Percentage Change: The Percentage Change will equal an amount, expressed as a percentage and rounded to three decimal places, determined as follows:

$$\frac{\text{(Settlement Level - Base Level)}}{\text{Base Level}}$$

Base Level: Except in circumstances described below under "*Payments Under the Notes – Extraordinary Events*", the Base Level of the Index is the official closing level of the Index, as published by the Index Sponsor, on the Initial Valuation Date, rounded to two decimal places.

Settlement Level: The Settlement Level of the Index will be the official closing level (or deemed closing level, as the case may be) of the Index, as published by the Index Sponsor, on the Final Valuation Date, rounded to two decimal places. If any such day is not an Exchange Day for the Index, the Final Valuation Date will be the next following Exchange Day. The determination of the Settlement Level may be subject to acceleration or postponement upon the occurrence of certain Extraordinary Events described below under "*Payments Under the Notes – Extraordinary Events*".

Extraordinary Events: An Extraordinary Event is an event that could have an impact on our ability to perform our obligations under the Notes or to hedge our position in respect of our obligation to make payments under the Notes. An Extraordinary Event could include, among other things, the suspension of or a limitation on trading on any Principal Exchange or Related Exchange or in securities of entities that comprise 20% or more of the Index; any court or governmental order prohibiting us from performing our obligations; or any governmental action that has a material adverse effect on relevant financial markets. An Extraordinary Event may delay the time at which the Percentage Change is determined in respect of the Index and delay the time of any related return payment and may allow us the option of crystallizing the amount of return payable and (if positive) paying such amount as a single, one-time final payment of Alternative Variable Return, in which case no further return would be payable for or in respect of the remaining term of the Notes. See "*Payments Under the Notes – Extraordinary Events*".

Eligibility for Investment: The Notes, if issued on the date of this Information Statement, would be qualified investments for trusts governed by registered retirement savings plans, registered disability savings plans, registered education savings plans, registered retirement income funds, tax-free savings accounts and deferred profit sharing plans within the meaning of the *Income Tax Act* (Canada) (other than a deferred profit sharing plan to which payments are made by Royal Bank or a corporation or partnership with which Royal Bank does not deal at arm's length). See "*Canadian Federal Income Tax Considerations – Eligibility for Investment*", including the summary of the "prohibited investment" rules.

No Early Redemption: The Notes will not be redeemable by Royal Bank before the Maturity Date.

Risk Factors: The Notes provide opportunities but may pose risks. You should carefully consider the risks involved in purchasing Notes before reaching a decision and you should discuss with your advisors the suitability of purchasing Notes in light of your particular investment objectives and after reviewing all available information, including the risk factors described at "*Risk Factors*".

Suitability for Investment Purposes: Investors should consult with their advisors regarding the suitability of an investment in the Notes. For further information see "*Related Matters – Suitability for Investment Purposes*".

Secondary Market: The Notes will not be listed on any stock exchange and there is no assurance that a secondary market for Notes will develop or be sustainable. RBC DS may, from time to time, purchase and sell Notes, but will not be obligated to do so. If RBC DS determines, in its sole discretion, to stop facilitating a secondary market for the Notes, holders of Notes may not be able to resell their Notes. If RBC DS offers to purchase Notes in connection with a secondary market transaction, there is no assurance that the purchase price will be the highest possible price available in any secondary market for the Notes. The resale price of Notes could be below the US$100 Principal Amount per Note.

Resales of the Notes in any secondary market will be effected through Fundserv and will be subject to certain procedures, requirements and limitations relating to Fundserv. For further information, see "*Related Matters – Resale of Notes Through Fundserv*".

Notes non-CDIC Protected: The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act*.

Right of Cancellation: An initial purchaser will have the right to cancel any order to buy Notes within two Business Days after the later of (i) the day on which the agreement to purchase the Notes is entered into and (ii) the day on which this Information Statement is provided to the initial purchaser.

Upon cancellation of the order, the initial purchaser is entitled to a refund of the Principal Amount and any fees relating to the purchase that they may have paid. This right to cancel a purchase order does not extend to investors buying a Note in any secondary market. An initial purchaser of the Notes may cancel their purchase order by calling their investment advisor or RBC DS at (800) 280-4434.

Fees and Expenses: Unless Notes are sold by us to a selling agent acting as principal, no part of any commission or fee paid by us to the selling agent may be reallocated, directly or indirectly, to the purchaser of Notes or to others, and the selling agent will not be entitled to receive any commission from any other party in respect of initial sales of Notes. For further information, see "*Related Matters – Fees and Expenses*".

Availability of Information: Detailed information about the Notes, including a copy of this Information Statement, will be posted on Royal Bank's structured notes website at www.rbcnotes.com and will be provided in writing on request from RBC DS at (800) 280-4434.

