



# RBC Principal Protected S&P 500® Inverse Capped LEOS® (CAD), Series 4, F-Class

**1.00 year term**

**100%** Principal Protection at Maturity

**100% Participation** in the negative performance of the Underlying Index, up to a cap

This Note is a 1.00 year investment designed to provide exposure to the inverse return of the S&P 500®. Investors will receive 100.00% of the absolute value of the percentage change, up to a cap of 24.00%, should the Underlying Index decrease in value and will receive their full principal amount at maturity should the Underlying Index increase in value. The principal amount is guaranteed by RBC on the maturity date of July 29, 2025.

**Offering Closes**

July 23, 2024

**Issue Date**

July 25, 2024

**Maturity Date**

July 29, 2025

**Fundserv**

RBC11348

**Website**

[www.rbcnotes.com](http://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**

<b>Issuer:</b>	Royal Bank of Canada
<b>Currency:</b>	CAD
<b>Term:</b>	Approximately 1.00 year
<b>Underlying Index:</b>	The Variable Return will be determined by reference to the negative price performance of the S&P 500® Index (the “ <b>Index</b> ”). Notes 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 of the Index as of July 5, 2024 was 1.37%.
<b>Variable Return:</b>	The Variable Return, if any, on each Note upon maturity will be an amount equal to: <ul style="list-style-type: none"> <li>if the Percentage Change is negative, declining by more than 24.000%, the Principal Amount multiplied by the Participation Rate multiplied by the Cap;</li> <li>if the Percentage Change is negative, declining by 24.000% or less, the Principal Amount multiplied by the Participation Rate multiplied by the absolute value of the Percentage Change; or</li> <li>if the Percentage Change is zero or positive, then the Variable Return will be \$0.00.</li> </ul> <p>The Variable Return, if any, will not be less than zero and will not exceed 24.000% of the Principal Amount. The maximum Variable Return will be earned if the Index decreases by 24.000% or more from the Initial Valuation Date to the Final Valuation Date.</p>
<b>Participation Rate:</b>	100.00%, applied only if the Percentage Change is negative.
<b>Cap:</b>	The Index is subject to a maximum depreciation of 24.000% (the “ <b>Cap</b> ”). As a result of the Cap, the maximum Variable Return on each Note would be 24.000%, equivalent to an annually compounded rate of return of 24.00%.
<b>Credit Rating:</b>	100% principal protection guaranteed by RBC at maturity. RBC is rated Aa1 by Moody’s, AA- by Standard and Poor’s and AA by DBRS.
<b>Secondary Market:</b>	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 \$100 Principal Amount.
<b>Eligibility for Investment:</b>	RRSPs, RRIFs, TFSA, FHSAs, RDSPs, RESPs and DPSPs.

## 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. The Index is subject to a maximum depreciation of 24.000% (the “Cap”). All examples assume that a Noteholder has purchased Notes with an aggregate principal amount of \$10,000.00 and that no Extraordinary Event has occurred. Capitalized terms which are not otherwise defined herein are defined under “Definitions” in the Information Statement.

### Example #1 — Hypothetical calculation of the Payment Amount where the Percentage Change of the Index is negative, declining by more than 24.000% and therefore capped at 24.000%.

It is assumed that the Base Level of the Index is 5,567.19 and the Settlement Level of the Index is 2,783.60 (hypothetical). The Payment Amount would be calculated as follows:

$$\begin{aligned} \text{Base Level} &= 5,567.19 \\ \text{Settlement Level} &= 2,783.60 \\ \text{Percentage Change} &= (2,783.60 - 5,567.19) / 5,567.19 = -0.50000 \text{ or } -50.000\% \\ \text{Participation Rate} &= 100\% \\ \text{Cap} &= 24.000\% \\ \text{Variable Return} &= \$10,000.00 \times 100\% \times 24.000\% = \$2,400.00 \\ \text{Payment Amount} &= \$10,000.00 + \$2,400.00 = \$12,400.00 \end{aligned}$$

In this example, the Payment Amount provides a return equivalent to an annually compounded rate of return of 24.00%

### Example #2 — Hypothetical calculation of the Payment Amount where the Percentage Change of the Index is negative, declining by 24.000% or less.

It is assumed that the Base Level of the Index is 5,567.19 and the Settlement Level of the Index is 4,398.08 (hypothetical). The Payment Amount would be calculated as follows:

$$\begin{aligned} \text{Base Level} &= 5,567.19 \\ \text{Settlement Level} &= 4,398.08 \\ \text{Percentage Change} &= (4,398.08 - 5,567.19) / 5,567.19 = -0.21000 \text{ or } -21.000\% \\ \text{Absolute value of the Percentage Change} &= 0.21000 \text{ or } 21.000\% \\ \text{Participation Rate} &= 100\% \\ \text{Variable Return} &= \$10,000.00 \times 100\% \times 21.000\% = \$2,100.00 \\ \text{Payment Amount} &= \$10,000.00 + \$2,100.00 = \$12,100.00 \end{aligned}$$

In this example, the Payment Amount provides a return equivalent to an annually compounded rate of return of 21.00%

### Example #3 — Hypothetical calculation of the Payment Amount where the Percentage Change of the Index is zero or positive and therefore, the Variable Return is deemed to be zero.

It is assumed that the Base Level of the Index is 5,567.19 and the Settlement Level of the Index is 6,123.91 (hypothetical). The Payment Amount would be calculated as follows:

$$\begin{aligned} \text{Base Level} &= 5,567.19 \\ \text{Settlement Level} &= 6,123.91 \\ \text{Percentage Change} &= (6,123.91 - 5,567.19) / 5,567.19 = 0.10000 \text{ or } 10.000\% \\ \text{Variable Return} &= \$0.00 \\ \text{Payment Amount} &= \$10,000.00 + \$0.00 = \$10,000.00 \end{aligned}$$

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

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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 positive) is payable only at maturity.
- Noteholders do not have ownership in the Underlying Index, the Target Index or in the securities of the entities that comprise the Target Index and therefore are not entitled to receive dividends or other distributions paid on these securities.
- 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 \$100 Principal Amount. 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.

The Information Statement in respect of the RBC Principal Protected S&P 500® Inverse Capped LEOS® (CAD), Series 4, F-Class (the “Information Statement”) and this highlight document does 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. 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. 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.