

ROYAL BANK OF CANADA
Form 424B2
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PRICING SUPPLEMENT

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Registration Statement No. 333-227001

Dated April 2, 2019

Royal Bank of Canada Capped Buffer GEARS

\$3,725,000 Securities Linked to a Basket of Three Equity Indices and Two American Depositary Shares due on April 7, 2022

Investment Description

Capped Buffer GEARS (each, a “Security” and collectively, the “Securities”) are our unconditional, unsecured and unsubordinated debt securities, with returns linked to an unequally weighted basket (the “Basket”) of three equity indices (each, an “Underlying Index”) and two American Depositary Shares (ADS) (the “Underlying Shares,” and together with the Underlying Indices, the “Basket Components”). The Basket Components and their weightings are set forth below. If the Underlying Return (as defined below) is positive, we will repay the principal amount at maturity plus pay a return equal to 2 (the “Upside Gearing”) times the Underlying Return, up to the Maximum Gain (as defined below). If the Underlying Return is zero or negative, but the Final Basket Level (as defined below) is greater than or equal to the Downside Threshold (as defined below), we will repay the full principal amount at maturity. However, if the Underlying Return is negative and the Final Basket Level is less than the Downside Threshold, we will pay less than the principal amount at maturity and you will lose 1% of the principal amount of your Securities for every 1% decline in the level of the Basket in excess of the Buffer (as defined below), up to a loss of 90% of your investment. Investing in the Securities involves significant risks. The Securities do not pay dividends or interest. You may lose up to 90% of your principal amount if the Final Basket Level is less than the Downside Threshold. The downside exposure to the Basket is buffered only at maturity. Any payment on the Securities, including any repayment of principal, is subject to our creditworthiness. If we default on our payment obligations, you may not receive any amounts owed to you under the Securities and you could lose your entire investment. The Securities will not be listed on any securities exchange. The Securities are not subject to conversion into our common shares under subsection 39.2(2.3) of the Canada Deposit Insurance Corporation Act.

Features Key Dates

Enhanced Growth Potential Up to the Maximum Gain — At maturity, if the Underlying Return is positive, we will pay you the principal amount plus a return equal to the Upside Gearing times the Underlying Return, up to the Maximum Gain.

Buffered Downside Market Exposure — If the Underlying Return is zero or negative, but the Final Basket Level is greater than or equal to the Downside Threshold, we will pay the full principal amount at maturity. However, if the Underlying Return is negative and the Final Basket Level is below the Downside Threshold, we will pay less than⁹ the full principal amount, resulting in a loss of the principal amount that is proportionate to the percentage decline in the Basket in excess of the Buffer. Accordingly, you may lose up to 90% of the principal amount of the Securities.

The downside exposure to the Underlying is buffered only at maturity.

Trade Date April 2, 2019

Settlement Date April 5, 2019

Final Valuation Date¹ April 4, 2022

Maturity Date¹ April 7, 2022

Subject to postponement if a market disruption event occurs, as described under “General Terms of the Securities —¹ Payment at Maturity” in the accompanying product prospectus supplement UBS-EQUITY-1 and as further discussed below.

NOTICE TO INVESTORS: THE SECURITIES ARE SIGNIFICANTLY RISKIER THAN CONVENTIONAL DEBT INSTRUMENTS. WE ARE NOT NECESSARILY OBLIGATED TO REPAY THE FULL PRINCIPAL

AMOUNT OF THE SECURITIES AT MATURITY, AND THE SECURITIES HAVE DOWNSIDE MARKET RISK SIMILAR OF THE BASKET. THIS MARKET RISK IS IN ADDITION TO THE CREDIT RISK INHERENT IN PURCHASING OUR DEBT OBLIGATION. YOU SHOULD NOT PURCHASE THE SECURITIES IF YOU DO NOT UNDERSTAND OR ARE NOT COMFORTABLE WITH THE SIGNIFICANT RISKS INVOLVED IN INVESTING IN THE SECURITIES.

