

BANK OF NOVA SCOTIA
Form FWP
January 09, 2019

Filed Pursuant to Rule 433
Registration Statement No. 333- 228614
(To Prospectus dated December 26, 2018,
Prospectus Supplement dated December 26, 2018 and Product Prospectus Supplement
EQUITY INDICES MITTS-1
dated December 26, 2018)

Subject to Completion
Preliminary Term Sheet
dated
January 9, 2019

Pricing
Date*
~~Settlement~~ 2019
~~January~~ , 2019
\$100 January , 2023
Multiply
and
per Subject to
change based on
actual date
The notes are
priced for initial
sale to the
public (the
"pricing date")

Market Index
Target-Term
Securities®
Linked to an
International
Equity Index
Basket

Maturity of
approximately
four years

Between [100%
and 120%, to be
determined on the
pricing date]
participation in
increases in the
Basket

If the Basket is
flat or decreases,
payment at
maturity will be

the principal
amount

The Basket will be comprised of the EURO STOXX 50[®] Index, the FTSE[®] 100 Index, the Nikkei Stock Average Index, the Swiss Market Index[®], the S&P/ASX 200 Index and the Hang Seng[®] Index. The EURO STOXX 50[®] Index will be given an initial weight of 40.00%, each of the FTSE[®] 100 Index and the Nikkei Stock Average Index will be given an initial weight of 20.00%, each of the Swiss Market Index[®] and the S&P/ASX 200 Index will be given an initial weight of 7.50% and the Hang Seng[®] Index will be given an initial weight of 5.00%

All payments occur at maturity and are subject to the credit risk of The Bank of Nova Scotia

No periodic interest payments

In addition to the underwriting discount set forth below, the notes include a hedging-related charge of \$0.075 per unit. See “Structuring the Notes”

Limited secondary market liquidity, with no exchange listing

The notes are unsecured debt securities and are not savings accounts or insured deposits of a bank. The notes are not insured or guaranteed by the Canada Deposit Insurance Corporation (the “CDIC”), the U.S. Federal Deposit Insurance Corporation (the “FDIC”), or any other governmental agency of Canada, the United States or any other jurisdiction

The notes are being issued by The Bank of Nova Scotia (“BNS”). There are important differences between the notes and a conventional debt security, including different investment risks and certain additional costs. See “Risk Factors” beginning on page TS-6 of this term sheet and beginning on page PS-6 of product prospectus supplement EQUITY INDICES MITTS-1.

The initial estimated value of the notes as of the pricing date is expected to be between \$9.02 and \$9.29 per unit, which is less than the public offering price listed below. See “Summary” on the following page, “Risk Factors” beginning on page TS-6 of this term sheet and “Structuring the Notes” on page TS-26 of this term sheet for additional information.

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The actual value of your notes at any time will reflect many factors and cannot be predicted with accuracy.

None of the U.S. Securities and Exchange Commission (the "SEC"), any state securities commission, or any other regulatory body has approved or disapproved of these securities or determined if this Note Prospectus (as defined below) is truthful or complete. Any representation to the contrary is a criminal offense.

	<u>Per Unit</u>	<u>Total</u>
Public offering price ⁽¹⁾	\$10.00	\$
Underwriting discount ⁽¹⁾	\$ 0.25	\$
Proceeds, before expenses, to BNS	\$ 9.75	\$

(1) For any purchase of 500,000 units or more in a single transaction by an individual investor or in combined transactions with the investor's household in this offering, the public offering price and the underwriting discount will be \$9.95 per unit and \$0.20 per unit, respectively. See "Supplement to the Plan of Distribution" below.

The notes:

