ROYAL BANK OF CANADA
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PRICING SUPPLEMENT
Dated December 28, 2018
Filed Pursuant to Rule 424(b)(2)
STRUCTURED INVESTMENTS
Opportunities in U.S. and International Equities
$8,019,960 PLUS Based on a Basket of Two Equity Indices and Six Exchange-Traded Funds due July 3, 2019
Performance Leveraged Upside Securities℠
Principal at Risk Securities

The PLUS are senior unsecured obligations of Royal Bank of Canada, do not pay interest, do not guarantee any return of principal at maturity and have the terms described in the accompanying prospectus supplement and prospectus, as supplemented or modified by this document. At maturity, if the value of the basket has increased, investors will receive the stated principal amount of their investment plus a return reflecting the leveraged upside performance of the basket, subject to the maximum payment at maturity. However, if the value of the basket has decreased, investors will lose 1% for every 1% decline. The PLUS are for investors who seek a return linked to the six basket components and who are willing to risk their principal and forgo current income and upside above the maximum payment at maturity in exchange for the leverage feature, which applies to a limited range of positive performance of the basket. Investors may lose their entire initial investment in the PLUS. The PLUS are senior notes issued as part of Royal Bank of Canada's Global Medium-Term Notes, Series H program. All payments on the PLUS are subject to the credit risk of Royal Bank of Canada.

SUMMARY TERMS

Issuer: Royal Bank of Canada

Basket: The basket is composed of two equity indices and six exchange-traded funds (each, a "basket component") weighted as set forth in the table below.

Basket components	Bloomberg symbols	Component weightings	Initial component values*
Russell 3000® Value Index ("RAV")	RAV	25%	1,428.631
VanEck Vectors® Gold Miners ETF ("GDX")	GDX	15%	$20.60
EURO STOXX® Banks Index ("SX7E")	SX7E	10%	86.76
iShares® MSCI Emerging Markets ETF ("EEM")	EEM	10%	$39.24
iShares® MSCI Japan ETF ("EWJ")	EWJ	10%	$50.78
SPDR® S&P® Oil & Gas Exploration and Production ETF ("XOP")	XOP	10%	$26.37
iShares® Nasdaq Biotechnology ETF ("IBB")	IBB	10%	$94.84
iShares® U.S. Telecommunications ETF ("IYZ")	IYZ	10%	$26.05

* The initial component value for each basket component was its official closing value on the pricing date.

Aggregate principal amount:	$8,019,960
Stated principal amount:	$10 per PLUS
Issue price:	$10 per PLUS
Pricing date:	December 28, 2018
Original issue date:	January 4, 2019 (three business days after the pricing date)
Maturity date:	July 3, 2019, subject to adjustment as described in "Additional Terms of the PLUS" below.

Payment at maturity:	If the final basket value is greater than the initial basket value, $10 + $10 × leverage factor × basket return In no event will the payment at maturity exceed the maximum payment at maturity. If the final basket value is less than or equal to the initial basket value, $10 + $10 × basket return This amount will be less than or equal to the stated principal amount of $10. You will lose some or all of the principal amount if the final basket value is less than the initial basket value.
Maximum payment at maturity:	$10.90 per PLUS (109% of the stated principal amount)
Leverage factor:	200%
Basket return:	(final basket value – initial basket value) / initial basket value
Initial basket value:	Set equal to 100 on the pricing date
Final basket value:	100 × [1 + (sum of the basket component return multiplied by the respective component weighting for each basket component)]
Basket component return:	With respect to each basket component, (final component value – initial component value) / initial component value
Final component value:	The official closing value of the relevant basket component on the valuation date
Valuation date:	June 28, 2019, subject to adjustment for non-trading days and certain market disruption events
Official closing value:	With respect to the RAV and the SX7E (each, an "Index" and together, the "Indices"), the closing level of the relevant Index; with respect to the GDX, the EEM, the EWJ, the XOP, the IBB and the IYZ (each, an "ETF" and together, the "ETFs"), the closing price of one share of the ETF multiplied by the adjustment factor
Adjustment factor:	With respect to each ETF, 1.0, subject to adjustment in the event of certain events affecting that ETF. See "Additional Terms of the PLUS—Adjustment factor" below.
CUSIP/ISIN:	78014H128 / US78014H1288
Listing:	The PLUS will not be listed on any securities exchange.
Agent:	RBC Capital Markets, LLC ("RBCCM").