YOU SHOULD CAREFULLY CONSIDER THE RISKS DESCRIBED UNDER “KEY RISKS” BEGINNING ON PAGE 5 OF THIS PRICING SUPPLEMENT AND UNDER “RISK FACTORS” BEGINNING ON PAGE PS-4 OF THE ACCOMPANYING PRODUCT PROSPECTUS SUPPLEMENT UBS-EQUITY-1 BEFORE PURCHASING ANY SECURITIES. EVENTS RELATING TO ANY OF THOSE RISKS, OR OTHER RISKS AND UNCERTAINTIES, COULD ADVERSELY AFFECT THE MARKET VALUE OF, AND THE RETURN ON, THE SECURITIES. YOU COULD LOSE A SIGNIFICANT PORTION OF THE PRINCIPAL AMOUNT OF THE SECURITIES.

Security Offering

We are offering Capped Buffer GEARS Linked to the Basket described below. The Securities are offered at a minimum investment of 100 Securities, at the Price to Public described below. The return on the principal amount is subject to, and will not exceed, the predetermined Maximum Gain.

Basket Components with Weightings	Bloomberg Symbols	Downside Buffer	Upside Threshold	Maximum Gearing	Maximum Gain	Initial Basket Level	CUSIP	ISIN
S&P 500 [®] Index (50%)	SPX							
EURO STOXX 50 [®] Index (20%)	SX5E							
MSCI Emerging Markets Index (20%)	MXEF	10%	90	2	33%	100	78014H557	US78014H5578
ADSs of Alibaba Group Holding Limited (5%)	BABA							
ADSs of Baidu, Inc. (5%)	BIDU							

See “Additional Information About Royal Bank of Canada and the Securities” in this pricing supplement. The Securities will have the terms specified in the prospectus dated September 7, 2018, the prospectus supplement dated September 7, 2018, product prospectus supplement UBS-EQUITY-1 dated January 18, 2019 and this pricing supplement. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Securities or passed upon the accuracy or the adequacy of this pricing supplement or the accompanying prospectus, prospectus supplement and product prospectus supplement UBS-EQUITY-1. Any representation to the contrary is a criminal offense.

Offering of the Securities	Price to Public ⁽¹⁾		Fees and Commissions ⁽¹⁾		Proceeds to Us	
	Total	Per Security	Total	Per Security	Total	Per Security
	\$3,725,000.00	\$10.00	\$67,050.00	\$0.18	\$3,657,950.00	\$9.82

⁽¹⁾ UBS Financial Services Inc., which we refer to as UBS, will receive a commission of \$0.18 per \$10 principal amount of the Securities. See “Supplemental Plan of Distribution (Conflicts of Interest)” on the last page of this pricing supplement.

The initial estimated value of the Securities as of the date of this document is \$9.7357 per \$10 in principal amount, which is less than the price to public. The actual value of the Securities 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 Securities” below. The Securities 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 Securities

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 senior global medium-term notes, Series H, of which these Securities are a part, and the more detailed information contained in product prospectus supplement UBS-EQUITY-1 dated January 18, 2019. This pricing supplement, together with the documents listed below, contains the terms of the Securities 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 “Risk Factors” in the accompanying product prospectus supplement UBS-EQUITY-1, as the Securities involve risks not associated with conventional debt securities.

If the terms discussed in this pricing supplement differ from those discussed in the product prospectus supplement, 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):

..Product prospectus supplement EQUITY-1 dated January 18, 2019:

<https://www.sec.gov/Archives/edgar/data/1000275/000114036119001337/form424b5.htm>

..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 Securities may be suitable for you if, among other considerations:

- .. You fully understand the risks inherent in an investment in the Securities, including the risk of loss of up to 90% of the principal amount.
- .. You can tolerate the loss of up to 90% of your initial investment and are willing to make an investment that has similar downside market risk as a hypothetical investment in the Basket, subject to the Buffer at maturity.
- .. You believe that the value of the Basket will appreciate over the term of the Securities and that the appreciation is unlikely to exceed the Maximum Gain.
- .. You understand and accept that your potential return is limited by the Maximum Gain set forth on the cover page.
- .. You can tolerate fluctuations in the price of the Securities prior to maturity that may be similar to or exceed the downside fluctuations in the value of the Basket.
- .. You do not seek current income from your investment and are willing to forgo dividends paid on the securities represented by the Basket.
- .. You are willing to hold the Securities to maturity and accept that there may be little or no secondary market for the Securities.
- .. You understand and accept the risks associated with the Basket Components.
- .. You are willing to assume our credit risk for all payments under the Securities, and understand that if we default on our obligations, you may not receive any amounts due to you, including any repayment of principal.

