Information Statement
Dated January 16, 2008

This Information Statement 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.

In Canada, the offering and sale of the Notes 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 except in circumstances which do not constitute a public offering or distribution under the laws of the jurisdiction where the Notes are to be offered or sold. Royal Bank and the selling agents require persons into whose possession this 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 except in certain transactions exempt from the registration requirements of the United States Securities Act of 1933.

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.

RBC Financial Group

RBC AIM TRIMARK GLOBAL DIVERSIFIED DEPOSIT NOTES, SERIES 7 (RETURN OF CAPITAL SERIES)

Price: $100 Per Note
Minimum Purchase: $5,000 or 50 Notes
Minimum Issue Size: $2,000,000 or 20,000 Notes

This document describes deposit notes (each, a "**Note**" and collectively, the "**Notes**") proposed to be issued by Royal Bank of Canada ("**Royal Bank**", "**we**", "**our**" or "**us**"). The Notes have been designed to offer investors a principal protected product that matures on or about March 13, 2015 (the "**Maturity Date**") and provides exposure to the performance of a notional portfolio (the "**Notional Portfolio**") of assets allocated dynamically over the term of the Notes between (i) a notional equity account (the "**Equity Account**") and (ii) a notional bond account (the "**Bond Account**"). The Equity Account will be a notional account comprised of units and shares (such units and shares being the "**Units**"), as the case may be of two open-end mutual funds (each a "**Fund**" and together the "**Funds**"), initially weighted as follows:

Fund	Weight
Trimark Global Balanced Fund (Series A units)	50%
Trimark Diversified Income Class (Series T8 shares)	50%

Each of the Funds is managed by AIM Funds Management Inc. (the "**Fund Manager**"). The Bond Account will be a notional account comprised of bonds (the "**Bonds**") which are notional obligations with an implicit yield to maturity equal to the inter-bank swap rate for a term equal to the remaining term of the Notes at the time the Bonds are purchased and that pay a quarterly coupon of 0.30% per annum. For more detailed information on the Fund Manager, the Equity Account and the Funds see "*Information Regarding the Equity Account*". For more detailed information on the Bond Account and the circumstances where assets in the Notional Portfolio would be allocated to the Bond Account, see "*Notional Portfolio and Loan*" and "*Notional Portfolio Allocation Rules*".

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For each Note, Royal Bank will: (a) repay to the holder of the Note (a "**Noteholder**"), on the 15th day of each month and the Maturity Date (each a "**Monthly Partial Principal Repayment Date**") a portion of the $100 original principal amount of each Note (the "**Original Principal Amount**") equal to 0.42% of the value of the Equity Account at the close of business on the fifth full trading day on each exchange for the securities of the companies comprising the Funds or for related contracts, options or instruments (such a day being an "**Exchange Day**") immediately preceding the Monthly Partial Principal Repayment Date, divided by the number of Notes of such Series outstanding, subject to a cumulative maximum of $99 per Note (each such repayment being a "**Monthly Partial Principal Repayment**"); (b) repay the unpaid balance of the Original Principal Amount of the Note outstanding (the "**Principal Outstanding**") at the Maturity Date; and (c) pay a final variable return at the Maturity Date equal to the sum of (i) the amount, if positive, by which the final net asset value per Note ("$\mathbf{NAV_{FINAL}}$") on the third Exchange Day prior to the Maturity Date, minus the Distribution Account value at such time exceeds the Original Principal Amount of the Note and (ii) an additional amount at the Maturity Date equal to the amount (if any) by which an amount established at issue (anticipated to be approximately $102) and discounted at the one year average rate for Canadian dollar bankers acceptances, as determined by the Calculation Agent, prevailing at the Maturity Date exceeds the Principal Outstanding on the Maturity Date. The Monthly Partial Principal Repayments and the payment at the Maturity Date of the Principal Outstanding ensure that the Original Principal Amount of each Note will have been repaid by the Maturity Date, regardless of the performance of the Notional Portfolio. The actual calculation of returns payable to Noteholders is more fully described below under *"Payments Under the Notes"*.

The Monthly Partial Principal Repayment of 0.42% of the value of the Equity Account is equal to an annualized repayment of 5.04% (assuming a constant value of the Equity Account). If the actual amount of ordinary cash distributions paid in respect of the Units notionally included in the Equity Account is less than 5.04% annually, payment of the Monthly Partial Principal Repayment will require a notional liquidation of assets in the Equity Account in an amount equal to 5.04% minus the then-current annual amount of ordinary cash distributions paid in respect of the Units notionally included of the Equity Account, calculated on a monthly basis before giving effect to any liquidation required to pay the portion of the Portfolio Fee (as defined below) that is based on the value of the Equity Account. The average annual gross yield of the Units of the Funds as of November 30, 2007 was 2.64%.

Exposure to the Equity Account may be leveraged, from time to time, through a notional revolving loan (the "**Loan**"), the amount of which will vary, and may be zero, depending upon the value of the Equity Account, interest rates and fees payable from time to time. The Loan will effectively provide leverage in the Equity Account at an implicit cost equal to the Bank of Canada overnight call loan rate plus 0.25% (which will be deducted from the value of the Notional Portfolio). Initially, 100% of the assets in the Notional Portfolio will be allocated to the Equity Account. The initial amount of the Loan will be $5 per Note and a selling fee of $5 per Note will be paid to the selling agents. The initial value of the Equity Account will therefore be $100 per Note ($100 original principal amount - $5 selling fee + $5 loan = $100).

Amounts equal to all cash dividends and other ordinary cash distributions (of an income or capital nature) in respect of Units that are notionally included in the Equity Account on the record date will be credited to a notional distribution account. All other dividends or distributions in respect of the Units (e.g. non-cash distributions) will be credited to the Equity Account.

The calculation agent appointed from time to time by Royal Bank (the "**Calculation Agent**") will be paid a portfolio fee (the "**Portfolio Fee**") equal to (i) 2.45% per annum of the average daily value of the Equity Account, plus (ii) 0.30% per annum of the face amount of the Bonds in the Bond Account, in each case calculated by the Calculation Agent on a daily basis and paid quarterly in arrears. The portion of the Portfolio Fee referenced in (i) will be notionally paid from cash in the Equity Account (which may require a notional liquidation of assets in the Equity Account) and/or by drawdown of the Loan, as the Calculation Agent may determine. The portion of the Portfolio Fee referenced in (ii) will be effectively funded through the monthly coupons payable on the Bonds.

The Calculation Agent will apply predefined rules (the "**Notional Portfolio Allocation Rules**") to govern from time to time how much of the Loan is drawn down and the allocation of the Notional Portfolio between the Equity Account and the Bond Account. Generally, the Notional Portfolio will be "re-balanced" and the Loan re-adjusted, as necessary, so that the

Exposure (as defined in accordance with the Notional Portfolio Allocation Rules) would be approximately equal to the Target Exposure (as defined in accordance with the Notional Portfolio Allocation Rules) if the re-balancing transactions had occurred on the date of measurement. If the value of the assets in the Equity Account declines to a point where the Distance (as defined in accordance with the Notional Portfolio Allocation Rules) is less than or equal to 2%, then the Notional Portfolio will be re-balanced such that the value of all assets in the Equity Account is applied first to reduce any outstanding Loan amount and accrued Portfolio Fee and second to increase the value of Bonds in the Bond Account. The Notional Portfolio will thereafter consist entirely of Bonds until the maturity of the Notes.