Commissions and issue price:	Price to public	Agent's commissions	Proceeds to issuer
Per PLUS	$10.000	$0.125[(1)] $0.050[(2)]	$9.825
Total	$8,019,960	$100,249.50 $40,099.80	$7,879,610.70

(1) RBCCM, acting as agent for Royal Bank of Canada, will receive a fee of $0.175 per $10 stated principal amount and will pay to Morgan Stanley Wealth Management ("MSWM") a fixed sales commission of $0.125 for each PLUS that MSWM sells. See "Supplemental Information Regarding Plan of Distribution; Conflicts of Interest."

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

The initial estimated value of the PLUS as of the pricing date is $9.7304 per $10.00 PLUS, which is less than the price to public. The market value of the PLUS at any time will reflect many factors, cannot be predicted with accuracy, and may be less than this amount.

An investment in the PLUS involves certain risks. See "Risk Factors" beginning on page 5 of this document, and "Risk Factors" beginning on page S-1 of the accompanying prospectus supplement and page 1 of the accompanying prospectus.

You should read this document together with the related prospectus supplement and prospectus, each of which can be accessed via the hyperlinks below, before you decide to invest.

Please also see "Additional Terms of the PLUS" in this document.

Prospectus Supplement dated September 7, 2018

Prospectus dated September 7, 2018

None of the Securities and Exchange Commission, any state securities commission or any other regulatory body has approved or disapproved of the PLUS or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense. The PLUS will not constitute deposits insured by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. government agency or instrumentality. The PLUS are not subject to conversion into our common shares under subsection 39.2(2.3) of the Canada Deposit Insurance Corporation Act.

PLUS Based on a Basket of Two Equity Indices and Six Exchange-Traded Funds due July 3, 2019
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Investment Summary
Performance Leveraged Upside Securities
Principal at Risk Securities
The PLUS Based on a Basket of Two Equity Indices and Six Exchange-Traded Funds, due July 3, 2019 (the "PLUS") can be used:

§ As an alternative to direct exposure to the basket that enhances returns for a certain range of positive performance of the basket, subject to the maximum payment at maturity.
§ To enhance returns and potentially outperform the basket in a moderately bullish scenario.
§ To achieve similar levels of upside exposure to the basket as a direct investment, subject to the maximum payment at maturity, while using fewer dollars by taking advantage of the leverage factor.

The PLUS are exposed on a 1:1 basis to the negative performance of the basket.

Maturity:	Approximately six months
Leverage factor:	200%
Maximum payment at maturity:	$10.90 per PLUS (109% of the stated principal amount)
Minimum payment at maturity:	None. Investors may lose their entire initial investment in the PLUS.
Coupon:	None
Component weighting:	Unequal, as set forth on the cover page.

Key Investment Rationale
These PLUS offer leveraged exposure to the performance of the basket. In exchange for enhanced performance of 200% of the appreciation of the basket, investors forgo performance above the maximum payment at maturity of $10.90 per PLUS. At maturity, if the value of the basket has increased, investors will receive the stated principal amount of their investment plus a return reflecting the leveraged upside performance of the basket, subject to the maximum payment at maturity. However, if the value of the basket has decreased, investors will lose 1% for every 1% decline. Investors may lose their entire initial investment in the PLUS.

Leveraged Upside Performance	The PLUS offer investors an opportunity to capture enhanced returns relative to a direct investment in the basket within a certain range of positive performance.
Upside Scenario	The value of the basket increases and, at maturity, we will pay the stated principal amount of $10 plus 200% of the basket return, subject to the maximum payment at maturity of $10.90 per PLUS (109% of the stated principal amount).
Downside Scenario	The value of the basket declines and, at maturity, we will pay less than the stated principal amount by an amount that is proportionate to the percentage decrease in the value of the basket from the initial basket value. There is no minimum payment at maturity.

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Additional Information

You should read this document 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 the PLUS are a part. This document, together with these documents, contains the terms of the PLUS and supersedes all other prior or contemporaneous oral statements as well as any other written materials, including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of ours.

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

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

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

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

- Prospectus dated September 7, 2018:
https://www.sec.gov/Archives/edgar/data/1000275/000121465918005973/l96181424b3.htm
- Prospectus Supplement dated September 7, 2018:
https://www.sec.gov/Archives/edgar/data/1000275/000121465918005975/f97180424b3.htm

Our Central Index Key on the SEC website is 1000275.