Are Not FDIC Insured Are Not Bank Guaranteed May Lose Value

Merrill Lynch & Co.
January , 2019

Market Index Target-Term Securities®

Linked to an International Equity Index Basket, due January , 2023

Summary

The Market Index Target-Term Securities® Linked to an International Equity Index Basket, due January , 2023 (the “notes”) are our senior unsecured debt securities. The notes are not guaranteed or insured by the CDIC or the FDIC, and are not, either directly or indirectly, an obligation of any third party. The notes are not bail-inable debt securities (as defined in the prospectus). The notes will rank equally with all of our other unsecured senior debt. Any payments due on the notes, including any repayment of principal, will be subject to the credit risk of BNS. The notes provide you with between [100% and 120%, to be determined on the pricing date] participation in increases in the Market Measure, which is the International Equity Index Basket (the “Basket”). If the Basket decreases, you will receive only the principal amount of your notes. Any payments on the notes will be calculated based on the \$10 principal amount per unit and will depend on the performance of the Basket, subject to our credit risk. See “Terms of the Notes” below. The Basket is comprised of the EURO STOXX 50® Index, the FTSE® 100 Index, the Nikkei Stock Average Index, the Swiss Market Index®, the S&P/ASX 200 Index and the Hang Seng® Index (each a “Basket Component”). On the pricing date, the EURO STOXX 50® Index will be given an initial weight of 40.00%, each of the FTSE® 100 Index and the Nikkei Stock Average Index will be given an initial weight of 20.00%, each of the Swiss Market Index® and the S&P/ASX 200 Index will be given an initial weight of 7.50% and the Hang Seng® Index will be given an initial weight of 5.00%.

The economic terms of the notes (including the Participation Rate) are based on our internal funding rate, which is the rate we would pay to borrow funds through the issuance of market-linked notes, and the economic terms of certain related hedging arrangements. Our internal funding rate is typically lower than the rate we would pay when we issue conventional fixed rate debt securities. This difference in funding rate, as well as the underwriting discount and the hedging related charge described below, will reduce the economic terms of the notes to you and the initial estimated value of the notes on the pricing date. Due to these factors, the public offering price you pay to purchase the notes will be greater than the initial estimated value of the notes.

On the cover page of this term sheet, we have provided the initial estimated value range for the notes. This range of estimated values was determined by reference to our internal pricing models, which take into consideration certain factors, such as our internal funding rate on the pricing date and our assumptions about market parameters. For more information about the initial estimated value and the structuring of the notes, see "Structuring the Notes" on page TS-26.

Terms of the Notes

<p>Issuer: The Bank of Nova Scotia ("BNS")</p> <p>Principal Amount: \$10.00 per unit</p> <p>Term: Approximately four years</p> <p>Market Measure: An international equity index basket comprised of the EURO STOXX 50® Index (Bloomberg symbol: “SX5E”), the FTSE100 Index (Bloomberg symbol: “UKX”), the Nikkei Stock Average Index (Bloomberg symbol: “NKY”), the Swiss Market Index® (Bloomberg symbol: “SMI”), the S&P/ASX 200 Index (Bloomberg symbol: “AS51”) and the Hang Seng® Index (Bloomberg symbol: “HSI”). Each Basket Component is a price return index.</p> <p>Starting Value: The Starting Value will be set to 100.00 on the pricing date.</p>	<p>Redemption Amount Determination</p> <p>On the maturity date, you will receive a cash payment per unit determined as follows:</p> <p>You will receive the Minimum Redemption Amount per unit of 5 \$10.00 (The Redemption Amount</p>
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Ending Value:	The average of the closing levels of the Market Measure on each calculation day occurring during the Maturity Valuation Period. The scheduled calculation days are subject to postponement in the event of Market Disruption Events, as described beginning on page PS-18 of product prospectus supplement EQUITY INDICES MITTS-1.
Minimum Redemption Amount:	\$10.00 per unit. If you sell your notes before the maturity date, you may receive less than the Minimum Redemption Amount per unit.
Participation Rate:	Between [100% and 120%]. The actual Participation Rate will be determined on the pricing date.
Maturity Valuation Period:	Five scheduled calculation days shortly before the maturity date
Fees and Charges:	The underwriting discount of \$0.25 per unit listed on the cover page and the hedging related charge of \$0.075 per unit described in "Structuring the Notes" on page TS-26.
Calculation Agent:	Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S")

Market Index Target-Term Securities TS-2

Market Index Target-Term Securities®

Linked to an International Equity Index Basket, due January , 2023

The terms and risks of the notes are contained in this term sheet and in the following:

Product prospectus supplement EQUITY INDICES MITTS-1 dated December 26, 2018:

<http://www.sec.gov/Archives/edgar/data/9631/000091412118002479/bn52896824-424b2.htm>

Prospectus supplement dated December 26, 2018:

<http://www.sec.gov/Archives/edgar/data/9631/000091412118002473/bn50676984-424b3.htm>

Prospectus dated December 26, 2018:

<http://www.sec.gov/Archives/edgar/data/9631/000119312518357537/d677731d424b3.htm>

These documents (together, the "Note Prospectus") have been filed as part of a registration statement with the SEC, which may, without cost, be accessed on the SEC website as indicated above or obtained from MLPF&S by calling 1-800-294-1322. Before you invest, you should read the Note Prospectus, including this term sheet, for information about us and this offering. Any prior or contemporaneous oral statements and any other written materials you may have received are superseded by the Note Prospectus. Capitalized terms used but not defined in this term sheet have the meanings set forth in product prospectus supplement EQUITY INDICES MITTS-1. Unless otherwise indicated or unless the context requires otherwise, all references in this document to "we," "us," "our," or similar references are to BNS.

