RBC Capital Markets®

RBC Principal Protected S&P 500 Bearish Notes (USD), Series 3, F-Class

S&P 500® Index	100% Principal Protection at Maturity	Positive Note Performance when the Index is Negative

Offering Closes
August 10, 2018

FundSERV
RBC6113

Issue Date
August 14, 2018

Maturity Date
August 18, 2020

Website
www.rbcnotes.com

The deposit notes are not insured under the Canada Deposit Insurance Corporation Act.

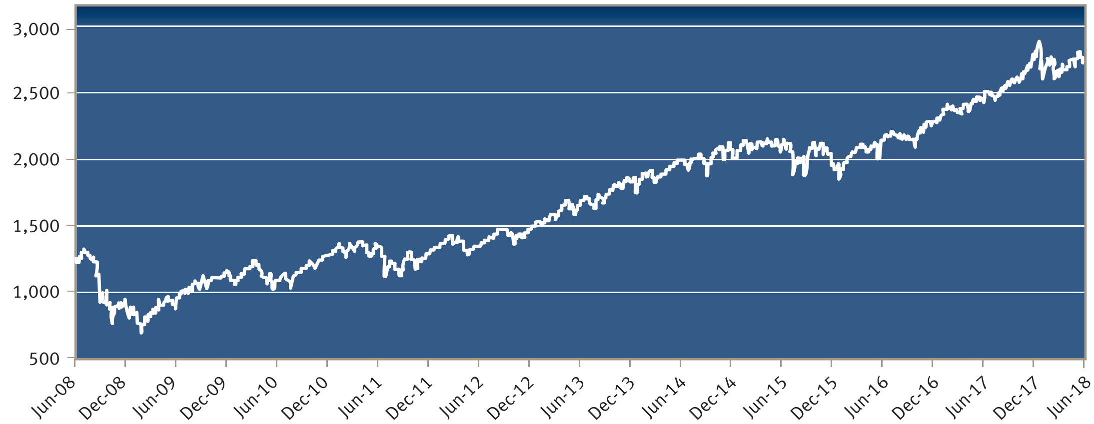
The Notes are not conventional notes or debt securities. For the various risks associated with such an investment, please see the Risk Factors section of the Information Statement.

INVESTMENT HIGHLIGHTS

Issuer:	Royal Bank of Canada
Credit Rating:	Moody's: A1; S&P: AA-; DBRS: AA
Subscriptions Close:	August 10, 2018
Currency:	USD
Mininum Investment:	50 Notes or US$5,000
Term:	Approximately 2 years
Variable Return:	Variable Return, if any, will be based on the Percentage Change of the Index measured from the Base Level to the Settlement Level. Variable Return, if any, will not be less than zero and will be positive should the percentage change of the Index be between 0 and -30%. If the percentage change of the Index is less than -30%, Variable return will be 12%.
Initial Valuation Date:	August 13, 2018
Final Valuation Date:	August 13, 2020
Principal Protection:	Royal Bank of Canada guarantees the principal amount at maturity. RBC is rated A1 by Moody's, AA- by Standard and Poors and AA by DBRS.
Index:	Variable Return is linked to the negative price performance of the S&P 500® Index. Securities do not represent an interest in the Index or in the securities of the companies that comprise the Index. Holders have no right or entitlement to the dividends or other distributions paid on these securities (the indicative dividend yield on the Index as of July 5, 2018 was 1.97%, representing an aggregate dividend yield of approximately 3.98% compounded annually over the 2 year term, on the assumption that the dividend yield remains constant).
Secondary Market:	The Notes are tradeable in a daily secondary market, subject to availability, which RBC Capital Markets will use reasonable efforts to provide as outlined in the Information Statement. Proceeds on sale may be less than the US$100 Principal Amount.
Registered Account Eligible:	RRSPs, RDSPs, RESPs, TFSAs and DPSPs.

S&P 500® INDEX 10-YEAR HISTORICAL PRICE PERFORMANCE

This graph represents the historical level of the S&P 500® Index from June 30, 2008 to June 29, 2018.



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 $\frac{(3,557.59 - 2,736.61)}{2,736.61}$ = 0.30000 or 30.00%

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 $\frac{(1,920.99 - 2,736.61)}{2,736.61}$ = -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 $\frac{(987.53 - 2,736.61)}{2,736.61}$ = -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%.

Please note that advisors are required to convey to their client at the time a purchase order is taken, whether in person or by telephone, the information contained under Schedule A - Disclosure for Sales in Person or by Telephone.

All capitalized terms unless defined herein, will have the meanings ascribed to them in the Information Statement. An investment in the Notes provides opportunities for investment but may pose risks. See further details under "Risk Factors" in the Information Statement. Specific risks include:

- Interest Payable at Maturity – The Principal Amount plus Variable Return (if any) is payable only at maturity.
- Noteholders do not have ownership in the Index or in the securities of the entities that comprise the Index and therefore are not entitled to receive dividends or other distributions paid on these securities. The indicative dividend yield of the Index was 1.97% as of July 5, 2018 which would equate to 3.98% over the term of the notes assuming dividends remain constant and are not re-invested
- Secondary Market Price – The price for the notes in any secondary market will be based on market conditions and could be above or below the US$100 Principal Amount. RBC reserves the right to not make a secondary market.
- Extraordinary Events – The payment of Variable Return could be accelerated or delayed due to the occurrence of certain Extraordinary Events.

The Information Statement in respect of the RBC Principal Protected S&P 500 Bearish Notes (USD), Series 3, F-Class (the "Information Statement") and this highlight document do not constitute an offer or invitation by anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer or invitation. The offering and sale of the Notes, described in the Information Statement, may be subject to restrictions within any particular province or territory. The Notes may not be offered or sold in any jurisdiction outside of Canada. Royal Bank and the selling agents require persons into whose possession the Information Statement comes to inform themselves of and observe any and all such restrictions. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933 and may not be offered or sold within the United States or to, or for the account or benefit of, United States persons. No securities commission or similar authority has in any way passed upon the merits of the Notes and any representation to the contrary may be an offence. This highlight document must be read in conjunction with the Information Statement, which provides additional important disclosures and risk factors in respect of the Notes.