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

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How the PLUS Work
Payoff Diagram
The payoff diagram below illustrates the payment at maturity on the PLUS for a range of hypothetical percentage changes in the closing value of the basket. The graph is based on the following terms:

Stated principal amount:	$10 per PLUS
Leverage factor:	200%
Maximum payment at maturity:	$10.90 per PLUS (109% of the stated principal amount)
Minimum payment at maturity:	None

PLUS Payoff Diagram

How it works

- § Upside Scenario. If the final basket value is greater than the initial basket value, then investors would receive the $10 stated principal amount plus a return reflecting 200% of the appreciation of the basket over the term of the PLUS, subject to the maximum payment at maturity. Under the terms of the PLUS, an investor would realize the maximum payment at maturity at a final basket value of 104.50% of the initial basket value.
- § If the basket appreciates 2%, the investor would receive a 4% return, or $10.40 per PLUS, or 104% of the stated principal amount.
- § If the basket appreciates 6%, the investor would receive only the maximum payment at maturity of $10.90 per PLUS, or 109% of the stated principal amount.
- § Downside Scenario. If the final basket value is less than or equal to the initial basket value, the investor would receive an amount that is less than or equal to the $10 stated principal amount, based on a 1% loss of principal for each 1% decline in the basket.
- § If the basket depreciates 30%, the investor would lose 30% of the investor's principal and receive only $7.00 per PLUS at maturity, or 70% of the stated principal amount.

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Risk Factors

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

§ The PLUS do not pay interest or guarantee return of principal. The terms of the PLUS differ from those of ordinary debt securities in that the PLUS do not pay interest or guarantee payment of the principal amount at maturity. If the final basket value is less than the initial basket value, the payout at maturity will be an amount in cash that is less than the $10 stated principal amount of each PLUS by an amount proportionate to the decrease in the value of the basket over the term of the PLUS, and may be zero.

§ The appreciation potential of the PLUS is limited by the maximum payment at maturity. The appreciation potential of the PLUS is limited by the maximum payment at maturity of $10.90 per PLUS, or 109% of the stated principal amount. Although the leverage factor provides 200% exposure to any increase in the value of the basket as of the valuation date above the initial basket value, because the payment at maturity will be limited to 109% of the stated principal amount, any increase in the final basket value over the initial basket value by more than 4.50% will not further increase the return on the PLUS.

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

§ the value, volatility and dividend yield, as applicable, of the basket components and the securities represented or held by the basket components;

§ interest and yield rates;

§ exchange rates between the U.S. dollar and the currencies in which the non-U.S. securities represented or held by the SX7E, GDX, EEM and the EWJ are traded;

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

§ time remaining to maturity;

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

§ any actual or anticipated changes in our credit ratings or credit spreads.

The values of the basket components may be, and have recently been, volatile, and we can give you no assurance that the volatility will lessen. You may receive less, and possibly significantly less, than the stated principal amount per PLUS if you sell your PLUS prior to maturity.

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

§ The amount payable on the PLUS is not linked to the value of the basket at any time other than the valuation date. The final basket value will be based on the closing values of the basket components on the valuation date, subject

to adjustment for non-trading days and certain market disruption events. Even if the value of the basket appreciates prior to the valuation date but then decreases on the valuation date to a value that is less than the initial basket value, the payment at maturity will be less, and may be significantly less, than it would have been had the payment at maturity been linked to the value of the basket prior to that decrease. Although the actual value of the basket on the maturity date or at other times during the term of the PLUS may be higher than the final basket value, the payment at maturity will be based solely on the closing value of the basket on the valuation date.

§ Changes in the values of the basket components may offset each other. Movements in the values of the basket components may not correlate with each other. At a time when the value of one or more of the basket components increases, the values of one or more of the other basket components may not increase as much or may even decline. Therefore, in calculating the final basket value and the payment at maturity, increases in the value of one or more of the basket components may be moderated, or more than offset, by lesser increases or declines in the values of the other basket components. Furthermore, the basket components are not equally weighted. As a result, a percentage change in the final component value of the RAV and the GDX will have a greater impact on the final basket value than will a similar percentage change in the final component values of the other basket components.