If certain extraordinary events occur, the composition of the Notional Portfolio will be changed so that it is comprised entirely of Bonds, in which case Monthly Partial Principal Repayments would thereafter be eliminated and any return payable under the Notes at maturity may be reduced or eliminated. A Noteholder will not receive full payment of the Original Principal Amount of a Note prior to maturity. Those events that may constitute an extraordinary event are listed under "*Definitions*" and some of the potential consequences of such extraordinary events are summarized below under *"Answers to Frequently Asked Questions"* and *"Notional Portfolio and Loan – Consequences of an Extraordinary Event"*.

The Notes may be purchased, settled and otherwise dealt with in accordance with the clearing and settlement procedures and services operated by FundSERV Inc. ("**FundSERV**") and certain other rules and protocols established with dealers and financial advisors in connection with such services. Some of the potential implications to Noteholders of these procedures are summarized below under *"Answers to Frequently Asked Questions"* and *"Related Matters – Resale of Notes Through FundSERV"*. Royal Bank will pay selling agents a fee of 5% of the Original Principal Amount of each Note sold and RBC Dominion Securities Inc. ("**RBC DS**") will pay selling agents an annual fee of 0.25% of the average daily value of the Equity Account, paid quarterly in arrears out of the proceeds of the Portfolio Fee.

RBC DS intends to take steps to establish a secondary market for the Notes. Any resale of Notes will be subject to certain procedures, requirements and limitations established by FundSERV. The price paid to a Noteholder in connection with any resale through FundSERV will be determined based on the net bid price calculated at the close of business on the business day on which the Noteholder placed the order. Any resale made during the first three (3) years after the Notes are issued will reflect a pre-determined deferred sales charge. The Notes will not be listed on any stock exchange and may be dealt with through FundSERV. Despite the intention of RBC DS to take steps to establish a secondary market for the Notes, RBC DS reserves the right, without providing prior notice to Noteholders, to choose not to do so in its sole discretion. If RBC DS determines to stop facilitating a secondary market for the Notes, Noteholders may not be able to resell their Notes through the FundSERV system. There is no guarantee that any secondary market that may develop in respect of the Notes will be liquid or sustainable. The value of a Note in any secondary market may be less than the Original Principal Amount. Consequently, the Notes should not be viewed as trading instruments. See "*Related Matters – Plan of Distribution*" and "*Related Matters – Resale of Notes Through FundSERV*".

The Notes will evidence deposit liabilities of Royal Bank (credit rating: Moody's Aaa; Standard & Poor's AA-; DBRS AA) and will rank equally and rateably with all other deposit liabilities of Royal Bank and by their terms will be fungible. **Holders of the Notes will not have the benefit of any insurance under the provisions of the Canada Deposit Insurance Corporation Act (Canada).**

The Notes provide opportunities for investment but may pose risks. Certain of these risks result from the possibility of fluctuations in interest rates and of changes in the values of the constituent elements of the Notional Portfolio including the Units and Bonds. The Notes are subject to certain risks that are distinct from a direct investment in the Units and Bonds. For example, return on the Notes will be subject to reduction to reflect certain fees and expenses, and the application of the Notional Portfolio Allocation Rules may exaggerate the potentially adverse effect of a decline in the value of the Units. You should carefully consider the risks involved in purchasing Notes before reaching an investment decision and you should discuss with your advisors the suitability of purchasing Notes in light of your particular investment objectives and after reviewing all available information, including the information provided in this Information Statement. See "*Certain Risk Factors*".

The Notes will be represented by a global note, which will be held by and registered in the name of The Canadian

Depository for Securities Limited ("**CDS**") or its nominee. Royal Bank will, directly or indirectly through its CDS participant, hold all of the beneficial interests in the Notes for and on behalf of Noteholders and, through its agent RBC DS (which may delegate its responsibilities, without notice to Noteholders, to, and in reliance upon, third party service providers), will record the respective Noteholders' beneficial interests in the Notes as instructed by the dealers and financial advisors representing such Noteholders through FundSERV.

A person may rescind any order to buy a Note (or its purchase if issued) within 48 hours of the earlier of actual receipt and deemed receipt of this Information Statement. Upon rescission, the person is only entitled to a refund of the Original Principal Amount of each Note and any fees relating to the purchase that have been paid by the person. This rescission right does not extend to purchasers buying a Note in the secondary market. A person will be deemed to have received this Information Statement (i) on the day recorded as the time of sending by the server or other electronic means, if provided by electronic means; (ii) on the day recorded as the time of sending by fax machine, if provided by fax; (iii) five days after the postmark date, if provided by mail; and (iv) when it is received, in any other case.

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Royal Bank of Canada

RBC AIM Trimark Global Diversified Deposit Notes, Series 7 (Return of Capital Series)

SUMMARY

*The following is a summary of the basic terms of the RBC AIM Trimark Global Diversified Deposit Notes, Series 7 (Return of Capital Series) (individually a "**Note**" and collectively the "**Notes**"). All references to the Notes and a Note contained in this Information Statement will include the Global Note. Unless otherwise indicated, references to "**$**" are to Canadian dollars. Capitalized terms that are not otherwise defined herein are defined under "Definitions".*

Issuer:	Royal Bank of Canada ("**Royal Bank**", "**we**", "**our**" or "**us**"). Our head office is located at 200 Bay Street, Toronto, Ontario, M5J 2J5.
Issue Date:	On or about March 13, 2008.
Maturity Date and Term:	On or about March 13, 2015 (resulting in a term to maturity of approximately 7 years).
Principal Amount:	The Notes will be sold in denominations of $100 per Note (the "**Original Principal Amount**") with a minimum subscription of 50 Notes per Noteholder.
Principal Amount Repayment:	If the Notes are held until the Maturity Date, the full Original Principal Amount of each Note will have been repaid by the Maturity Date (regardless of the performance of the Notional Portfolio and even if the NAV_{Final} is less than $100 for any reason).
Notional Portfolio:	Return on the Notes will be reflected in the Final Variable Return, if any, which will be based on the Additional Amount and the Capital Appreciation. The Monthly Partial Principal Repayments and the Capital Appreciation impact the Final Variable Return and are linked to the performance of the Notional Portfolio. The Notional Portfolio will consist of assets allocated dynamically over the term of the Notes between the Equity Account, which is a notional account comprised of the Units and, in certain circumstances, the Bond Account, which is a notional account comprised of Bonds. Exposure to the Equity Account may be leveraged from time to time through the Loan. Noteholders will not have any ownership interest in the Funds, the Equity Account, the Bonds or the Bond Account at any time. For more detailed information on the Fund Manager and the Equity Account, see "*Information Regarding the Equity Account*". For more detailed information on the Bond Account and the circumstances where assets in the Notional Portfolio would be allocated to the Bond Account, see "*Notional Portfolio and Loan*" and "*Notional Portfolio Allocation Rules*".
Monthly Partial Principal Repayment Date:	The 15th day of each month and the Maturity Date commencing on April 15, 2008 and ending on the Maturity Date; provided, that if such day is not a Business Day, then such payment date will be the next Business Day without any additional amount to be payable for such delay in respect of interest or otherwise.
Monthly Partial Principal Repayments:	On each Monthly Partial Principal Repayment Date, a Monthly Partial Principal Repayment will be made on each Note in Canadian dollars in each case in an amount (the "**Monthly Partial Principal Repayment Amount**")

equal to 0.42% of the Equity Account Value at the close of business on the fifth Exchange Day immediately preceding the Monthly Partial Principal Repayment Date, divided by the number of Notes outstanding, subject to a cumulative maximum repayment of $99 per Note. Monthly Partial Principal Repayments will be notionally funded by the Distributions on the Units comprising the Equity Account on the record date. The remainder of the Monthly Partial Principal Repayment Amount for any month will be funded by a notional liquidation of assets in the Equity Account. If, prior to the Maturity Date, the aggregate Monthly Partial Principal Repayments reach $99, then no further Monthly Partial Principal Repayments will be made thereafter and all further Distributions will be credited to the Notional Portfolio. See "*Payments Under the Notes – Payments Prior to Maturity - Monthly Partial Principal Repayments*".