Investor Considerations

You may wish to consider an investment in the notes if:

You anticipate that the Basket will increase moderately from the Starting Value to the Ending Value.

You accept that the return on the notes will be zero if the Basket does not increase from the Starting Value to the Ending Value.

You are willing to forgo the interest payments that are paid on conventional interest bearing debt securities.

You are willing to forgo dividends or other benefits of owning the stocks included in the Basket Components.

You are willing to accept a limited or no market for sales prior to maturity, and understand that the market prices for the notes, if any, will be affected by various factors, including our actual and perceived creditworthiness, our internal funding rate and fees and charges on the notes.

You are willing to assume our credit risk, as issuer of the notes, for all payments under the notes, including the Redemption Amount.

The notes may not be an appropriate investment for you if:

You believe that the Basket will decrease from the Starting Value to the Ending Value or that it will not increase sufficiently over the term of the notes to provide you with your desired return.

You seek a guaranteed return beyond the Minimum Redemption Amount.

You seek interest payments or other current income on your investment.

You want to receive dividends or other distributions paid on the stocks included in the Basket Components.

You seek an investment for which there will be a liquid secondary market.

You are unwilling or are unable to take market risk on the notes or to take our credit risk as issuer of the notes.

We urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.

Market Index Target-Term Securities TS-3

Market Index Target-Term Securities®

Linked to an International Equity Index Basket, due January , 2023

Hypothetical Payout Profile and Examples of Payments at Maturity

The graph below is based on hypothetical numbers and values.

Market Index Target-Term Securities

This graph reflects the returns on the notes, based on a hypothetical Participation Rate of 110% (the midpoint of the Participation Rate range of [100% to 120%]), the Minimum Redemption Amount of \$10.00. The blue line reflects the returns on the notes, while the dotted gray line reflects the returns of a direct investment in the stocks included in the Basket Components, excluding dividends.

This graph has been prepared for purposes of illustration only.

The following table and examples are for purposes of illustration only. They are based on hypothetical values and show hypothetical returns on the notes. They illustrate the calculation of the Redemption Amount and total rate of return based on the Starting Value of 100, a hypothetical Participation Rate of 110%, the Minimum Redemption Amount of \$10.00 per unit and a range of hypothetical Ending Values. The actual amount you receive and the resulting total rate of return will depend on the actual Ending Value, Participation Rate, and whether you hold the notes to maturity. The following examples do not take into account any tax consequences from investing in the notes.

For recent hypothetical levels of the Basket, see “The Basket” section below. For recent actual levels of the Basket Components, see the “Basket Component” section below. Each Basket Component is a price return index and as such the Ending Value will not include any income generated by dividends paid on the stocks included in any of the Basket Components, which you would otherwise be entitled to receive if you invested in those stocks directly. In addition, all payments on the notes are subject to issuer credit risk.

Ending Value	Percentage Change from the Starting Value to the Ending Value	Redemption Amount per Unit	Total Rate of Return on the Notes
0.00	-100.00%	\$10.00 ⁽¹⁾	0.00%
25.00	-75.00%	\$10.00	0.00%
50.00	-50.00%	\$10.00	0.00%
75.00	-25.00%	\$10.00	0.00%
100.00	0.00%	\$10.00	0.00%
110.00	10.00%	\$11.10	11.00%
120.00	20.00%	\$12.20	22.00%
130.00	30.00%	\$13.30	33.00%
140.00	40.00%	\$14.40	44.00%

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150.00	50.00%	\$15.50	55.00%
160.00	60.00%	\$16.60	66.00%
170.00	70.00%	\$17.70	77.00%
190.00	90.00%	\$19.90	99.00%

(1) The Redemption Amount per unit will not be less than the Minimum Redemption Amount.