§ The initial estimated value of the PLUS is less than the price to the public. The initial estimated value that is set forth on the cover page of this document does not represent a minimum price at which we, RBCCM or any of our affiliates would be willing to purchase the PLUS in any secondary market (if any exists) at any time. If you attempt to sell the PLUS prior to maturity, their market value may be lower than the price you paid for them and the initial estimated value. This is due to, 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 agent's commissions and the estimated costs relating to our hedging of the PLUS. These factors, together with various credit, market and economic factors over the term of the PLUS, are expected to reduce the price at which you may be able to sell the PLUS in any secondary market and will affect the value of the PLUS in complex and unpredictable ways. Assuming no change in market conditions or any other relevant factors, the price, if any, at which you may be able to sell your PLUS prior to maturity may be less than your original purchase price, as any such sale price would not be expected to include the agent's commissions and the hedging costs relating to the PLUS. In addition to bid-ask spreads, the value of the PLUS determined for any secondary market price is expected to be based on the secondary rate rather than the internal funding rate used to price the PLUS and determine the initial estimated value. As a result, the secondary price will be less than if the internal funding rate was used. The PLUS are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your PLUS to maturity.

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

The value of the PLUS at any time after the pricing date will vary based on many factors, including changes in market conditions, and cannot be predicted with accuracy. As a result, the actual value you would receive if you sold the PLUS in any secondary market, if any, should be expected to differ materially from the initial estimated value of your PLUS.

§ Adjustments to the basket components could adversely affect the value of the PLUS. The sponsors of the relevant Indices (the "index sponsors") and the investment advisors of the ETFs (the "investment advisors") may add, delete or substitute the stocks represented or held by the basket components, or make other methodological changes. Further, the index sponsors and the investment advisors may discontinue or suspend calculation or publication of the applicable Indices or discontinue or suspend maintenance of the applicable ETFs at any time. Any of these actions could affect the value of and the return on the PLUS.

§ We have no affiliation with the index sponsors and the investment advisors and will not be responsible for any actions taken by them. We have no affiliation with the index sponsors and the investment advisors, and they will not be involved in the offering of the PLUS. Consequently, we have no control over their actions, including any actions of the type that could affect the basket components, and therefore, the value of the basket components. The index sponsors and the investment advisors have no obligation of any sort with respect to the PLUS. Thus, they have no obligation to take your interests into consideration for any reason, including in taking any actions that might affect the value of the PLUS.

§ Investing in the PLUS is not equivalent to investing in the securities represented or held by the basket components. Investing in the PLUS is not equivalent to investing in the securities represented or held by any basket component. Investors in the PLUS will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to the securities represented or held by any basket component.

§ Each ETF and its underlying index are different. The performance of each ETF may not exactly replicate the performance of its underlying index, because each ETF will reflect transaction costs and fees that are not included in the calculation of its underlying index. It is also possible that the performance of an ETF may not fully replicate or may in certain circumstances diverge significantly from the performance of its underlying index due to the temporary unavailability of certain securities in the secondary market, the performance of any derivative instruments contained in that ETF or due to other circumstances.

§ An investment in the PLUS is subject to management risk. Each ETF is not managed according to traditional methods of ''active'' investment management, which involve the buying and selling of securities based on economic, financial and market analysis and investment judgment. Instead, each ETF, utilizing a ''passive'' or indexing investment approach, attempts to approximate the investment performance of its underlying index by investing in a portfolio of securities that generally replicates its underlying index. Therefore, unless a specific security is removed from its underlying index, the applicable ETF generally would not sell a security because the security's issuer was in financial trouble. In addition, each ETF is subject to the risk that the investment strategy of its investment advisor may not produce the intended results.

§ The investment strategy represented by the RAV may not be successful. The RAV measures the performance of the stocks included in the Russell 3000® Index that its sponsor determines to be "value" stocks, as discussed in more detail below. However, stocks that are considered to be value stocks may not appreciate in value. In addition, stocks that are considered to be value stocks may have lower growth potential than other securities, which may cause the level of the RAV to decrease over the term of the PLUS. Moreover, even if a value strategy on the stocks included in the Russell 3000® Index would generally be successful, the manner in which the RAV implements its strategy may prove to be unsuccessful. As described in more detail below, the methodology of the RAV has specified parameters that are used to determine whether a stock should be considered a "value" stock. These parameters may not effectively implement its value strategy, and there can be no assurance that it will select stocks that are value oriented, or that this methodology will not underperform any alternative value strategy. Moreover, an investment linked to the RAV may underperform an alternative investment linked to the Russell 3000® Index.

