



RBC LiONS Accelerator Notes

Short Term
to Maturity

CAD
Denominated

Accelerated Return
on the Upside

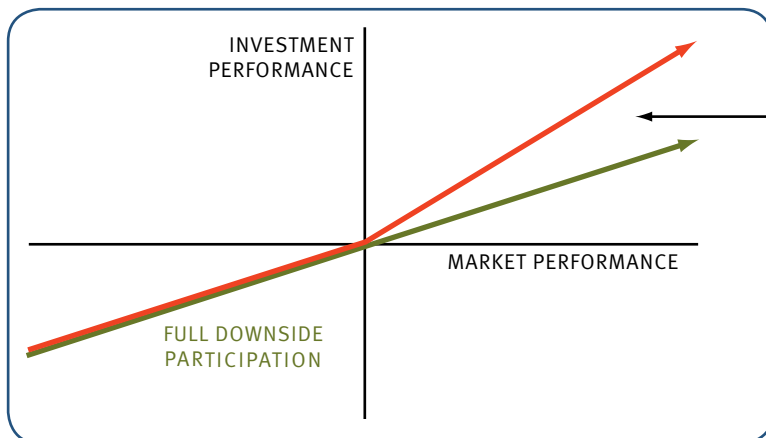
UNDERLYING ASSET CLASSES

- Equities
- Indicies
- Commodities
- Foreign Exchange

INVESTMENT HIGHLIGHTS

- › Return linked to the upside price performance of the Underlying Asset as measured over the term of the Note
- › If held to maturity the return on the Note will never be less than the prize return on the Underlying Asset
- › For any positive performance in the Underlying Asset the investor will receive 100% of the appreciation of the Underlying Asset multiplied by the accelerated participation rate.
- › For any negative performance in the Underlying Asset the investor will receive a return that is equal to the Underlying Asset's return
- › CAD denominated with foreign currency protection (can also be denominated in other major curriencies eg. USD, EUR, etc.)

ILLUSTRATION OF THE PAYMENT AT MATURITY



At maturity, the return of the Note will outperform a direct investment in any positively performing Underlying Asset, excluding dividends.

- Accelerator Note
- Underlying Asset

SAMPLE CALCULATION OF THE PAYMENT AMOUNT

In the sample calculations below, it is assumed that the Initial Underlying Asset Level and Final Underlying Asset Level are as illustrated below. The Participation Rate is 130%. These Levels are hypothetical and are used for illustrative purposes only.

Example #1– Calculation of the Payment at Maturity where the Percentage Change is greater than 0%:

Initial Underlying Asset Level = 1,000
 Final Underlying Asset Level= 1,350
 Percentage Change = $\frac{((\text{Final Underlying Asset Level} - \text{Initial Underlying Asset Level}) / \text{Initial Underlying Asset Level})}{1}$
 $= \frac{((1,350 - 1,000) / 1,000)}{1} = 35\%$

As the Percentage Change is greater than 0%, the Participation Rate of 130% applies. Therefore, the return on the Notes is

$$35\% \times 130\% = 45.5\%$$

Payment at Maturity = $\$10,000 + (\$10,000 \times 45.5\%) = \$10,000 + \$4,550 = \$14,550$

On a \$10,000 investment, a 35% Percentage Change results in a payment at maturity of \$14,550, a 45.5% return on the Note.

Example #2– Calculation of the Payment at Maturity where the Percentage Change is less than 0%:

Initial Underlying Asset Level = 1,000
 Final Underlying Asset Level= 800
 Percentage Change = $\frac{((\text{Final Underlying Asset Level} - \text{Initial Underlying Asset Level}) / \text{Initial Underlying Asset Index Level})}{1}$
 $= \frac{((800 - 1,000) / 1,000)}{1} = -20\%$

Payment at Maturity = $\$10,000 + (\$10,000 \times -20\%) = \$10,000 + \$-2,000 = \$8,000$

On a \$10,000 investment, a -20% Percentage Change results in a payment at maturity of \$8,000, a -20% return on the Note.

This summary is provided for discussion purposes only and it does not constitute either an offer or the solicitation of an offer to enter into a securities or any other transaction. It is not intended to set forth the terms and conditions of any transaction. This summary does not purport to identify or suggest all of the risks (direct or indirect) which may be associated with the proposed investment.

An investment in the Notes provides opportunities for investment but may pose risks. Specific risks include:

- Payment at Maturity – The Payment at Maturity may be less than the \$100 Principal Amount per Note originally invested.
- Interest Payable at Maturity – The Principal Amount plus return (if any) is payable only at maturity.
- 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 per Note. Royal Bank will maintain a secondary market for the Note, but reserves the right not to do so in the future, without providing prior notice to Noteholders.
- Extraordinary Events – The payment at maturity could be accelerated or delayed due to the occurrence of certain Extraordinary Events.