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

- .. You do not fully understand the risks inherent in an investment in the Securities, including the risk of loss of up to 90% of your investment.
- .. You require an investment designed to provide a full return of principal at maturity.
- .. You cannot tolerate the loss of up to 90% of the principal amount of the Securities, and you are not willing to make an investment that has similar downside market risk as a hypothetical investment in the Basket, subject to the Buffer at maturity.
- .. You believe that the value of the Basket will decline over the term of the Securities, or you believe the value of the Basket will appreciate over the term of the Securities by a percentage that exceeds the Maximum Gain.
- .. You seek an investment that has unlimited return potential without a cap on appreciation.
- .. You are unwilling to invest in the Securities based on the Maximum Gain set forth on the cover page.
- .. You cannot tolerate fluctuations in the price of the Securities prior to maturity that may be similar to or exceed the downside fluctuations in the value of the Basket.
- .. You seek current income from this investment or prefer to receive the dividends paid on the securities represented by the Basket.
- .. You are unable or unwilling to hold the Securities to maturity, or you seek an investment for which there will be an active secondary market.
- .. You do not understand or accept the risks associated with the Basket Components.
- .. You are not willing to assume our credit risk for all payments under the Securities, including any repayment of principal.

The suitability considerations identified above are not exhaustive. Whether or not the Securities 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 Securities in light of your particular circumstances. You should also review carefully the “Key Risks” in this pricing supplement and “Risk Factors” in the accompanying product prospectus supplement UBS-EQUITY-1 for risks related to an investment in the Securities. In addition, you should review carefully the section below, “Information About the Basket Components,” for more information about the Basket Components.

Final Terms of the Securities¹

Issuer: Royal Bank of Canada
 Issue Price: \$10 per Security (subject to a minimum purchase of 100 Securities)
 Principal Amount: \$10 per Security.
 Term: Approximately 3 years
 Basket: A basket consisting of the following:

Basket Components	Bloomberg Symbols	Component Weightings	Initial Levels
S&P 500® Index	SPX	50%	2,867.24
EURO STOXX 50® Index	SX5E	20%	3,395.70
MSCI Emerging Markets Index	MXEF	20%	1,071.14
ADSs of BABA	BABA	5%	\$181.74
ADSs of BIDU	BIDU	5%	\$170.98

Upside Gearing: 2

Maximum Gain: 33%

Buffer: 10%

Downside Threshold: 90% of the Initial Basket Level

If the Underlying Return is positive, we will pay you:
 \$10 + (\$10 x the lesser of (i) Upside Gearing x Underlying Return and (ii) Maximum Gain)
 If the Underlying Return is zero or negative, but the Final Basket Level is not below the Downside Threshold, we will pay you:
 \$10
 If the Underlying Return is negative and the Final Basket Level is below the Downside Threshold, we will pay you:
 \$10 + (\$10 x (Underlying Return + Buffer))
 In this scenario, you will lose up to 90% of the principal amount of the Securities, in an amount proportionate to the percentage the Underlying has declined in excess of the Buffer.

Underlying Return: $\frac{\text{Final Basket Level} - \text{Initial Basket Level}}{\text{Initial Basket Level}}$

Initial Basket Level: 100

Final Basket Level: $10 \times [1 + (\text{the sum of the Component Return of each Basket Component multiplied by its Component Weighting})]$

Component Return of Each Basket Component: The Component Return with respect to each Basket Component reflects its performance, calculated as follows:
 $\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$

Initial Level: With respect to each Basket Component, its closing level or its closing price (as applicable) on the Trade Date, as indicated in the table above.

