RBC Capital Markets®

EQUITY LINKED SECURITY | **RBC GLOBAL INVESTMENT SOLUTIONS**

RBC LiONS™ Buffered Accelerator Securities

Short Term	Accelerated Upside	Buffered Protection
3-5 Years	Participation to a Cap	on the Downside

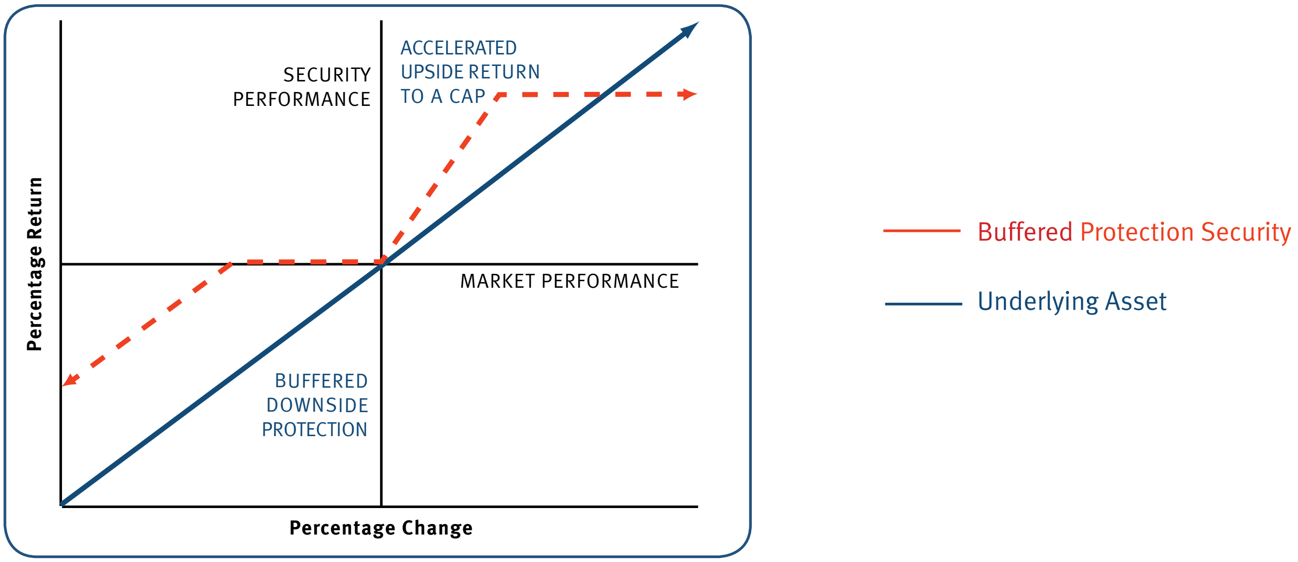
UNDERLYING ASSET CLASSES

- Equities
- Indices
- Commodities
- Foreign Exchange

INVESTMENT HIGHLIGHTS

- Return linked to the upside price performance of the Underlying Asset as measured over the term of the security.
- For any positive performance in the Underlying Asset the investor will receive 100% of the appreciation of the Underyling Asset subject to a Cap on return, multiplied by the accelerated Participation Rate.
- For negative performance whose absolute value is less than the Buffer, the investor will receive a return of the Principal Amount.
- For negative performance whose absolute value is greater than the Buffer, the investor will receive a return equal to the performance of the Underlying Asset plus the Buffer.
- CAD denominated with foreign currency protection (can also be denominated in other major currencies eg. USD, EUR, etc.)

ILLUSTRATION OF THE PAYMENT AT MATURITY



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 Buffer is 15%, the Cap is 30% and the Participation Rate is 150%. The term of the security in this example is 3 years. These Levels are hypothetical and are used for illustrative purposes only.

Example #1– Calculation of the Redemption Amount where the Percentage Change is positive and less than the Cap:

Initial Underlying Asset Level = 1,000
Final Underlying Asset Level = 1,150
Percentage Change = ((1,150 – 1,000) / 1,000) = 0.15000 or 15.000%
Since the Percentage Change is positive and less than the Cap, the Redemption Amount is calculated as follows:
Redemption Amount = $100 + ($100 x 150% x 15.000%) = $122.50

In this example, the Redemption Amount provides a return equivalent to an annual rate of 7.00%.

Example #2– Calculation of the Redemption Amount where the Percentage Change is positive and greater than the Cap:

Initial Underlying Asset Level = 1,000
Final Underlying Asset Level = 1,500
Percentage Change = ((1,500 – 1,000) / 1,000) = 0.50000 or 50.000%
Since the Percentage Change is greater than the Cap, the Redemption Amount is calculated as follows:
Redemption Amount = $100 + ($100 x 150% x 30.000%) = $145.00

In this example, the Redemption Amount provides a return equivalent to an annual rate of 13.185%. Therefore in this example the maximum Redemption Amount on each $100 Principal Amount Security at maturity is $145 (30.000% x 150% Participation Rate).

Example #3– Calculation of the Redemption Amount where the Percentage Change is negative, and its absolute value is less than the Buffer (ie, the Underlying Asset has fallen in value but by less than 15%):

Initial Underlying Asset Level = 1,000
Final Underlying Asset Level = 900
Percentage Change = ((900 – 1,000) / 1,000) = -0.10000 or -10.000%
Since the Percentage Change is negative and is less than the Buffer, the Redemption Amount = $100.

In this example, the Redemption Amount is equivalent to a return of the Principal Amount.

Example #4– Calculation of the Redemption Amount where the Percentage Change is negative and its absolute value is greater than the Buffer.

Initial Underlying Asset Level = 1,000
Final Underlying Asset Level = 700
Percentage Change = ((700 – 1,000) / 1,000) = -0.30000 or -30.000%
Since the Percentage Change is negative and is greater than the Buffer, the Redemption Amount is calculated as follows:
Redemption Amount = $100 + [$100 x (-30.000% + 15.000%)] = $85.00

In this example, the Redemption Amount is equivalent to an annual loss rate of 5.27%.

An investment in the securities 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 security 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 security in any secondary market will be based on market conditions and could be above or below the $100 Principal Amount per security. Royal Bank will maintain a secondary market for the security, but reserves the right not to do so in the future, without providing prior notice to security holders.
- Extraordinary Events – The payment at maturity could be accelerated or delayed due to the occurrence of certain Extraordinary Events.