Certain additional information regarding the Notes will also be provided on an ongoing basis at www.rbcnotes.com, including (i) the most recent bid price for the Notes and/or (ii) the last available measure that would be used to determine the Variable Return.

Such information will also be available from your investment advisor.

Deferred Payment: Federal laws of Canada prohibit anyone from receiving interest at an effective rate that is greater than 60% per annum. Therefore, in the event that the Variable Return and any other interest payments paid on the Notes are greater than 60% per annum at maturity, we will pay you, at maturity, only the portion of the Variable Return that constitutes 60% per annum, taking into account any other interest payments, and will pay the balance, together with interest at Royal Bank's equivalent term deposit rate as soon as permitted under applicable laws.

SAMPLE CALCULATIONS OF THE PAYMENT AMOUNT

The examples set out below are included for illustration purposes only. The levels of the Index used to illustrate the calculation of Variable Return are not estimates or forecasts of the level of the Index on which the Base Level and Settlement Level or the calculation of the Percentage Change, and in turn Variable Return, will depend. All examples assume that a Noteholder has purchased Notes with an aggregate principal amount of US$10,000 and that no Extraordinary Event has occurred.

Example #1 — Hypothetical calculation of the Payment Amount where the Percentage Change is positive. It is assumed that the Base Level of the Index is 2,736.61 and the Settlement Level of the Index is 3,557.59 (hypothetical). The Payment Amount would be calculated as follows:

Base Level = 2,736.61

Settlement Level = 3,557.59

Percentage Change = (3,557.59 - 2,736.61) / 2,736.61 = 0.30000 or 30.000%

Variable Return = US$0.00

Payment Amount = US$10,000.00 + US$0.00 = US$10,000.00

In this example, the Payment Amount provides a return equivalent to an annually compounded rate of return of 0.00%.

Example #2 — Hypothetical calculation of the Payment Amount where the Percentage Change is zero or negative but greater than or equal to -30.000%. It is assumed that the Base Level of the Index is 2,736.61 and the Settlement Level of the Index is 1,920.99 (hypothetical). The Payment Amount would be calculated as follows:

Base Level = 2,736.61

Settlement Level = 1,920.99

Percentage Change = (1,920.99 - 2,736.61) / 2,736.61 = -0.29804 or -29.804%

Variable Return = US$10,000.00 × 29.804% = US$2,980.40

Payment Amount = US$10,000.00 + US$2,980.40 = US$12,980.40

In this example, the Payment Amount provides a return equivalent to an annually compounded rate of return of 13.93%.

Example #3 — Hypothetical calculation of the Payment Amount where the Percentage Change is negative and less than -30.000%. It is assumed that the Base Level of the Index is 2,736.61 and the Settlement Level of the Index is 987.53 (hypothetical). The Payment Amount would be calculated as follows:

Base Level = 2,736.61

Settlement Level = 987.53

Percentage Change = (987.53 - 2,736.61) / 2,736.61 = -0.63914 or -63.914%

Variable Return = US$10,000.00 × 12.00% = US$1,200.00

Payment Amount = US$10,000.00 + US$1,200.00 = US$11,200.00

In this example, the Payment Amount provides a return equivalent to an annually compounded rate of return of 5.83%.

SUMMARY INFORMATION REGARDING THE INDEX

The following is a summary description of the S&P 500® Index based on information obtained from the Index Sponsor's website at www.standardandpoors.com.

Index	S&P 500® Index
Country	United States
Current Exchanges	New York Stock Exchange; The NASDAQ Stock Market; Chicago Mercantile Exchange; Chicago Board Options Exchange
Index Sponsor	Standard & Poor's
Number of Component Securities	500
Method of Calculation	Market Capitalization Weighted
Closing Index Level (July 5, 2018)	2,736.61

General Description

We have obtained all information regarding the S&P 500® Index contained herein, including its make-up, method of calculation and changes in its components, from publicly available information. That information reflects the policies of, and is subject to change by, Standard & Poor's ("**S&P**"). S&P has no obligation to continue to publish, and may discontinue publication of, the S&P 500® Index.

The S&P 500® Index is the most widely accepted barometer of the U.S. market. It includes 500 blue-chip, large-cap stocks, which together represent about 80% of the total U.S. equities market. Companies eligible for addition to the S&P 500® Index have a market capitalization of at least US$6.1 billion. S&P chooses companies for inclusion in the S&P 500® Index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of its stock guide database, which S&P uses as an assumed model for the composition of the total market. Relevant criteria employed by S&P include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the market price of that company's common stock is generally responsive to changes in the affairs of the respective industry and the market value and trading activity of the common stock of that company. S&P may from time to time, in its sole discretion, add companies to, or delete companies from, the S&P 500® Index to achieve the objectives stated above. S&P calculates the S&P 500® Index by reference to the prices of the S&P constituent stocks without taking account of the value of dividends or other distributions paid on such stocks.