The Monthly Partial Principal Repayment Amount of 0.42% of the Equity Account Value is equal to an annualized repayment of 5.04% (assuming a constant Equity Account Value). If the actual amount of ordinary cash distributions paid in respect of the Units notionally included in the Equity Account is less than 5.04% annually, payment of the Monthly Partial Principal Repayment Amount will require the notional liquidation of Units in the Equity Account in an amount equal to 5.04% minus the then-current annual amount of ordinary cash distributions paid in respect of the Units notionally included in the Equity Account, based on a monthly basis before giving effect to any liquidation required in respect of the portion of the Portfolio Fee that is based on the value of the Equity Account. The average annual gross yield of the Units of the Funds as of November 30, 2007 was 2.64%.

Undiscounted Future Amount: An amount in excess of $100 established by the Calculation Agent at the Issue Date and currently anticipated to be $102 based on conditions existing as at the date of this Information Statement.

Additional Amount: An amount, which may be positive or negative, which will be calculated at the Maturity Date to be equal to the difference between (1) the Undiscounted Future Amount discounted for a term of one year at the one year CAD BA CDOR rate prevailing at the Maturity Date and (2) the Principal Outstanding at the Maturity Date. The sum of the Additional Amount and Principal Outstanding at the Maturity Date may be less than, more than or equal to the Original Principal Amount.

The Capital Appreciation is linked to the NAV_{Final}. The Capital Appreciation, if any, per Note will be payable on the Maturity Date in the amount, if any, by which the NAV_{Final} exceeds the Original Principal Amount. See "*Payments under the Notes – Payments on Maturity*".

Final Variable Return: The Final Variable Return, if any, per Note will be payable on the Maturity Date in the amount equal to the sum of (i) the Capital Appreciation and (ii) the Additional Amount; provided, however, that in no circumstances can the Final Variable Return be less than zero. See *"Payments under the Notes - Payments on Maturity"*.

Equity Account: The Equity Account for each Series will be a notional account comprised of units and shares (such units and shares being the "**Units**"), as the case may be, of two open-end mutual funds (each a "**Fund**" and together the "**Funds**"), initially weighted as follows:

Fund	Weight
Trimark Global Balanced Fund (Series A units)	50%
Trimark Diversified Income Class (Series T8 shares)	50%

Each of the Funds is managed by the Fund Manager. See "*Information Regarding the Equity Account*". Notional purchases and sales of Units in or from the Equity Account after the Issue Date will be valued as to the respective Canadian dollar market values existing upon the occurrence of an Allocation Event. The Equity Account will be valued daily by the Calculation Agent using published closing prices.

Distribution Account: An amount equal to all cash dividends and other ordinary cash distributions in respect of Units notionally included in the Equity Account on the record date will be credited to the Distribution Account when paid. The Distribution Account will notionally fund the payment of the Monthly Partial Principal Repayments. If the funds in the Distribution Account are insufficient to pay the Monthly Partial Principal Repayment as of the fifth Exchange Day immediately preceding the relevant Monthly Partial Principal Repayment Date an amount will be deducted from the Equity Account (which may require a notional liquidation of assets in the Equity Account) and credited to the Distribution Account by the Calculation Agent. Upon payment of each Monthly Partial Principal Repayment, the Monthly Partial Principal Repayment Amount will be deducted from the Distribution Account.

Loan and Loan Amount: The value of the Equity Account may be leveraged from time to time through a notional revolving loan. The Loan Amount that may be outstanding from time to time will depend on the Notional Portfolio Allocation Rules, which will factor in the value of the Equity Account, the applicable interest rate, interest amounts and other fees payable from time to time. The Loan Amount may increase (i.e. be drawn down) or decrease (i.e. be repaid) upon the occurrence of an Allocation Event. The Notional Portfolio Allocation Rules will effectively limit the Loan Amount by imposing a maximum Target Exposure of 200% and the Loan Amount will be limited to no more than $105 per Note. The value of the Notional Portfolio will be reduced to reflect the implicit costs associated with the Loan. In effect, Noteholders pay the implicit costs of such borrowings by way of a reduction in the value of the Notional Portfolio. The implicit cost of such borrowings will equal the Bank of Canada overnight call loan rate plus 0.25%.

Bond Account: The Bond Account will be comprised of notional bonds (the "**Bonds**"). The Bonds will be notional obligations denominated in Canadian dollars that have an implicit yield to maturity equal to the inter-bank swap rate for a term equal to the remaining term of the Notes at the time the Bonds are purchased and that pay a quarterly coupon at a rate of 0.30% per annum.

Notional Portfolio Allocation Rules: The Notional Portfolio Allocation Rules will dictate the allocation of the Notional Portfolio from time to time between Equity Account and the Bond

Account, and the use of leverage through the Loan. The Calculation Agent will be responsible for applying the Notional Portfolio Allocation Rules, including the allocation between the Equity Account and the Bond Account, and the drawdown or repayment of the Loan.

Stated generally, the initial allocation to the Equity Account will be 100% of the Original Principal Amount minus the $5 selling fee plus an Initial Loan Amount of $5, in each case per Note, such that the value allocated to the Equity Account is $100 ($100 original principal amount - $5 selling fee + $5 loan = $100) and the initial NAV is $95 per Note ($100 Equity Account Value minus $5 Loan Amount = $95). The Notional Portfolio Allocation Rules will be applied daily and, if the absolute value of the difference between the Target Exposure and the Exposure (i) within the initial 91 calendar days from the Issue Date is greater than 25%, and (ii) after the initial 91 calendar days from the Issue Date is greater than 5% (an "**Allocation Event**"), the Notional Portfolio will be re-balanced and the Loan Amount re-adjusted so that the Exposure would be approximately equal to the Target Exposure if the re-balancing transactions had occurred on the date of measurement. The Target Exposure is limited to 200% and the Loan Amount is limited to $105 per $100 Note. Upon the occurrence of an Extraordinary Event, or if the Distance declines to less than or equal to 2% (a "**Protection Event**"), then the value of the assets in the Equity Account will be re-adjusted and notionally applied first to reduce any outstanding Loan Amount and accrued Portfolio Fees, and second to purchase notional Bonds in the Bond Account such that the Notional Portfolio will consist entirely of Bonds until maturity of the Notes. Thereafter, no Monthly Partial Principal Repayments will be paid and Noteholders will not have any exposure to the Equity Account. See "*Notional Portfolio Allocation Rules*".

Portfolio Fees and Other Fees:

Each of the Funds has certain expenses from time to time including management fees paid to the Fund Manager for the management services provided by it. The ratio of these expenses to the net asset value of a fund is called the "management expense ratio". As of November 30, 2007, the average management expense ratio for the Funds was 2.26%. The management expense ratios of the Funds may go up or down over the term of the Notes. However, for the purpose of calculating the net asset value for the Funds over the term of the Notes, the Equity Account portion of the Portfolio Fee will be used (the "**Fixed MER**") rather than the actual management expense ratios, and no adjustment will be made to reflect any changes to the actual management expense ratios of the Funds which may occur after you make your deposit with us. The Calculation Agent will be paid a portfolio fee ("**Portfolio Fee**") equal to (i) 2.45% per annum of the average daily value of the Equity Account, plus (ii) 0.30% per annum of the face amount of the Bonds in the Bond Account, in each case calculated daily and paid quarterly in arrears. The portion of the Portfolio Fee referenced in (i) will be notionally funded from the Equity Account (which may require a notional liquidation of assets in the Equity Account) and/or by drawdown of the Loan, as the Calculation Agent may determine. The portion of the Portfolio Fee referenced in (ii) will be effectively funded through the monthly coupons payable on the Bonds.