Final Level: With respect to each Basket Component, its closing level or closing price (as applicable) on the Final Valuation Date. If there is a market disruption event as to a Basket Component on the Final Valuation Date, or if that date is not a trading day as to a Basket Component, only the determination of the Final Level for that Basket Component will be postponed, as set forth in the product prospectus supplement and as further set forth below.

Investment Timeline

Trade Date: The Initial Level of each Basket Component was determined, and the Initial Basket Level was set to 100.

The Final Level and the Component Return of each Basket Component, the Final Basket Level and the Underlying Return are determined.

If the Underlying Return is positive, we will pay you, for each \$10 Security:

$\$10 + (\$10 \times \text{the lesser of (i) Upside Gearing} \times \text{Underlying Return and (ii) Maximum Gain}$

If the Underlying Return is zero or negative, but the Final Basket Level is not below the Downside Threshold, we will pay you a cash payment of \$10 per \$10 Security.

Maturity Date: If the Final Basket Level is negative and the Final Basket Level is below the Downside Threshold, we will pay you a cash payment that is less than your initial investment of \$10 per Security, resulting in a loss that is proportionate to the percentage decline of the Underlying in excess of the Buffer, and equal to:

$\$10 + (\$10 \times (\text{Underlying Return} + \text{Buffer}))$

In this scenario, you will lose up to 90% of the principal amount of the Securities, in an amount proportionate to the percentage that the Underlying has declined in excess of the Buffer.

INVESTING IN THE SECURITIES INVOLVES SIGNIFICANT RISKS. YOU MAY LOSE SOME OR ALL OF YOUR PRINCIPAL AMOUNT. ANY PAYMENT ON THE SECURITIES, 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 SECURITIES AND YOU COULD LOSE YOUR ENTIRE INVESTMENT.

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

Key Risks

An investment in the Securities involves significant risks. Investing in the Securities is not equivalent to investing directly in any of the Basket Components. These risks are explained in more detail in the "Risk Factors" section of the accompanying product prospectus supplement UBS-EQUITY-1. We also urge you to consult your investment, legal, tax, accounting and other advisors before investing in the Securities.

Risks Relating to the Securities Generally

Your Investment in the Securities May Result in a Loss of Principal: The Securities differ from ordinary debt securities in that we are not necessarily obligated to repay the full principal amount at maturity. The return on the Securities at maturity is linked to the performance of the Basket and will depend on whether, and the extent to which, the Underlying Return is positive or negative. If the Underlying Return is negative and the Final Basket Level is below the Downside Threshold, you will be exposed to any negative Underlying Return in excess of the Buffer, and we will pay you less than your principal amount at maturity, resulting in a loss of principal of your Securities that is proportionate to the percentage decline in the Basket in excess of the Buffer. Accordingly, you could lose up to 90% of the principal amount of the Securities.

The Buffer Applies Only if You Hold the Securities to Maturity: The application of the Buffer only applies at maturity. If you are able to sell your Securities in the secondary market prior to maturity, you may have to sell them at a loss even if the Basket has not declined by more than 10% at the time of sale.

The Upside Gearing Applies Only if You Hold the Securities to Maturity: The application of the Upside Gearing only applies at maturity. If you are able to sell your Securities prior to maturity in the secondary market, the price you receive will likely not reflect the full effect of the Upside Gearing and the return you realize may be less than the Upside Gearing times the return of the Basket at the time of sale, even if that return is positive and does not exceed the Maximum Gain.

The Appreciation Potential of the Securities Is Limited by the Maximum Gain: If the Underlying Return is positive, we will pay you \$10 per Security at maturity plus an additional return that will not exceed the Maximum Gain, regardless of the appreciation in the Basket, which may be significant. Therefore, you will not benefit from any appreciation of the Basket in excess of an amount that, when multiplied by the Upside Gearing, exceeds the Maximum Gain and your return on the Securities may be less than your return would be on a hypothetical direct investment in the securities represented by the Basket Components.

