



RBC TEAM RoC Yield Securities

GLOBAL INVESTMENT SOLUTIONS

FOR THE INFORMATION OF INVESTORS IN OUTSTANDING RBC TEAM ROC YIELD SECURITIES ONLY

Investment Objective:

The RBC Tactical Equity Allocation Model (TEAM) RoC Yield Securities are designed to provide investors with “long” exposure to RBC’s proprietary 8-factor quantitative model (the “Model”), with the ability to allocate to fixed income investments based on the trend of the S&P/TSX Composite Index (“Index”). The goal of this strategy is to be exposed to the shares selected by the Model when the trend is positive for the equity markets and to reduce or eliminate equity exposure as the trend for the equity markets becomes negative.

Tax Deferred:

No taxable event until maturity or disposition.
No tax as a result of Portfolio changes or rebalancing.

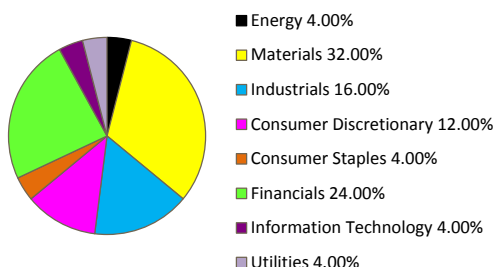
Benchmark:

S&P/TSX Composite Index

Asset Class:

Canadian equity

PORTFOLIO ALLOCATION



¹ This Historical Secondary Market Price chart reflects the historical closing secondary market price of RBC TEAM RoC Yield Securities, Series 1P – F-Class (the “Series 1P – F-Class”) for each day such secondary market was open for trading and the percentage change of the level of the Index since the Issue Date of Series 1P – F-Class on September 7, 2012. The Series 1P – F-Class is the initial implementation of the RBC TEAM RoC Yield Securities strategy and is structured substantially the same as the publicly offered RBC TEAM RoC Yield Securities. The closing secondary market price of Series 1P – F-Class on its Issue Date was \$100.00. For Series 1P – F-Class, an amount equal to \$98.18 per Debt Security was notionally invested in the Portfolio on the Issue Date. The secondary market price at any particular time is the price at which a holder of RBC TEAM RoC Yield Securities could dispose of such securities resold using the FundSERV network, excluding any applicable early trading charge. The secondary market price may not be the same as, and may be substantially different from the NAV per Debt Security. The NAV per Debt Security between different series of RBC TEAM RoC Yield Securities may differ for various reasons including as a result of different levels of Note Program Amounts, applicable early trading charges and the issue date for a particular series. The difference in NAV per Debt Security between the Debt Securities for different series of RBC TEAM RoC Yield Securities could result in different secondary market prices for Debt Securities of different series of RBC TEAM RoC Yield Securities. The historical secondary market price for RBC TEAM RoC Yield Securities which are not Series 1P – F-Class may differ from the historical secondary market price for Series 1P – F-Class Debt Securities because the different Note Program Amounts for the different series of RBC TEAM RoC Yield Securities may affect the secondary market price of such Debt Securities. A series of RBC TEAM RoC Yield Securities with a Note Program Amount which is higher than the Note Program Amount for Series 1P – F-Class would likely have a lower secondary market price than the secondary market price for Series 1P – F-Class. Prior historical secondary market prices of Series 1P – F-Class are not necessarily indicative of any future secondary market price for Series 1P – F-Class or other RBC TEAM RoC Yield Securities. There is no assurance that a secondary market for the Debt Securities will develop or be sustained.

² See footnote 2 on page 2.