Royal Bank will pay selling agents a fee of 5% of the Original Principal Amount of each Note sold and RBC DS will pay selling agents an annual fee of 0.25% of the average daily Equity Account Value which shall be paid quarterly out of the proceeds of the Portfolio Fee.

Calculation Agent: The Calculation Agent will be appointed by Royal Bank from time to time. The Calculation Agent initially will be RBC Dominion Securities Inc., whose address is P.O. Box 50, Royal Bank Plaza, 2nd Floor, South Tower, Toronto, Ontario, Canada M5J 2W7; Attention: Global Equity Derivatives.

Extraordinary Events: An Extraordinary Event is an event that could have a material adverse impact on our ability to perform our obligations under the Notes or to hedge our position in respect of our obligation to make payments under the Notes, including the events listed under the definition of "Extraordinary Event" under "*Definitions*".

If one or more Extraordinary Events occur, the Notional Portfolio will consist entirely of Bonds, in which case, no Monthly Partial Principal Repayments will thereafter be made on the Notes and the Capital Appreciation may be reduced or eliminated altogether, even though the Units may in fact appreciate in value and/or earn a positive return following the occurrence of the Extraordinary Event. If an Extraordinary Event occurs, the full Original Principal Amount of each Note will be repaid by the Maturity Date but not earlier. If an Extraordinary Event occurs, the possibility of receiving payments totalling more than the Original Principal Amount of each Note by maturity is significantly reduced and there may be no payment above the repayment of the Original Principal Amount. See "*Notional Portfolio and Loan – Consequences of an Extraordinary Event*".

Secondary Market: RBC DS intends to maintain a secondary market for the Notes, but reserves the right not to do so in the future, without providing prior notice to Noteholders. A sale through FundSERV would be a sale to RBC DS in the secondary market. Proceeds on the sale of a Note may be less than the Original Principal Amount. A Noteholder who sells a Note prior to maturity will have to pay a deferred sales charge, deductible from the proceeds of the sale of the Note, of 6.95% initially and declining to 0% after 3 years following the Issue Date.

Registered Account Eligibility: Notes, if issued on the date of this Information Statement, would be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans and deferred profit sharing plans within the meaning of the Act (other than a deferred profit sharing plan to which payments are made by Royal Bank or a person or partnership with which Royal Bank does not deal at arm's length).

Risk Factors: For a summary of certain of the risk factors associated with purchasing the Notes, see "*Certain Risk Factors*", below. For risks associated with the Funds, see "*Risks Relating to the Funds*" below.

Deferred Payment: Federal laws of Canada prohibit anyone from receiving interest at an effective rate that is greater than 60% per annum. Therefore, in the event that the variable return and any other interest payments paid on the Notes is greater than 60% per annum at maturity, we will pay you, at maturity, only the portion of the variable return that constitutes 60% per annum, taking into account any other interest payments, and will pay the balance, together with interest at Royal Bank's equivalent term deposit rate as soon as permitted under applicable laws.

Right of Rescission: A person may rescind any order to buy a Note (or its purchase if issued) within 48 hours of the earlier of actual receipt and deemed receipt of this Information Statement. Upon rescission, the person is only entitled to a refund of the $100 original principal amount per Note and any fees relating to the purchase that have been paid by the person. This rescission right does not extend to purchasers buying a Note in the secondary market. A person will be deemed to have received this Information Statement (i) on the day recorded as the time of sending by the server or other electronic means, if provided by electronic means; (ii) on the day recorded as the time of sending by fax machine, if provided by fax; (iii) five days after the postmark date, if provided by mail; and (iv) when it is received, in any other case.

ANSWERS TO FREQUENTLY ASKED QUESTIONS

The following questions and answers have been prepared to provide potential Noteholders with a brief summary of some of the features of the Notes. The information provided below is subject to, and should be read in conjunction with, the other sections of this Information Statement.

How are payments under the Notes linked to the Notional Portfolio?

Subject to the occurrence of certain Extraordinary Events, a Noteholder's payment entitlement at maturity will be based in part on the Capital Appreciation which is equal to the amount, if positive, by which the NAV_{Final} exceeds the Original Principal Amount. NAV_{Final} is determined based on the value of the Notional Portfolio on the third Exchange Day prior to the Maturity Date, so the Noteholder's payment at maturity is linked to the value of the applicable Notional Portfolio. A Noteholder will also be entitled to an Additional Amount at maturity, which will equal the amount (if any) by which the discounted value of the Undiscounted Future Amount exceeds the Principal Outstanding at maturity. The Additional Amount may be negative which would reduce the Final Variable Return provided, however, that in no circumstances can the Final Variable Return be less than zero. The Principal Outstanding at maturity will be the Original Principal Amount per Note net of all Monthly Partial Principal Repayments. Provided there has been no Extraordinary Event or Protection Event, a Noteholder will also be entitled to Monthly Partial Principal Repayments equal to 0.42% of the Equity Account Value at the close of business on the fifth Exchange Day immediately preceding a Monthly Partial Principal Repayment Date, divided by the number of Notes outstanding. The actual calculation of this return is more fully described below under *"Payments Under the Notes"*.

You should recognize that it is impossible to know whether the value of the Notional Portfolio will rise or fall. The Funds will be actively managed by the Fund Manager at its sole discretion. It is impossible to predict the performance of the Funds or the actual composition of their respective investment portfolios. For more detailed information on the Fund Manager and the Equity Account, see "*Information Regarding the Equity Account*".

What happens to the Notional Portfolio if the value of the Funds falls?

If the value of the Units falls, the Notional Portfolio will be adjusted so that it consists of more Bonds. This reduces the exposure of the Notes to further decreases in the value of the Units. The increased exposure of the Notional Portfolio to Bonds means that the value of the Notional Portfolio at maturity is designed to at least equal the aggregate original principal amount repayable in respect of the Notes at or before maturity. In effect, this strategy mitigates the risk that the value of the Notional Portfolio could be less than the aggregate original principal amount of the Notes owing by us on the Maturity Date.

Can the upside potential of the Notes be increased?

The Notional Portfolio may have as much as 200% exposure to the Equity Account. Exposure to the Equity Account above 100% requires one or more notional drawdowns under the Loan. This leverage offers the potential for enhanced repayments during the term of the Note but also entails a higher degree of risk, including the risk of greater potential losses as a result of reductions in the value of the Funds. The implicit cost of borrowing under the Loan will reduce the value of the Notional Portfolio. The implicit cost of such borrowing will equal the Bank of Canada overnight call loan rate plus 0.25%. See "*Notional Portfolio and Loan – Portfolio Fees*".

Is it possible for Monthly Partial Principal Repayments to be terminated or for the return on the Notes to be zero, even if the value of the Funds on the Maturity Date is greater than on the Issue Date?

Yes. If the value of the assets in the Equity Account falls such that the Notional Portfolio, the composition of which is determined in accordance with the Notional Portfolio Allocation Rules, consisted only of Bonds (for example, upon the occurrence of a Protection Event or an Extraordinary Event), then, following the first occurrence of such an event, no further Monthly Partial Principal Repayments would be paid to Noteholders and any return payable under the Notes at maturity may be reduced or eliminated.