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

An Investment in the Securities Is Subject to Our Credit Risk: The Securities are our unsubordinated, unsecured debt obligations, and are not, either directly or indirectly, an obligation of any third party. Any payment to be made on the Securities, including any repayment of principal at maturity, depends on our ability to satisfy our obligations as they come due. As a result, our actual and perceived creditworthiness may affect the market value of the Securities and, in the event we were to default on our obligations, you may not receive any amounts owed to you under the terms of the Securities and you could lose your entire initial investment.

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

Your Return on the Securities May Be Lower than the Return on a Conventional Debt Security of Comparable Maturity: The return that you will receive on the Securities, which could be negative, may be less than the return you could earn on other investments. Even if your return is positive, your return may be less than the return you could earn if you bought a conventional senior interest bearing debt security that we issued with the same maturity date or if you invested directly in the securities represented by the Basket Components. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

Lack of Liquidity: The Securities will not be listed on any securities exchange. RBCCM intends to offer to purchase the Securities in the secondary market, but is not required to do so. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Securities easily. Because other dealers are not likely to make a secondary market for the Securities, the price at which you may be able to trade your Securities is likely to depend on the price, if any, at which RBCCM is willing to buy the Securities.

The Initial Estimated Value of the Securities Is Less than the Price to the Public: The initial estimated value that is set forth on the cover page of this document, which is less than the public offering price you pay for the Securities, does not represent a minimum price at which we, RBCCM or any of our other affiliates would be willing to purchase the Securities in any secondary market (if any exists) at any time. If you attempt to sell the Securities 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 value of the Basket, the borrowing rate we pay to issue securities of this kind, and the inclusion in the price to the public of the underwriting discount, and our estimated profit and the costs relating to our hedging of the Securities. These factors, together with various credit, market and economic factors over the term of the Securities, are expected to reduce the price at which you may be able to sell the Securities in any secondary market and will affect the value of the Securities 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 Securities prior to maturity may be less than the price to public, as any such sale price would not be expected to include the underwriting discount, and our estimated profit and the costs relating to our hedging of the Securities. In addition, any price at which you may sell the Securities is likely to reflect customary bid-ask spreads for similar trades. In addition to bid-ask spreads, the value of the Securities determined for any secondary market price is expected to be based on the secondary market rate rather than the internal borrowing rate used to price the Securities 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 Securities are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your Securities to maturity.

Our Initial Estimated Value of the Securities Is an Estimate Only, Calculated as of the Time the Terms of the Securities Were Set: The initial estimated value of the Securities is based on the value of our obligation to make the payments on the Securities, together with the mid-market value of the derivative embedded in the terms of the Securities. See “Structuring the Securities” 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 Securities. These

assumptions are based on certain forecasts about future events, which may prove to be incorrect. Other entities may value the Securities or similar securities at a price that is significantly different than we do.

The value of the Securities 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 Securities in any secondary market, if any, should be expected to differ materially from the initial estimated value of your Securities and the amount that may be paid at maturity.

Changes in the Values of One or More of the Basket Components May Be Offset by Changes in the Values of One or More of the Other Basket Components: Changes in the values of the Basket Components may not correlate with each other. At a time when the value of one of the Basket Components increases, the level of any other Basket Components may not increase as much or may even decline. Therefore, in calculating the Final Basket Level, an increase in the value of one of the Basket Components may be moderated, or more than offset, by a lesser increase or decline in the level of any other Basket Components. In addition, because the SPX makes up 50% of the Basket, we expect that generally the market value of your Securities and your payment at maturity will depend to a greater extent on the performance of the SPX than the performance of each of the other Basket Components. Further, high correlation of movements in the values of the Basket Components during periods of negative returns among them could have an adverse effect on any payment on the Securities and the amount that may be paid at maturity.

No Dividend Payments or Voting Rights: Investing in the Securities is not equivalent to investing directly in any of the securities represented by the Basket Components. As a holder of the Securities, you will not have voting rights or rights to receive cash dividends or other distributions or other rights that holders of those securities would have. The Underlying Return excludes any cash dividend payments paid on these securities.