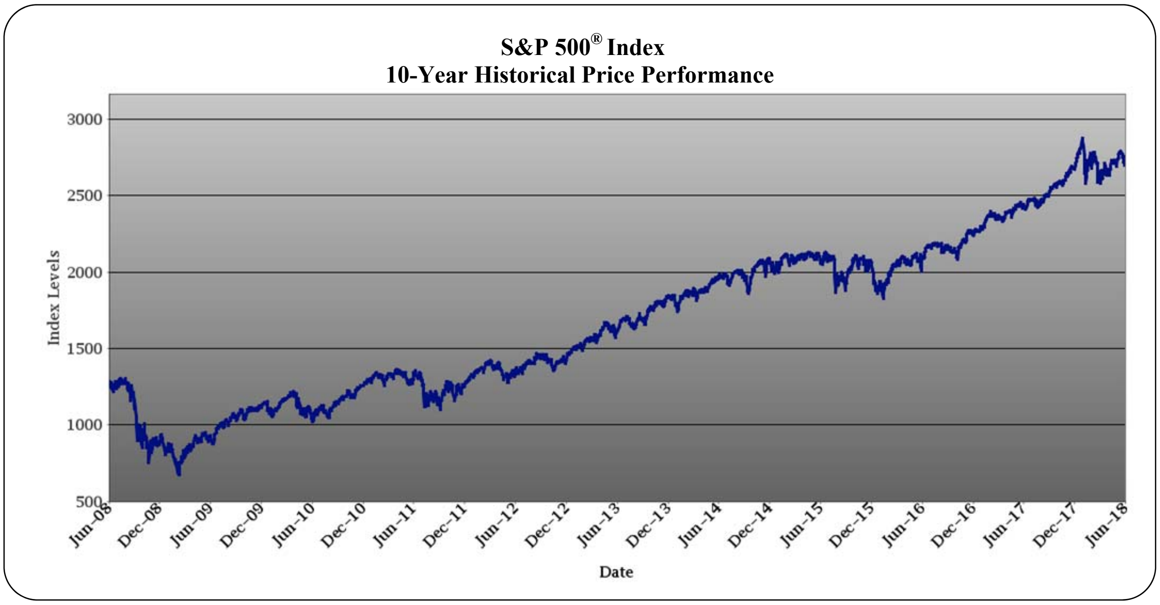
S&P currently computes the S&P 500® Index as of a particular time as follows: the product of the market price per share and the number of then outstanding shares of each component stock is determined as of that time (referred to as the "market value" of that stock); the market values of all component stocks as of that time are aggregated; the mean average of the market values as of each week in the base period of the years 1941 through 1943 of the common stock of each company in a group of 500 substantially similar companies is determined; the mean average market values of all these common stocks over the base period are aggregated (the aggregate amount being referred to as the "base value"); the current aggregate market value of all component stocks is divided by the base value; and the resulting quotient, expressed in decimals, is multiplied by ten. While S&P currently employs the above methodology to calculate the S&P 500® Index, no assurance can be given that S&P will not modify or change this methodology in a manner that may affect the amount payable at maturity to beneficial owners of the Notes. S&P adjusts the foregoing formula to offset the effects of changes in the market value of a component stock that are determined by S&P to be arbitrary or not due to true market fluctuations. These changes may result from causes such as the issuance of stock dividends; the granting to shareholders of rights to purchase additional shares of stock; the purchase of shares by employees pursuant to employee benefit plans; consolidations and acquisitions; the granting to shareholders of rights to purchase other securities of the issuer; the substitution by S&P of particular component stocks in the S&P 500® Index; or other reasons. In these cases, S&P first recalculates the aggregate market value of all component stocks, after taking account of the new market price per share of the particular component stock or the new number of outstanding shares of that stock or both, as the case may be, and then determines the new base value in accordance with the following formula:

$$\text{Old Base Value} \times \frac{\text{New Market Value}}{\text{Old Market Value}} = \text{New Base Value}$$

The result is that the base value is adjusted in proportion to any change in the aggregate market value of all component stocks resulting from the causes referred to above to the extent necessary to negate the effects of these causes upon the S&P 500® Index.

Historical Price Performance

The following chart demonstrates the historical level of the S&P 500® Index for the period from June 30, 2008 to June 29, 2018. Historical price performance does not take into account distributions or dividends paid on the securities underlying the S&P 500® Index.



Historical price performance of the S&P 500® Index will not necessarily predict future price performance of the S&P 500® Index or the Notes. The source of the data displayed in this chart is Bloomberg L.P. and its accuracy cannot be guaranteed.

Historical annual percentage change of the S&P 500® Index										
Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Percentage Change (%)	-38.49	23.45	12.78	-0.00	13.41	29.60	11.39	-0.73	9.54	19.42

Source: Bloomberg L.P.: Measures annualized period as of December 31 of the previous year.

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