Is it possible that the amount repayable over the term of the Notes would be less than the Original Principal Amount?

No. Payments totalling the Original Principal Amount are assured by or at maturity, whether or not the value of the Notional Portfolio rises or falls over the term of the Notes.

What effect will the Portfolio Fee have on returns?

The Calculation Agent is entitled to the Portfolio Fee which is equal to (i) 2.45% per annum of the average daily value of the Equity Account, plus (ii) 0.30% per annum of the face amount of the Bonds in the Bond Account, in each case calculated daily and paid quarterly in arrears. The portion of the Portfolio Fee referenced in (i) will be funded from cash attributed to the Equity Account and/or by a notional drawdown of the Loan. The portion of the Portfolio Fee referenced in (ii) will be effectively funded through the monthly coupons payable on the Bonds. The effect of these fees is that the value of the Equity Account and the Bond Account will be less than that of similar accounts which do not contemplate payment of such fees, but which are otherwise identical to the Equity Account and the Bond Account. In any event, a Noteholder will be entitled to receive at least the Original Principal Amount of each Note held until the Maturity Date.

What factors may affect the trading value of my Notes in any secondary market?

The value of the Notes in a secondary market, if any, will be affected by a number of complex and inter-related factors. The effect of any one factor may be offset or magnified by the effect of another factor. The following list, although not exhaustive, describes some of the factors that may impact the trading value of the Notes:

- the value of the Units;
- the level (if any) of distributions paid to holders of units or shares, as the case may be, of the Funds;
- how much the value of the assets in the Notional Portfolio has risen or fallen since the Issue Date;
- the fact that the composition of the Notional Portfolio may be reallocated from time to time between the Equity Account and the Bond Account, and that the Loan Amount, if any, may increase or decrease during the term of the Notes in accordance with the Notional Portfolio Allocation Rules;
- the fees payable in connection with the Notes;
- the nature and effect of the Notional Portfolio Allocation Rules;
- the volatility, or the degree to which the prices of the assets in the Equity Account change; and
- a number of other interrelated factors, including the level of interest rates in Canada (including one-year rates calculated forward to the Maturity Date), the time remaining until maturity and the overall volatility of the value of the assets comprising the Notional Portfolio.

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 Note. Any resale order placed will be priced at the end of the Business Day following the day on which such order is placed based on closing prices on such day and the Noteholder will be advised of the price on the following Business Day. In addition, sales of Notes prior to maturity may be subject to the Deferred Sales Charge, which is up to 6.95% of the Original Principal Amount. If you sell a Note within three years from the date of the closing of this offering, the proceeds from the sale of the Note will be reduced by the applicable Deferred Sales Charge. For further information see "*Related Matters – Resale of Notes Through FundSERV*".

What is an Extraordinary Event?

An Extraordinary Event is an event that could have a material adverse impact on our ability to perform our obligations under the Notes or to hedge our position in respect of our obligation to make payments under the Notes, including the events listed under the definition of "Extraordinary Event" under "*Definitions*".

If certain Extraordinary Events occur, the composition of the Notional Portfolio will be changed so that it is comprised entirely of Bonds, in which case no Monthly Partial Principal Repayments will thereafter be made on the Notes and the Final Variable Return may be reduced or eliminated altogether even though the Units may in fact appreciate in value and/or earn a positive return following the occurrence of the Extraordinary Event. If an Extraordinary Event occurs, you will receive payments totalling a minimum of the Original Principal Amount by the Maturity Date, but not earlier. See "*Notional Portfolio and Loan – Consequences of an Extraordinary Event*".

Will I have any right to vote or deal with the Units of the Funds and the Bonds comprising the Notional Portfolio as a result of owning Notes?

No. References to the "Funds", the "Units", the "Bonds", the "Equity Account", the "Bond Account" and the "Notional Portfolio" are to notional, rather than actual, investments. There is no requirement for Royal Bank to hold the units and shares of the Funds and the Bonds corresponding to the Notional Portfolio. The Notes will not entitle a Noteholder to any interest in the Funds or the Bonds comprising the Notional Portfolio and Noteholders will not be entitled to the rights and benefits of holders of such investments, including any right to vote at or attend meetings of security holders.

What about tax?

A purchaser of Notes should consult with his or her own tax advisor with respect to his or her individual tax position. General Canadian federal tax issues applicable to certain purchasers who purchase Notes at the time of their issuance and who are residents of Canada are summarized under "*Canadian Federal Income Tax Considerations*". All Noteholders should consult with their own advisors with respect to the tax consequences to them of holding Notes. The Notes are RRSP, RRIF, RESP, RDSP and DPSP eligible for purposes of the Act. See "*Canadian Federal Income Tax Considerations – Eligibility for Investment*".

This Information Statement is not intended to provide, nor should it be relied upon as, tax advice to any particular Noteholder. In addition, no information on the effect of provincial, territorial and foreign income tax laws is provided in this Information Statement.

What are the tax implications of the "Return of Capital" feature of the Notes?

If you hold a Note to maturity, you should not, except in certain circumstances described in "Canadian Federal Income Tax Considerations - Final Variable Return", be required to include any amount in income prior to maturity. At maturity you will be required to include in your income the amount by which the payment made by us at maturity on a Note exceeds any Principal Outstanding, except to the extent the amount has otherwise been included in your income. We will file an information return with the CRA in respect of any interest or deemed interest to be included in your income and will provide you with a copy of such return.

Any partial repayments of principal received in respect of the Notes will reduce the principal amount of the Notes and reduce the initial Noteholder's adjusted cost base of the Notes.

If you dispose of a Note prior to maturity, you should consult your tax advisor with respect to the tax implications of such a disposition.

Am I entitled to CDIC protection on these investments?

The Notes, although they are deposit liabilities of Royal Bank, will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* (Canada). Therefore a Noteholder will not be entitled to Canada Deposit Insurance Corporation protection.

What if I need my money early?

RBC DS intends to take steps to establish a secondary market for the Notes. Despite the intention of RBC DS to take steps to establish such a market, RBC DS reserves the right, without providing prior notice to Noteholders, to choose not to do so in its sole discretion. If RBC DS determines to stop facilitating a secondary market for the Notes, Noteholders may not be able to resell their Notes through the FundSERV system. There is no guarantee that any secondary market that may develop in respect of Notes will be liquid or sustainable. For further information on the resale of Notes, see below under "*How would I access FundSERV to sell my Notes?*" Also, see "*Related Matters – Plan of Distribution*" and "*Related Matters – Resale of Notes Through FundSERV*".

If I decided to sell my Notes, could I get less than the Original Principal Amount?

Yes. The price of the Notes in any secondary market that may develop will be set by such market. The Notes could trade above or below the $100 original principal amount per Note. It is also possible that the proceeds of a sale of a Note in the secondary market, plus the Monthly Partial Principal Repayments paid on that Note, will be less than the Original Principal Amount per Note.

The price paid to a Noteholder during the first three years following the issue date will reflect the Deferred Sales Charge. See below under "*How would I access FundSERV to sell my Notes?*" and "*Related Matters – Resale of Notes Through FundSERV*".

What is FundSERV and why is it relevant to me?

The Notes are available for purchase through certain dealers and financial advisors that facilitate the acquisition, sale and settlement of Notes through the clearing and settlement service operated by FundSERV. Accordingly, information regarding FundSERV is pertinent for purchasers.