Market Index Target-Term Securities TS-4

Market Index Target-Term Securities®

Linked to an International Equity Index Basket, due January , 2023

Redemption Amount Calculation Examples

Example 1

The Ending Value is 90.00, or 90.00% of the Starting Value:

Starting Value:

100.00

Ending Value:

90.00

= \$9.00, however, because the Redemption Amount for the notes cannot be less than the Minimum Redemption Amount, the Redemption Amount will be \$10.00 per unit

Example 2

The Ending Value is 120.00, or 120.00% of the Starting Value:

Starting Value: 100.00

Ending Value: 120.00

= \$12.20 Redemption Amount per unit

Market Index Target-Term Securities TS-5

Market Index Target-Term Securities®

Linked to an International Equity Index Basket, due January , 2023

Risk Factors

There are important differences between the notes and a conventional debt security. An investment in the notes involves significant risks, including those listed below. You should carefully review the more detailed explanation of risks relating to the notes in the "Risk Factors" sections beginning on page PS-6 of product prospectus supplement EQUITY INDICES MITTS-1, page S-2 of the prospectus supplement, and page 5 of the prospectus identified above. We also urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes. Depending on the performance of the Basket as measured shortly before the maturity date, you may not earn a return on your investment.

Your return on the notes may be less than the yield you could earn by owning a conventional fixed or floating rate debt security of comparable maturity.

Payments on the notes are subject to our credit risk, and actual or perceived changes in our creditworthiness are expected to affect the value of the notes. If we become insolvent or are unable to pay our obligations, you may lose your entire investment.

Our initial estimated value of the notes will be lower than the public offering price of the notes. Our initial estimated value of the notes is only an estimate. The public offering price of the notes will exceed our initial estimated value because it includes costs associated with selling and structuring the notes, as well as hedging our obligations under the notes with a third party, which may include MLPF&S or one of its affiliates. These costs include the underwriting discount and an expected hedging related charge, as further described in "Structuring the Notes" on page TS-26. Our initial estimated value of the notes does not represent future values of the notes and may differ from others' estimates. Our initial estimated value of the notes is determined by reference to our internal pricing models when the terms of the notes are set. These pricing models consider certain factors, such as our internal funding rate on the pricing date, the expected term of the notes, market conditions and other relevant factors existing at that time, and our assumptions about market parameters, which can include volatility, dividend rates, interest rates and other factors. Different pricing models and assumptions could provide valuations for the notes that are different from our initial estimated value. In addition, market conditions and other relevant factors in the future may change, and any of our assumptions may prove to be incorrect. On future dates, the market value of the notes could change significantly based on, among other things, the performance of the Basket, changes in market conditions, our creditworthiness, interest rate movements and other relevant factors. 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. Our initial estimated value does not represent a minimum price at which we or any agents would be willing to buy your notes in any secondary market (if any exists) at any time.

Our initial estimated value is not determined by reference to credit spreads or the borrowing rate we would pay for our conventional fixed-rate debt securities. The internal funding rate used in the determination of our initial estimated value of the notes generally represents a discount from the credit spreads for our conventional fixed-rate debt securities and the borrowing rate we would pay for our conventional fixed-rate debt securities. If we were to use the interest rate implied by the credit spreads for our conventional fixed-rate debt securities, or the borrowing rate we would pay for our conventional fixed-rate debt securities, we would expect the economic terms of the notes to be more favorable to you. Consequently, our use of an internal funding rate for the notes would have an adverse effect on the economic terms of the notes, the initial estimated value of the notes on the pricing date, and the price at which you may be able to sell the notes in any secondary market.

A trading market is not expected to develop for the notes. Neither we nor MLPF&S is obligated to make a market for, or to repurchase, the notes. There is no assurance that any party will be willing to purchase your notes at any price in any secondary market.

Changes in the level of one of the Basket Components may be offset by changes in the levels of the other Basket Components. Due to the different Initial Component Weights (as defined in "The Basket" section below), changes in

the levels of some Basket Components will have a more substantial impact on the value of the Basket than similar changes in the levels of the other Basket Components.

Our business, hedging and trading activities, and those of MLPF&S and our respective affiliates (including trades in shares of companies included in the Basket Components), and any hedging and trading activities we, MLPF&S or our respective affiliates engage in for our clients' accounts, may affect the market value and return of the notes and may create conflicts of interest with you.

An Index sponsor (as defined below) may adjust the relevant Basket Component in a way that may adversely affect its level and your interests, and has no obligation to consider your interests.

You will have no rights of a holder of the securities included in the Basket Components, and you will not be entitled to receive securities or dividends or other distributions by the issuers of those securities.