less than the principal amount, if anything, resulting in a loss that is proportionate to the decline in the level of the Least Performing Underlying Index from its closing level on October 10, 2018 to the final Observation Date, up to a 100% loss of your principal amount invested. 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. The Notes do not pay interest. You may lose some or all of your principal amount. Generally, the higher the Call Return Rate on a Note, the greater the risk of loss on that Note. 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 and is not, either directly or indirectly, an obligation of any third party. 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 principal amount. The Notes will not be listed on any securities exchange.

Features Key Dates

Call Return Feature- We will automatically call the Notes for a Call Price equal to the principal amount plus the applicable Call Return based on the Call Return Rate if the closing level of each Underlying Index on any Observation Date is equal to or greater than (a) its Initial Level (in the case of the first two Observation Dates) or (b) its Downside Threshold (in the case of the final Observation Date). The Call Return increases the longer the Notes are outstanding. If the Notes are not called, investors will have full downside market exposure to the Least Performing Underlying Index at maturity.

Downside Exposure at Maturity – If the Notes are not called and, therefore, the Least Performing Underlying Index closes below its Downside Threshold on the final Observation Date, we will pay less than your principal amount, if anything, resulting in a loss of your principal amount that will be proportionate to its full negative Underlying Return. Any contingent repayment of principal only applies if you hold the Notes to maturity. Any payment on the Notes, including any repayment of principal, is subject to our creditworthiness.

Trade Date October 11, 2018

Settlement Date October 15, 2018

Observation Dates¹ Annually (beginning after one year)
(see page 7)

Final Observation Date¹ October 12, 2021

Maturity Date¹ October 15, 2021

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. THE ISSUER IS 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 WILL BE EXPOSED TO THE MARKET RISK OF EACH UNDERLYING INDEX ON EACH OBSERVATION 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 INDEX. 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 PRICING SUPPLEMENT 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 YOUR INITIAL INVESTMENT IN THE NOTES.

Note Offering

This pricing supplement relates to Step Down Trigger Autocallable Notes we are offering linked to the least performing underlying of the S&P 500[®] Index and the Russell 2000[®] Index. The Initial Levels are the closing levels of the Underlying Indices on October 10, 2018. The Notes will be issued in minimum denominations of \$10.00, and integral multiples of \$10.00 in excess thereof, with a minimum investment of \$1,000.00.

Underlying

Indices (Least Performing of)	Tickers	Call Return Rate	Initial Levels	Downside Thresholds	CUSIP	ISIN
S&P 500 [®] Index (SPX)	SPX	8.90%	2,785.68	1,949.97, which is 70% of its Initial Level (rounded to two decimal places).	78014G633	US78014G6338
Russell 2000 [®] Index (RTY)	RTY		1,575.412	1,102.788, which is 70% of its Initial Level (rounded to three decimal places)		

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

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 pricing supplement 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 and the Russell 2000 [®] Index	\$3,660,000	\$10.00	\$0.00	\$0.00	\$3,660,000	\$10.00

⁽¹⁾ All sales of the Notes will be made to certain fee-based advisory accounts for which UBS Financial Services Inc., which we refer to as UBS, is an investment advisor and UBS will act as placement agent. The purchase price will be \$10.00 per Note and UBS will forgo any commissions related to these sales. See “Supplemental Plan of Distribution

(Conflicts of Interest)” below.

The initial estimated value of the Notes as of the date of this document is \$9.8420 per \$10 in principal amount, which is less than the price to public. 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

Additional Information About Royal Bank of Canada and the Notes

You should read this pricing supplement 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 pricing supplement, together with the documents listed below, contains the terms of the Notes and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, fact sheets, brochures or other educational materials of ours.

If the terms discussed in this pricing supplement differ from those discussed in the prospectus supplement or the prospectus, the terms discussed herein 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 pricing supplement, “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 an investment in the securities composing the Least Performing Underlying Index.
- .. You believe each Underlying Index will close at or above its Initial Level on any of the first two Observation Dates, or you believe each Underlying Index will not close below its Downside Threshold on the final Observation Date.
- .. You are willing to make an investment whose return is limited to the Call Return Rate, 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 Call Return specified on the cover page of this pricing supplement.
- .. You are willing to invest in the Notes based on the Downside Threshold specified on the cover page of this pricing supplement.
- .. You are willing to accept individual exposure to each Underlying Index and that the performance of the Least Performing Underlying Index will not be offset or mitigated by the performance of the other Underlying Index.
- .. You understand and accept the risks associated with the Underlying Indices.
- .. You are willing to invest in securities that may be called early 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 are not willing to make an investment that may have the same downside market risk as an investment in the equity securities composing the Least Performing Underlying Index.
- You do not believe either Underlying Index will close at or above its Initial Level on any one of the first two Observation Dates, or you believe an Underlying Index will close below its Downside Threshold on the final Observation Date, exposing you to the full downside performance of the Least Performing Underlying Index.
- .. You seek an investment that participates in the full appreciation in the levels of the Underlying Indices, and whose positive return is not limited to the applicable Call Return Rate.
- .. 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 Call Return Rate specified on the cover page of this pricing supplement.
- .. You are unwilling to invest in the Notes based on the Downside Threshold specified on the cover page of this pricing supplement.
- .. You are unwilling to accept individual exposure to each Underlying Index and that the performance of the Least Performing Underlying Index will not be offset or mitigated by the performance of the other Underlying Index.
- .. 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 securities that may be called early, 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 pricing supplement 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.