FundSERV is owned and operated by both fund sponsors and distributors and provides distributors of funds and certain other financial products with online order access to such financial products. FundSERV was originally designed and is operated as a mutual fund communications network facilitating members in electronically placing, clearing and settling mutual fund orders and redemptions. In addition, FundSERV is currently used in respect of other financial products that may be sold by dealers and financial advisors. FundSERV enables its participants, among other things, to clear certain financial product transactions between participants, to settle the payment obligations arising from such transactions, and to make other payments between themselves.

Only those dealers and financial advisors that have an effective agreement with Royal Bank and RBC DS concerning the implementation of transactions in relation to Notes through FundSERV will be eligible to deal with Notes on behalf of Noteholders.

Purchasers of Notes should consult their financial advisors to obtain further information regarding FundSERV and the procedures and requirements applicable under the FundSERV system.

How will my interests in Notes be represented through FundSERV?

All Notes will initially be issued in the form of a global Note to be deposited with and registered in the name of CDS or its nominee. Holders of Notes will have an indirect beneficial interest in such global Note. Royal Bank will, directly or indirectly through its CDS participant, hold all of the beneficial interests in the Notes for and on behalf of Noteholders or their representatives, as a custodial agent appointed for the sole purpose of holding such beneficial interests and facilitating certain transactions in respect of the Notes through FundSERV. Royal Bank will appoint RBC DS as its agent (which may delegate its responsibilities, without notice to Noteholders, to, and in reliance upon, third party service providers) to record the respective Noteholders' beneficial interests in the Notes, in each case as may be instructed by the dealers and financial advisors representing such Noteholders in accordance with FundSERV procedures and requirements. Holders of Notes should understand that Royal Bank or RBC DS (or its delegate), as the case may be, will only make such recordings as may be instructed through FundSERV by a Noteholder's dealer or financial advisor and will have no obligation to confirm or take notice of any such instructions, appointments, revocations or any other matters pertaining to a Noteholder's appointment of, or arrangements with, a dealer or financial advisor. See "*Related Matters – Registration*".

How will I receive notice of significant events affecting Notes through FundSERV?

If notice is required to be given to holders of Notes, Royal Bank or RBC DS (or its delegate) will take reasonable steps to affect such notice through FundSERV to those dealers and financial advisors representing clients who hold Notes. Holders of Notes will only have access to such information through dealers and financial advisors through which their Notes are held. We will have no obligation to notify Noteholders, dealers or financial advisors in any other manner and will have no responsibility to confirm whether or not a dealer or financial advisor provides such notice to Noteholders.

How would I access FundSERV to sell my Notes?

Noteholders wishing to sell Notes prior to maturity will be subject to certain procedures, requirements and limitations relating to the FundSERV system described below under *"Related Matters – Resale of Notes Through FundSERV"*. Noteholders wishing to sell all or a part of their holdings should consult with their dealers or financial advisors in advance in order to understand the timing and other procedures, requirements and limitations of selling and otherwise dealing with Notes through the FundSERV system.

Can I change my dealer or financial advisor for the purpose of holding my Notes?

A Noteholder should realize that Notes may not be transferable to another dealer or financial advisor. Any transfer would be subject to certain conditions, including that the new dealer or financial advisor would need to have access to the FundSERV system and would have to have an effective agreement with Royal Bank and RBC DS regarding the specific application of the FundSERV procedures to the Notes. If a Noteholder were to replace or transfer his or her investment accounts to another dealer or financial advisor who did not satisfy such conditions, the Noteholder would be required to sell his or her Notes pursuant to the procedures described under *"Related Matters – Resale of Notes Through FundSERV"*.

PAYMENTS UNDER THE NOTES

The following is a summary description of the basis for the calculation of the amounts payable under the Notes.

Payments Prior to Maturity – Monthly Partial Principal Repayments

Subject to the occurrence of an Extraordinary Event, a cash payment (a "**Monthly Partial Principal Repayment**") on each Note outstanding will be payable in Canadian dollars on the 15th day of each month and on the Maturity Date (provided if such day is not a Business Day, then such payment date will be the next Business Day without any additional amount to be payable for such delay in respect of interest or otherwise), commencing on April 15, 2008 and ending on the Maturity Date (each such repayment date being a "**Monthly Partial Principal Repayment Date**"). The amount of any particular Monthly Partial Principal Repayment on each Note (the "**Monthly Partial Principal Repayment Amount**") will be equal to 0.42% of the Equity Account Value at the close of business on the fifth Exchange Day immediately preceding the Monthly Partial Principal Repayment Date, divided by the number of Notes outstanding on the fifth Exchange Day immediately preceding the Monthly Partial Principal Repayment Date. If the funds in the Distribution Account are insufficient to notionally fund the Monthly Partial Principal Repayment Amount as of the fifth Exchange Day immediately preceding the Monthly Partial Principal Repayment Date, an amount will be deducted from the Equity Account (which may require a notional liquidation of assets in the Equity Account) and credited to the Distribution Account by the Calculation Agent. The value of the Distribution Account at any time is referred to as the "**Distribution Account Value**" or the "**DAV**"). If, prior to maturity, the aggregate Monthly Partial Principal Repayment Amounts per Note reach $99, then no further Monthly Partial Principal Repayments will be made and all further Distributions will be credited to the Notional Portfolio. On any day, the Original Principal Amount per Note minus the aggregate Monthly Partial Principal Repayments per Note to date shall equal the Principal Outstanding. If a Protection Event or Extraordinary Event occurs, the value of all assets in the Equity Account will first be used to reduce the Loan Amount, if any, to zero and then be re-allocated to the Bond Account with the result that thereafter, no Distributions will be credited to the Distribution Account and no further Monthly Partial Principal Repayments will be paid under the Notes.

Payments on Maturity

A Noteholder's payment entitlement at maturity per Note (the **"Payment Amount"**) will be calculated by the Calculation Agent based on the following formula:

Payment Amount = Principal Outstanding + Final Variable Return

where,

Final Variable Return = Additional Amount + Capital Appreciation

provided that if such amount is a negative number, Final Variable Return shall be deemed to be zero, and

Additional Amount = Undiscounted Future Amount / (1 + i) - Principal Outstanding[1]

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[1] **Therefore Payment Amount can be restated as:**
MAX [Principal Outstanding + Undiscounted Future Amount / (1 + i) – Principal Outstanding + Final Variable Return, Principal Outstanding]
= MAX [Undiscounted Future Amount / (1 + i) + Capital Appreciation, Principal Outstanding]

where “i” is the one year CAD BA CDOR rate at maturity.

Subject to the occurrence of an Extraordinary Event, a capital appreciation (the “**Capital Appreciation**”), if any, per Note will be payable in Canadian dollars on the Maturity Date in the amount, if any, by which the NAV_{Final} exceeds the Original Principal Amount. The Capital Appreciation may be expressed as follows:

$$\textbf{Capital Appreciation} = \mathbf{NAV_{Final}} - \$\mathbf{100}$$

In no event will the Capital Appreciation be less than zero. If a Protection Event or Extraordinary Event occurs, the Capital Appreciation is effectively limited to the amount, if any, by which the aggregate par value of the Bonds exceeds $100.

“$\mathbf{NAV_{Final}}$” is expressed per Note and is equal to the NAV determined on the third Exchange Day prior to the Maturity Date minus the value of the Monthly Partial Principal Repayment paid on the Maturity Date.