EQUITY INVESTMENT – OCTOBER 2016

Sector	Symbol	Company	Weight	Rank	Dividend Yield (%)
Energy	ECA	Encana Corp	4.00%	3	0.58
Materials	FM	First Quantum Minerals Ltd	4.00%	2	0.09
	PAA	Pan American Silver Corp	4.00%	7	0.28
	THO	Tahoe Resources Inc	4.00%	8	1.88
	TCK.B	Teck Resources Ltd	4.00%	11	0.42
	AEM	Agnico Eagle Mines Ltd	4.00%	20	0.74
	AGI	Alamos Gold Inc	4.00%	43	0.25
	ABX	Barrick Gold Corp	4.00%	47	0.45
	YRI	Yamana Gold Inc	4.00%	50	0.46
Industrials	CAE	CAE Inc	4.00%	4	1.72
	WJA	WestJet Airlines Ltd	4.00%	9	2.44
	WCN	Waste Connections Inc	4.00%	19	0.78
	SNC	SNC-Lavalin Group Inc	4.00%	29	2.02
Consumer Discretionary	LNR	Linamar Corp	4.00%	5	0.73
	QBR.B	Quebecor Inc	4.00%	18	0.45
	DOL	Dollarama Inc	4.00%	28	0.39
Consumer Staples	MFI	Maple Leaf Foods Inc	4.00%	31	1.20
Financials	IAG	Industrial Alliance Insurance & Financial	4.00%	1	2.71
	CM	Canadian Imperial Bank of Commerce/Canada	4.00%	10	4.76
	BNS	The Bank of Nova Scotia	4.00%	13	4.26
	FFH	Fairfax Financial Holdings Ltd	4.00%	14	1.89
	BMO	Bank of Montreal	4.00%	15	4.00
	TD	The Toronto-Dominion Bank	4.00%	30	3.78
Information Technology	OTC	Open Text Corp	4.00%	24	1.40
Utilities	ACO.X	Atco Ltd/Canada	4.00%	26	2.45

Indicated dividend yield on the Underlying Equity Securities as of September 30, 2016 was 1.605%.

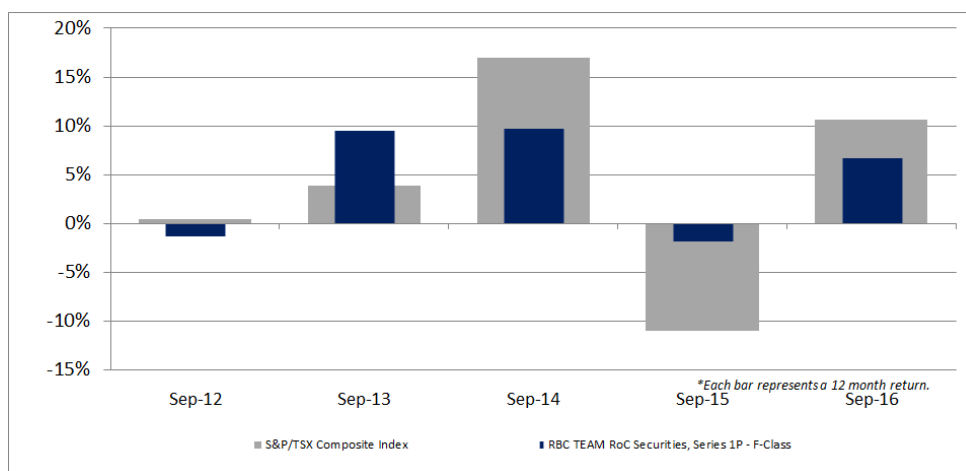
Portfolio Additions

LNR	Linamar Corp	\$55.85
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Portfolio Deletions

OGC	OceanaGold Corp	\$3.71
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HISTORICAL SECONDARY MARKET PRICE^{1, 2}



Returns as of September 30, 2016

	1 month	3 months	YTD	1 year	Since Inception
RBC TEAM RoC Yield Securities, Series 1P – F-Class	1.48%	3.41%	6.43%	6.62%	5.40%
S&P/TSX Composite Index	0.88%	4.70%	13.19%	10.66%	4.60%



THE TEAM MODEL METHODOLOGY

On the last Exchange day of each month, the Strategy compares the closing level of the S&P/TSX Composite Index to its 200-day moving average ("200 DMA") to determine the asset allocation for the following month.