Final Terms of the Notes¹

Issuer:	Royal Bank of Canada		
Principal Amount per Note:	\$10 per Note		
Term:	Approximately three years, if not previously called		
Underlying Indices:	The S&P 500 [®] Index (“SPX”) and the Russell 2000 Index (“RTY”)		
Automatic Call Feature:	<p>The Notes will be called if the closing level of each Underlying Index (a) on any of the first two Observation Dates is at or above its Initial Level or (b) on the final Observation Date is at or above its Downside Threshold.</p> <p>If the Notes are called, we will pay you on the applicable Call Settlement Date a cash payment per \$10 principal amount equal to the Call Price for the applicable Observation Date.</p>		
Observation Dates: ²	<p>The first Observation Date will occur on October 15, 2019; Observation Dates will occur annually thereafter on October 12, 2020, and October 12, 2021 (the “final Observation Date”).</p>		
Call Settlement Dates:	<p>Three (3) business days following the applicable Observation Date, except that the Call Settlement Date for the final Observation Date is the Maturity Date.</p>		
Call Price:	<p>The Call Price will be calculated based on the following formula: $\\$10 + (\\$10 \times \text{Call Return})$</p>		
Call Return / Call Return Rate:	<p>The Call Price will be based upon the Call Return. The Call Return increases the longer the Notes are outstanding and will be based on the Call Return Rate of 8.90% per annum.</p>		
	<p>The Call Return will be a fixed amount based upon equal annual installments at the Call Return Rate, which is a per annum rate. The following table sets forth each Observation Date, each Call Settlement Date and the corresponding Call Price for the Notes.</p>		
Observation Dates	Call Settlement Dates	Call Price	Call Return Rate
October 15, 2019	October 18, 2018	\$10.89	8.90%
October 12, 2020	October 15, 2020	\$11.78	17.80%
October 12, 2021 (Final Observation Date)	October 15, 2021 (Maturity Date)	\$12.67	26.70%
Payment at Maturity:	<p>If the Notes are not called and, therefore, the Final Level of the Least Performing Underlying Index is less than its Downside Threshold, 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</p>		

Underlying Index, equal to:
 $\$10.00 + (\$10.00 \times \text{Underlying Return of the Least Performing Underlying Index})$

You may lose a significant portion or all of your principal at maturity that is proportionate to the decline in the Least Performing Underlying Index, regardless of the performance of the other Underlying Index.

Least Performing Underlying Index: The Underlying Index with the lowest Underlying Return.

¹¹ Terms used in this pricing supplement, but not defined herein, shall have the meanings ascribed to them in the prospectus or the prospectus supplement.

Underlying Returns: With respect to each Underlying Index,
Final Level – Initial Level
Initial Level

Downside Thresholds: With respect to each Underlying Index, 70.00% of its Initial Level.

Initial Levels: With respect to each Underlying Index, its closing level on October 10, 2018.

Final Levels: With respect to each Underlying Index, its closing level on the Final Observation Date, as determined by the calculation agent.

Investment Timeline

October 10, 2018: The Initial Level and Downside Threshold of each Underlying Index were determined.

Annually (beginning after one year): The Notes will be called if the closing level of each Underlying Index (a) on any of the first two Observation Dates is equal to or greater than its Initial Level (b) on the final Observation Date is equal to or greater than its Downside Threshold.
If the Notes are called, we will pay the Call Price for the applicable Observation Date, equal to the principal amount plus the applicable Call Return.

Maturity Date: The Final Level of each Underlying Index is observed on the final Observation Date.
If the Notes have not been called, and therefore, the Final Level of the Least Performing Underlying Index is less than its Downside Threshold, we will pay 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 + (\$10 × Underlying Return of the Least Performing Underlying Index) per Note

You may lose a significant portion or all of your principal at maturity that is proportionate to the decline in the Least Performing Underlying Index, regardless of the performance of the other Underlying Index.

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 OBSERVATION 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 INDEX. 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.

Key Risks

An investment in the Notes involves significant risks. 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. We also urge you to consult your investment, legal, tax, accounting and other advisors before investing in the Notes.

