



Capital
Markets

EQUITY LINKED NOTE | GLOBAL INVESTMENT SOLUTIONS

RBC Principal Protected US Large Cap Growth Notes (CAD), Series 23

100% Principal
Protection at Maturity

Exposure to an
American Equity Portfolio

CAD
Denominated

This Note is a 5 year investment designed to provide investors with the potential to receive a return at maturity, linked to a notional basket of 10 equally weighted American Shares. The return on the principal amount is guaranteed by RBC at maturity.

Offering Closes

March 25, 2022

FundSERV

RBC1873

Issue Date

March 29, 2022

Maturity Date

April 1, 2027

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

- 5 year term.
- Variable Return, if any, is linked to the price performance of a notional basket of equally weighted American Shares where each underlying Share in the Basket is capped at 40%, and subject to a floor of -100%. The maximum return will be earned if all Shares rise by 40% or more from the Initial Valuation Date to the Final Valuation Date. This is equivalent to a 6.96% compounded annual return.
- The maximum Weighted Component Change for each underlying Share is 4.00% (40% Cap multiplied by 1/10 weighting). Notes do not represent an interest in the securities of the companies that comprise the Basket and holders will have no right or entitlement to such securities including the dividends and other distributions paid on these securities. The indicative dividend yield on the Basket as of March 1, 2022 was 2.02%, representing an aggregate dividend yield of approximately 10.52% annually compounded over the 5 year term, on the assumption that the dividend yield remains constant. Sufficiently weak performance by some of the Shares may offset the positive performance of the remaining Shares, resulting in no Variable Return being paid at maturity.
- 100% principal protection guaranteed by RBC at maturity. RBC is rated Aa1 by Moody's, AA- by Standard and Poors and AA by DBRS.
- 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. An early trading charge may apply (initially 3.00%, reducing to 0% after 270 days). Proceeds on sale may be less than the \$100 Principal Amount.
- Registered Account Eligible: RRSPs, RDSPs, RESPs, TFSAs and DPSP.

Company Name	Symbol	Principal Exchange	Company Name	Symbol	Principal Exchange
Advanced Micro Devices, Inc.	AMD	NASDAQ	Intel Corporation	INTC	NASDAQ
Broadcom Inc.	AVGO	NASDAQ	Ford Motor Company	F	NYSE
Qualcomm Incorporated	QCOM	NASDAQ	Starbucks Corporation	SBUX	NASDAQ
Apple Inc.	AAPL	NASDAQ	The Home Depot, Inc.	HD	NYSE
Cisco Systems, Inc.	CSCO	NASDAQ	McDonald's Corporation	MCD	NYSE

SAMPLE CALCULATION OF THE PAYMENT AMOUNT

The examples set out below are included for illustration purposes only. The prices of the Shares included in the Equity Portfolio used to illustrate the calculation of Variable Return are not estimates or forecasts of the Initial Prices and Final Prices of the Shares on which the calculation of the Percentage Change, and in turn the Variable Return, will depend. Each Share is subject to a maximum appreciation of 40.00% (the “**Cap**”). Therefore, the maximum Weighted Component Change for each Share is 4.00% (40.00% Cap multiplied by 1/10 weighting). All examples assume that a Noteholder has purchased Notes with an aggregate principal amount of \$10,000 and that no Extraordinary Event has occurred.

Example #1 – Hypothetical calculation of the Payment Amount where Percentage Change is positive and below the Cap. It is assumed that the Initial Price and the Final Price for each Share are as illustrated below (hypothetical). The Payment Amount would be calculated as follows:

Company Name	Symbol	Base Price	Final Price	Share Price Change %	Component Weight	Weighted Component Change
Advanced Micro Devices, Inc.	AMD	113.83	157.02	33.44%	10.00%	3.344%
Broadcom Inc.	AVGO	570.12	752.63	40.00%	10.00%	4.000%
Qualcomm Incorporated	QCOM	163.69	211.82	40.00%	10.00%	4.000%
Apple Inc.	AAPL	163.20	236.64	35.10%	10.00%	3.510%
Cisco Systems, Inc.	CSCO	54.62	79.20	40.00%	10.00%	4.000%
Intel Corporation	INTC	46.82	67.89	40.00%	10.00%	4.000%
Ford Motor Company	F	16.70	24.22	40.00%	10.00%	4.000%
Starbucks Corporation	SBUX	90.14	130.70	40.00%	10.00%	4.000%
The Home Depot, Inc.	HD	320.25	464.36	40.00%	10.00%	4.000%
McDonald's Corporation	MCD	239.63	347.46	40.00%	10.00%	4.000%
Sum of the Weighted Component Changes						38.85%
Percentage Change						38.85%

Percentage Change = 38.85%

Variable Return = \$10,000.00 × 38.85% = \$3,885.00

Payment Amount = \$10,000.00 + \$3,885.00 = \$13,885.00

A Percentage Change of 38.85% results in an annually compounded rate of return of 6.78%.

Example #2 – Hypothetical calculation of the Payment Amount where the sum of the Weighted Component Changes is negative and therefore the Percentage Change is 0%. It is assumed that the Initial Price and the Final Price for each Share are as illustrated below (hypothetical). The Payment Amount would be calculated as follows:

Company Name	Symbol	Base Price	Final Price	Share Price Change %	Component Weight	Weighted Component Change
Advanced Micro Devices, Inc.	AMD	113.83	134.77	18.40%	10.00%	1.840%
Broadcom Inc.	AVGO	570.12	672.29	17.92%	10.00%	1.792%
Qualcomm Incorporated	QCOM	163.69	70.36	-57.02%	10.00%	-5.702%
Apple Inc.	AAPL	163.20	95.11	-41.72%	10.00%	-4.172%
Cisco Systems, Inc.	CSCO	54.62	14.45	-73.54%	10.00%	-7.354%
Intel Corporation	INTC	46.82	4.73	-89.90%	10.00%	-8.990%
Ford Motor Company	F	16.70	2.90	-82.61%	10.00%	-8.261%
Starbucks Corporation	SBUX	90.14	25.85	-71.32%	10.00%	-7.132%
The Home Depot, Inc.	HD	320.25	134.52	-58.00%	10.00%	-5.800%
McDonald's Corporation	MCD	239.63	90.55	-62.21%	10.00%	-6.221%
Sum of the Weighted Component Changes						-50.00%
Percentage Change						0.00%

As the sum of the Weighted Component Changes is -50.00%, the Percentage Change is 0.00%.

Variable Return = \$10,000.00 × 0.000% = \$0.00

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

A Percentage Change of 0.000% results in an annually compounded rate of return of 0.00%.

An investment in the Notes provides opportunities for investment but may pose risks. See further details in the Information Statement. Specific risks include:

- Interest Payable at Maturity – The Principal Amount plus Variable Return (if any) is payable only at maturity and no return may be payable in respect of the Notes. The repayment of a Noteholder's Principal Amount and payment of Variable Return, if any, is subject to the creditworthiness of Royal Bank.
- The Notes may not be suitable for all investors and RBC DS may engage in activities that could adversely impact the Notes.
- Secondary Market Price – The price for the Note in any secondary market will be based on market conditions and could be above or below the \$100 Principal Amount, subject to an early trading fee of up to 3.00%. RBC reserves the right not to make a secondary market.
- Extraordinary Events – The payment of Variable Return could be accelerated or delayed due to the occurrence of certain Extraordinary Events.
- Impact of the cap on return – The return on the Note is limited to 40%, equivalent to a compound annual rate of 6.96%.

The Information Statement in respect of the RBC Principal Protected US Large Cap Growth Notes (CAD), Series 23 (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.