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

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

An Investment in the Securities Is Subject to Risks Associated with Emerging Markets: The securities included in the MXEF have been issued by emerging market companies. Investments in securities linked directly or indirectly to emerging market equity securities involve many risks, including, but not limited to: economic, social, political, financial and military conditions in the emerging market; regulation by national, provincial, and local governments; less liquidity and smaller market capitalizations than exist in the case of many large U.S. companies; different accounting and disclosure standards; and political uncertainties. Stock prices of emerging market companies may be more volatile and may be affected by market developments differently than U.S. companies. Government intervention to stabilize securities markets and cross-shareholdings may affect prices and volume of trading of the securities of emerging market companies. Economic, social, political, financial and military factors could, in turn, negatively affect such companies' value. These factors could include changes in the emerging market government's economic and fiscal policies, possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to the emerging market companies or investments in their securities, and the possibility of

fluctuations in the rate of exchange between currencies. Moreover, emerging market economies may differ favorably or unfavorably from the U.S. economy in a variety of ways, including growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency. You should carefully consider the risks related to emerging markets, to which the Securities are susceptible, before making a decision to invest in the Securities.

The Return on the Securities Will Not Be Adjusted for the Exchange Rates Related to the Underlying Indices:

Although the equity securities that comprise the SX5E and the MXEF are traded in the foreign currencies, and your Securities are denominated in U.S. dollars, the amount payable on your Securities will not be adjusted for changes in the exchange rates between the U.S. dollar and the relevant foreign currencies. Therefore, if a relevant foreign currency appreciates or depreciates relative to the U.S. dollar over the term of the Securities, you will not receive any additional payment or incur any reduction in any payment on the Securities. Changes in exchange rates, however, may also reflect changes in the foreign economies that in turn may affect the level of one or both of these indices, and therefore the return on your Securities.

Changes Affecting an Underlying Index: The policies of an index sponsor concerning additions, deletions and substitutions of the stocks included in the relevant Underlying Index and the manner in which the index sponsor takes account of certain changes affecting those stocks included in the relevant Underlying Index may adversely affect the level of that Underlying Index. The policies of an index sponsor with respect to the calculation of the relevant Underlying Index could also adversely affect the level of that Underlying Index. An index sponsor may discontinue or suspend calculation or dissemination of the relevant Underlying Index and has no obligation to consider your interests in the Securities when taking any action regarding the relevant Underlying Index. Any such actions could have an adverse effect on the value of the Securities.

The Historical Values of any Basket Component Should Not Be Taken as an Indication of Its Future Prices During the Term of the Securities: The values of the Basket Components will determine the value of the Securities at any given time. However, it is impossible to predict whether the value of any Basket Component will rise or fall, and the values of the Basket Components will be influenced by complex and interrelated political, economic, financial and other factors that can affect the value of the Basket.

Potential Conflicts: We, UBS and our respective affiliates play a variety of roles in connection with the issuance of the Securities, including hedging our obligations under the Securities. In performing these duties, the economic interests of the calculation agent and other affiliates of ours and those of UBS are potentially adverse to your interests as an investor in the Securities.

We, UBS and our respective affiliates may do business from time to time with the issuers of the securities represented by the Basket Components. We may engage in lending or financing transactions with them, or advise them in connection with acquisitions or other transactions. We may acquire non-public information about these companies, which we have no obligation to provide to you.

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Potentially Inconsistent Research, Opinions or Recommendations by RBCCM, UBS or Their Affiliates: RBCCM, UBS or their respective affiliates may publish research, express opinions or provide recommendations that are inconsistent with investing in or holding the Securities, and which may be revised at any time. Any such research, opinions or recommendations could affect the value of the Basket, and therefore, the market value of the Securities.

Uncertain Tax Treatment: Significant aspects of the tax treatment of an investment in the Securities are uncertain. You should consult your tax adviser about your tax situation.