SAMPLE CALCULATIONS

It is impossible to predict the performance of the Notional Portfolio. The examples set out below are included for illustration purposes only. The values of the Equity Account, the Bond Account and the Distribution Account, and the effect of the Loan Amount, were chosen to demonstrate the calculation of NAV and the effect of the Notional Portfolio Allocation Rules and do not include deductions for fees and other administrative costs. All examples of the Final Variable Return are calculated per $100 original principal amount.

Inception — Calculation of NAV and application of the Notional Portfolio Allocation Rules

Calculation of Initial NAV

a) Equity Account	$100.000
b) Bond Account	$0.000
c) Distribution Account	$0.000
d) Loan Amount	$5.000
e) NAV (a+b+c-d)	**$95.000**

The Initial NAV on the Issue Date is therefore, $95.00.

Initial Asset Allocation

f) Floor*	$73.500
g) Distance ((e-c-f)/100)	21.000%
h) Exposure (a/(e-c))	105.263%
i) Target (g x 5)	107.500%

*To be finalized on the Issue Date.

An Allocation Event has not occurred because the difference between the Target Exposure and the Exposure is within +/**- 25%**.

Day 30 — Positive Performance of the assets in the Equity Account. It is assumed that the value of the Equity Account is as illustrated below and that the value of the Floor remains unchanged at $73.50. The resulting NAV and Asset Allocation would be calculated as follows:

Calculation of NAV:

a) Equity Account	$105.263
b) Bond Account	$0.000
c) Distribution Account	$1.090
d) Loan Amount	$5.037
e) NAV (a+b+c-d)	**$101.316**

Asset Allocation

f) Floor	$73.500
g) Distance ((e-c–f)/100)	26.726%
h) Exposure (a/(e-c))	105.026%
i) Target (g x 5)	133.630%

An Allocation Event has occurred because the difference between the Target Exposure and the Exposure is greater than +/- **25%**. The following re-allocation occurs:

a) Equity Account	$133.933
b) Bond Account	$0.000
c) Distribution Account	$1.090
d) Loan Amount	$33.707
e) NAV (a+b+c-d)	**$101.316**

Day 60 — Negative Performance of the assets in the Equity Account. It is assumed that the value of the Equity Account is as illustrated below and the value of the Floor remains unchanged at $73.50. The resulting NAV and Asset Allocation would be calculated as follows:

Calculation of NAV:

a) Equity Account	$113.843
b) Bond Account	$0.000
c) Distribution Account	$1.460
d) Loan Amount	$33.956
e) NAV (a+b+c-d)	**$81.346**

Asset Allocation

f) Floor	$73.50
g) Distance ((e-c -f)/100)	6.387%
h) Exposure (a/(e-c))	142.505%
i) Target (g x 5)	31.934%

An Allocation Event has occurred because the difference between the Target Exposure and the Exposure is greater than +/- 25%. In accordance with the Notional Portfolio Allocation Rules, the following re-allocation occurs:

a) Equity Account	$25.511
b) Bond Account	$54.376
c) Distribution Account	$1.460
d) Loan Amount	$0.000
e) NAV (a+b+c-d)	**$81.346**

<u>Day 90 — Negative Performance of the Equity Account resulting in a Protection Event</u>. It is assumed that the value of the Equity Account is as illustrated below. Note that the value of the Floor has risen to $73.75. The resulting NAV and Asset Allocation would be calculated as follows:

Calculation of NAV:

a) Equity Account	$21.009
b) Bond Account	$54.561
c) Distribution Account	$0.278
d) Loan Amount	$0.000
e) NAV (a+b+c-d)	**$75.847**

Asset Allocation

f) Floor	$73.75
g) Distance ((e-c-f)/100)	1.819%
h) Exposure (a/(e-c))	27.801%
i) Target (g x 5)	9.099%

Because the Distance has fallen to less than 2%, a Protection Event occurs, resulting in full liquidation of the Equity Account. In accordance with the Notional Portfolio Allocation Rules, the following re-allocation occurs:

a) Equity Account	$0.00
b) Bond Account	$75.570
c) Distribution Account	$0.278
d) Loan Amount	$0.000
e) NAV (a+b+c-d)	**$75.847**

The result of this re-allocation is that a Noteholder has no more exposure to the Equity Account for the remainder of the term of the Notes. Accordingly, after payment of a final Monthly Partial Principal Repayments to distribute the funds left in the Distribution Account, no further Monthly Partial Principal Repayments will be paid. Other than the Principal Amount at maturity, returns at maturity would be reduced or eliminated.

<u>Example #2 — Calculation of the Final Variable Return Payment where NAV_{FINAL} is greater than the Original Principal Amount</u>. It is assumed that NAV_{FINAL}, Principal Outstanding and CAD BA CDOR rate at maturity are as illustrated below. The Payment Amount would be calculated as follows:

NAV_{FINAL} = $165.520
Principal Outstanding =$64.640 (i.e. $35.360 total Monthly Partial Principal Repayments over term of Note.)
Undiscounted Future Amount = $102.000
CAD BA CDOR rate at maturity = 1.000%

1. Capital Appreciation = NAV_{FINAL} - $100.00
   = $165.520 - $100.00
   = $65.520

2. Additional Amount = Undiscounted Future Amount / (1+i) – Principal Outstanding
   = $102.000 / (1+0.010) - $64.640
   =$36.350

3. Final Variable Return = MAX (Additional Amount + Capital Appreciation, 0)
   =MAX ($36.350 + $65.520,0)
   = $101.870

4. Payment Amount = Principal Outstanding + Final Variable Return
   = $64.640 + $101.870
   = $166.51*

* This Payment Amount paid at maturity would be in addition to Monthly Partial Principal Repayments totalling $35.36 paid over the term of the Note.

Example #3 — Calculation of the Final Variable Return Payment where NAV_{FINAL} is not greater than the Original Principal Amount. It is assumed that NAV_{FINAL}, Principal Outstanding and CAD BA CDOR rate at maturity are as illustrated below. The Final Variable Return would be calculated as follows:

NAV_{FINAL} = $98.000
Principal Outstanding = $64.640 (i.e. $35.360 total Monthly Partial Principal Repayments over term of Note.)
Undiscounted Future Amount = $102.000
CAD BA CDOR rate at maturity =3.000%

1. Capital Appreciation = NAV_{FINAL} - $100.00
   = $98.000 - $100.00
   = -$2.000 which is less than $0.000 therefore Capital Appreciation = $0.000

2. Additional Amount = Undiscounted Future Amount / (1+i) – Principal Outstanding
   = $102.000 / (1+0.030) - $64.640
   =$34.389

3. Final Variable Return = MAX (Additional Amount + Capital Appreciation, 0)
   =MAX ($34.389 + $0.000,0)
   = $34.389

4. Payment Amount = Principal Outstanding + Final Variable Return
   = $64.640 + $34.389
   = $99.03*

* This Payment Amount paid at maturity would be in addition to Monthly Partial Principal Repayments totalling $35.36 paid over the term of the Note.

NOTIONAL PORTFOLIO AND LOAN

The Notional Portfolio is a notional portfolio of assets allocated dynamically over the term of the Notes between the Equity Account, which is a notional account comprised of the Units and, in certain circumstances, the Bond Account, which is a notional account comprised of Bonds. The Notional Portfolio is notional and a Noteholder will have no ownership or other interest in the Units comprising the Equity Account or in the Bonds comprising the Bond Account. The Noteholder will be limited to the right to be repaid the Monthly Partial Principal Repayments and the Final Variable Return, in each case if any, based on the performance of the Notional Portfolio. For the avoidance of doubt, all actions (e.g., purchases, sales, liquidations, etc.) taken in connection with the Notional Portfolio are notional actions only.