Risks Relating to the Notes Generally

Risk of Loss at Maturity. The Notes differ from ordinary debt securities in that we will not necessarily repay the full principal amount of the Notes at maturity. If the Notes are not called prior to the final Observation Date, we will repay you the principal amount of your Notes in cash only if the Final Level of each Underlying Index is greater than or equal to its Downside Threshold, and we will only make that payment at maturity. If the Notes are not called and, therefore, the Final Level of the Least Performing Underlying Index is less than its Downside Threshold, you will lose some or all of your initial investment in an amount proportionate to the decline in the level of the Least Performing Underlying Index.

The contingent repayment of principal applies only at maturity. If the Notes are not automatically called, you should be willing to hold your Notes to maturity. If you are able to sell your Notes prior to maturity in the secondary market, if any, you may have to do so at a loss relative to your initial investment, even if the levels of both Underlying Indices are above their respective Downside Thresholds.

No Periodic Interest Payments: We will not pay any interest with respect to the Notes.

The Call Feature Limits Your Potential Return: The return potential of the Notes if the Notes are called as of any Observation Date is limited to the applicable Call Return, regardless of the appreciation of either Underlying Index, which may be significant. Therefore, you may receive a lower payment if the Notes are automatically called or at maturity, as the case may be, than you would have if you had invested directly in one or both of the Underlying Indices. In addition, because the Call Return increases the longer the Notes are outstanding, the Call Price payable on the first Observation Date is less than the Call Price payable on later Observation Dates.

Reinvestment Risk: If your Notes are called early, the holding period over which you would receive the per annum Call Return Rate could be as little as one year. There is no guarantee that you would be able to reinvest the proceeds from an investment in the Notes in a comparable investment with a similar level of risk in the event the Notes are called prior to the Maturity Date.

The Call Return Rate will reflect in part the volatility and correlation 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 either Underlying Index could close below its Downside Threshold on the final Observation Date. This risk will generally be reflected in a higher Call Return 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 Initial Level or Downside Threshold on an Observation Date. This greater risk will also be reflected in a higher Call Return Rate than on a security linked to Underlying Indices with a greater degree of correlation. However, while the Call Return Rate is a fixed amount, the Underlying Indices' volatility and correlation can change significantly over the term of the Notes. The levels of one or both of the Underlying Indices could fall sharply as of the final Observation Date, which could result in the Notes not being called and a significant loss of your principal amount.

The Notes may be called early and are subject to reinvestment risk. The Notes will be called automatically if the closing levels of both Underlying Indices are equal to or greater than their respective Initial Levels on any Call Observation Date. In the event that the Notes are called prior to maturity, there is no guarantee that you will be able to reinvest the proceeds from an investment in the Notes at a comparable rate of return for a similar level of risk. To the extent you are able to reinvest your proceeds in an investment comparable to the Notes, you will incur transaction costs and the original issue price for such an investment is likely to include certain built in costs such as dealer discounts and hedging costs.

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 initial estimated value of the Notes is less than the price to the public. The initial estimated value for the Notes that is set forth on the cover page of this document, which is 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 public of 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 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 market 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 amount that may be paid at maturity.

You will not participate in any appreciation of the Underlying Indices, and any potential return on the Notes is limited. The return on the Notes is limited to the pre-specified Call Return Rate, regardless of the appreciation of the Underlying Indices. As a result, the return on an investment in the Notes could be less than the return on a direct investment in the Underlying Indices. Further, if the Notes are called due to the automatic call feature, you will not receive any other payments after the applicable Call Settlement Date. Since the Notes could be called as early as the first Observation Date, the total return on the Notes could be limited. On the other hand, if the Notes have not been previously called and if the level of an Underlying Index is less than its Initial Level and/or Downside Threshold, as the Maturity Date approaches and the remaining number of Observation Dates decreases, the Notes are less likely to be automatically called, as there will be a shorter period of time remaining for the level of that Underlying Index to increase to its Downside Threshold prior to maturity. If the Notes are not called, you will be subject to the Underlying Indices’ risk of decline.

If you sell the Notes prior to maturity, you may receive less than the principal amount. If the Notes are not automatically called, 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 Initial Levels and/or Downside Thresholds. In addition, you will not receive the benefit of any contingent repayment of principal associated with the Downside Thresholds 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.

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.

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 both Underlying Indices and the determination of the amount to be paid at maturity or upon an automatic call 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 Downside Threshold, 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 payments on the Notes, and whether they are subject to an automatic call, does not take into account all developments in the levels of the Underlying Indices. Changes in the levels of the Underlying Indices during the periods between each Observation Date may not be reflected in the determination as to whether the Notes will be called or the calculation of the amount payable, if any, at maturity. The calculation agent will determine whether the Notes are automatically called on any Observation Date by observing only the closing levels of the Underlying Indices on those dates. The calculation agent will calculate the payment at maturity by comparing only

the closing level of the Least Performing Underlying Index on the final Observation 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 Downside Threshold on the final Observation 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 princi