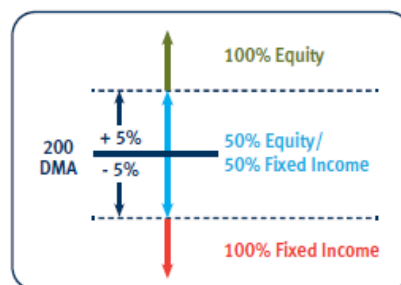
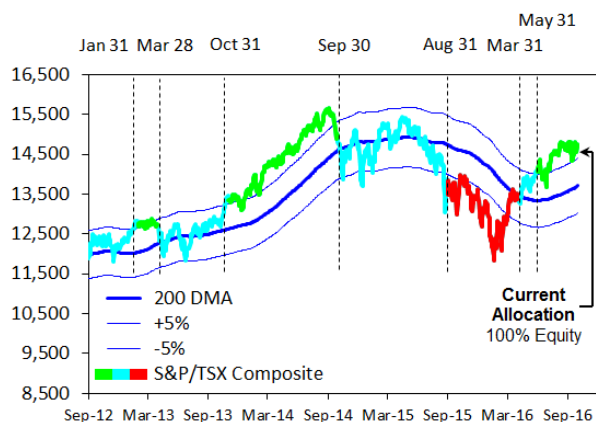
If the Index closes greater than 5% above its 200 DMA, the Strategy will allocate 100% exposure to the Equity Investment.

If the Index closes more than 5% below its 200 DMA, the Strategy will allocate 100% to the Fixed Income Investment.

Within a range of +/- 5% (inclusive) of the 200 DMA, the Strategy will allocate 50% to the Equity Investment and 50% to the Fixed Income Investment.

ASSET ALLOCATION

As of the most recent Allocation Date, the Portfolio was allocated 100% to an Equity Investment. Partial Principal Repayments on the Debt Securities will only be calculated when the Strategy allocates 50% to 100% of the Portfolio to an Equity Investment.



On a monthly basis, an asset allocation decision is made based on the level of the S&P/TSX Composite Index relative to its 200 DMA.

THE EQUITY INVESTMENT METHODOLOGY

The equity Portfolio: Review equity Portfolio on a monthly basis and adjust notional holdings and weights.

- > Only the largest 100 qualifiers by market cap are eligible to be included
- > The equity Portfolio is reviewed each month after ranks have been updated
- > Stocks are removed if they drop below the 50th position in terms of their rank
- > Stocks are removed if they are removed from the Index or suspend their dividend
- > Replacement stocks are the best-ranked stocks not already included in the equity Portfolio
- > At the end of each quarter the equity Portfolio is rebalanced to equal weights

THE UNIVERSE

Dividend yielding large-cap Canadian equities



TAX DEFERRED

- > No taxable event until maturity or disposition
- > No tax on Portfolio changes and rebalancing

THE MODEL		
Rank stocks based on an equally weighted combination of 8 factors that fall into 4 distinct investment themes		
ATTRACTIVE VALUATIONS	Low Price to Earnings	x 1/8
	Low Price to Book Value	x 1/8
SUSTAINABLE GROWTH	High Quarterly Earnings Growth	x 1/8
	High Return On Equity	x 1/8
POSITIVE SENTIMENT	High Earnings Surprise	x 1/8
	High Estimate Revisions	x 1/8
MARKET RECOGNITION	High 3-Month Price Change	x 1/8
	High 6-Month Price Change	x 1/8
		= Total Score

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² The secondary market price of RBC TEAM RoC Yield Securities at any time will generally depend on, among other things, (a) how much the prices of the underlying interests have risen or fallen since the Issue Date of such Debt Securities, (b) the principal amount of the Debt Security, if any, that is guaranteed to be payable on the Maturity Date, and (c) a number of other interrelated factors, including, without limitation, volatility in the prices of the underlying interests, the level of interest rates in the applicable markets, dividend yields on any of the securities, if any, comprising the underlying interest, and the Maturity Date. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the secondary market price of a Debt Security.

Capitalized terms used but not defined herein have the meanings ascribed to such terms in the applicable pricing supplement under which you purchased your RBC TEAM RoC Yield Securities.

An investment in the Debt Securities involves risks. An investment in the Debt Securities is not the same as a direct investment in the securities that comprise the Portfolio and investors have no rights with respect to the securities in the Portfolio. The Debt Securities are considered to be "specified derivatives" under applicable Canadian securities laws. If you purchase Debt Securities, you will be exposed to fluctuations in interest rates and changes in the value of the Portfolio, among other factors. Price changes may be volatile and an investment in the Debt Securities may be considered to be speculative. Since the Debt Securities are not principal protected and the Principal Amount will be at risk, you could lose substantially all of your investment.

The Debt Securities will not constitute deposits insured under the *Canada Deposit Insurance Corporation Act*.