§ There are risks associated with investments in securities linked to the value of foreign equity securities. The SX7E, the GDX, the EEM and the EWJ include equity securities 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 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.

Securities prices in non-U.S. countries are subject to political, economic, financial and social factors that may be unique to the particular country. 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 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.

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- The PLUS are subject to exchange rate risk. Because securities held by the SX7E, the GDX, the EEM and the EWJ are traded in currencies other than U.S. dollars, and the PLUS are denominated in U.S. dollars, the amount payable on the PLUS at maturity may be exposed to fluctuations in the exchange rate between the U.S. dollar and each of the currencies in which those securities are denominated. These changes in exchange rates may reflect changes in various non-U.S. economies that in turn may affect the payment on the PLUS at maturity. An investor's net exposure will depend on the extent to which the currencies in which the relevant securities are denominated either strengthen or weaken against the U.S. dollar and the relative weight of each security.
- An investment in the PLUS is subject to risks associated with the European financial services industry. All of the equity securities comprising the SX7E are issued by companies in the European financial services sector. As a result, the equity securities that will determine the return on this index are concentrated in one sector. The profitability of these companies is largely dependent on the availability and cost of capital, and can fluctuate significantly, particularly when market interest rates change. Credit losses resulting from financial difficulties of these companies' customers can negatively impact the sector. In addition, adverse economic, business, or political developments affecting the European and international markets, could have a major effect on the level of this index. As a result of these factors, the value of the PLUS may be subject to greater volatility and be more adversely affected by economic, political or regulatory events relating to the financial services sector.
- An investment in the PLUS is subject to risks associated with the gold and silver mining industries. All or substantially all of the stocks held by the GDX are issued by gold or silver mining companies. As a result, the stocks that will determine the performance of the GDX are concentrated in one sector. Although an investment in the PLUS will not give holders any ownership or other direct interests in the stocks held by the GDX, the return on the PLUS will be subject to certain risks associated with a direct equity investment in gold or silver mining companies.

In addition, these companies are highly dependent on the price of gold or silver, as applicable. These prices fluctuate widely and may be affected by numerous factors. Factors affecting gold prices include economic factors, including, among other things, the structure of and confidence in the global monetary system, expectations of the future rate of inflation, the relative strength of, and confidence in, the U.S. dollar (the currency in which the price of gold is generally quoted), interest rates and gold borrowing and lending rates, and global or regional economic, financial, political, regulatory, judicial or other events. Gold prices may also be affected by industry factors such as industrial and jewelry demand, lending, sales and purchases of gold by the official sector, including central banks and other governmental agencies and multilateral institutions which hold gold, levels of gold production and production costs, and short-term changes in supply and demand because of trading activities in the gold market. Factors affecting silver prices include general economic trends, technical developments, substitution issues and regulation, as well as specific factors including industrial and jewelry demand, expectations with respect to the rate of inflation, the relative strength of the U.S. dollar (the currency in which the price of silver is generally quoted) and other currencies, interest rates, central bank sales, forward sales by producers, global or regional political or economic events, and production costs and disruptions in major silver producing countries such as Mexico and Peru. The supply of silver consists of a combination of new mine production and existing stocks of bullion and fabricated silver held by governments, public and private financial institutions, industrial organizations and private individuals. In addition, the price of silver has on occasion been subject to very rapid short-term changes due to speculative activities. From time to time, above-ground inventories of silver may also influence the market.

On the other hand, the GDX reflects the performance of shares of gold and silver mining companies and not gold bullion or silver bullion. The GDX may under- or over-perform gold bullion and/or silver bullion over the term of the PLUS.

- The XOP is subject to risks relating to the energy sector. The issuers of the stocks held by the XOP develop and produce, among other things, crude oil and natural gas, and provide, among other things, drilling services and other services related to oil and gas production and distribution. Stock prices for these types of companies are affected by supply and demand both for their specific product or service and for oil and gas products in general. The price of oil and gas, exploration and production spending, government regulation, world events and economic conditions will likewise affect the performance of these companies. Correspondingly, the stocks of companies in thi