Holdings in the Equity Account may be notionally leveraged through the Loan. The initial Loan Amount will be $5 per Note (the "Initial Loan Amount"). The Loan Amount outstanding at any time may vary and may be increased or decreased depending upon the value of the Equity Account, applicable interest rates, interest payments and other fees payable all in accordance with the Notional Portfolio Allocation Rules. See *"Information Regarding the Equity Account"*. Interest on the Loan Amount will notionally accrue at an annual rate equal to the Bank of Canada overnight call loan rate plus 0.25%, calculated daily and payable monthly by drawdown of the Loan.

Initially, 100% of the assets of the Notional Portfolio will be allocated to the Equity Account. The Initial Loan Amount will be $5 per Note and a selling fee of $5 per Note will be paid to the selling agents. The initial Equity Account Value will therefore be $100 per Note ($100 original principal amount - $5 selling fee + $5 loan = $100). The Notional Portfolio Allocation Rules will be applied so that the Exposure will be measured on each Business Day. An Allocation Event will occur as a result of the Exposure being less than the Target Exposure by at least 25% during the initial 91 calendar days following the Issue Date, or 5% thereafter, in which case the Notional Portfolio Allocation Rules will require a greater exposure to the Equity Account. In that case, the Notional Portfolio may be re-balanced by the inclusion of additional Units by first selling notional Bonds from the Bond Account until the Bond Account contains no notional Bonds and subsequently by drawing down the Loan. When an Allocation Event occurs as a result of the Exposure exceeding the Target Exposure by at least 25% during the initial 91 calendar days following the Issue Date or by at least 5% thereafter, the Notional Portfolio Allocation Rules will require a smaller exposure to the Equity Account. In that case, the Notional Portfolio may be re-balanced with proceeds from the notional sale of Units comprising the Equity Account first reducing any outstanding Loan Amount until the Loan Amount is zero and subsequently purchasing notional Bonds in the Bond Account. See *"Notional Portfolio Allocation Rules"*.

The Bond Account will be a notional account comprised of Bonds. The Bonds are notional obligations that have an implicit yield to maturity equal to the inter-bank swap rate for a term equal to the remaining term of the Notes at the time the Bonds are purchased and that pay a quarterly coupon at a rate of 0.30% per annum. Each Bond in the Bond Account will have a par value of $100 on the Maturity Date. No Bonds will be notionally purchased on the Issue Date.

All Distributions will be credited to the Distribution Account when paid. All other dividends and distributions made in respect of Units notionally included in the Equity Account on the record date (e.g. extraordinary dividends and non-cash distributions) will be credited to the Equity Account. The Distribution Account will notionally fund the payment of the Monthly Partial Principal Repayments. If the funds in the Distribution Account are insufficient to pay the Monthly Partial Principal Repayment Amount as of the fifth Exchange Day immediately preceding the Monthly Partial Principal Repayment Date an amount will be deducted from the Equity Account (which may require a notional liquidation of Units in the Equity Account) and credited to the Distribution Account by the Calculation Agent. Upon each Monthly Partial Principal Repayment, the amount of such Monthly Partial Principal Repayment will be deducted from the Distribution

Account. Accordingly, the Distribution Account will from time to time represent the aggregate amount of the Distributions credited from and including the Issue Date or the immediately preceding Monthly Partial Principal Repayment Date, as applicable.

Portfolio Fee

The Portfolio Fee will be payable to the Calculation Agent in an amount equal to (i) 2.45% per annum of the average daily value of the Equity Account, plus (ii) 0.30% per annum of the face amount of the Bonds in the Bond Account, in each case calculated daily and paid quarterly in arrears. The portion of the Portfolio Fee referenced in (i) will be notionally funded from cash attributed to the Equity Account and/or by a notional drawdown of the Loan. The portion of the Portfolio Fee referenced in (ii) will be effectively funded through monthly coupons payable on the Bonds.

Consequences of an Extraordinary Event

An Extraordinary Event is an event that could have a material adverse impact on our ability to perform our obligations under the Notes or to hedge our position in respect of our obligation to make payments under the Notes, including the events listed under the definition of "Extraordinary Event" under "*Definitions*".

If one or more Extraordinary Events occur, the composition of the Notional Portfolio will be adjusted to exclude any notional interests in the Equity Account and to consist only of Bonds. If the Notional Portfolio does not include assets in the Equity Account, no Monthly Partial Principal Repayments will thereafter be made on the Notes and the Final Variable Return may be reduced or eliminated altogether, even though the Funds may in fact appreciate in value and/or earn a positive return following the occurrence of the Extraordinary Event. If an Extraordinary Event occurs, payments totalling the Original Principal Amount of each Note will be paid by the Maturity Date but not earlier. If an Extraordinary Event occurs, the possibility of receiving payments totalling more than $100 per Note by maturity is significantly reduced.

NOTIONAL PORTFOLIO ALLOCATION RULES

The Calculation Agent will allocate assets of the Notional Portfolio between the Equity Account and the Bond Account according to the Notional Portfolio Allocation Rules. The Notional Portfolio Allocation Rules have been designed to protect the Original Principal Amount of each Note by re-balancing notional assets in the Equity Account and adjusting the Loan Amount and/or the notional Bonds in the Bond Account whenever an Allocation Event occurs.

The Calculation Agent will, on each Business Day, calculate the Exposure and the Distance using the formulas set forth below (giving effect to any adjustments that have been executed but not yet settled). An Allocation Event will occur if the absolute value of the difference between the Target Exposure and the Exposure (i) within the initial 91 calendar days from the Issue Date is greater than 25%, and (ii) after the initial 91 calendar days from the Issue Date is greater than 5%. Upon the occurrence of an Allocation Event, the Calculation Agent will re-allocate the assets such that the resulting Exposure would be approximately equal to the Target Exposure as if the transactions for the re-allocation had been completed on the date of calculation.

Initially, the aggregate principal amount of the Notes minus the selling fee, plus the Initial Loan Amount will be notionally allocated to the Equity Account. No Bonds will be notionally purchased initially. Thereafter, assets comprising the Notional Portfolio will be allocated between the Equity Account and the Bond Account according to the Notional Portfolio Allocation Rules.

Allocation Formulas

EAV, or Equity Account Value = (i) for use under the Notional Portfolio Allocation Rules, the value of the Equity Account as of 6:00 pm on the previous Business Day including any cash, minus any accrued and unpaid Portfolio Fees, interest on the Loan (unless otherwise deducted, as in the calculation of NAV_{Final}) and other custodial fees for maintenance of the Equity Account, and (ii) for the purposes of actual payments depending on EAV (including NAV_{Final}), the total value that would be realized upon notional disposition of the Units in the Equity Account (expressed pro rata per Note).

For the purposes of calculating the EAV, the Fixed MER, rather than the actual management expense ratios of the Funds, will be deducted and no adjustment will be made to reflect any changes to the actual management expense ratios of the Funds that may occur after you make your deposit with us.

BAV, or Bond Account Value = as of 2:00 p.m. on the date of determination, the total value (expressed pro rata per Note) that would be realized upon a notional disposition of the Bonds and cash held in the Bond Account minus accrued and unpaid Portfolio Fees to be effectively funded from the Bond Account.

DAV, or Distribution Account Value = as of 6:00 p.m. on the Business Day prior to the date of determination, the total of the balance of the Distribution Account (expressed pro rata per Note).

NAV, or Net Asset Value = as of the date of determination, the total of (i) the EAV, plus (ii) the BAV, plus (iii) the DAV, minus (iv) the Loan Amount (expressed pro rata per Note)

$$\text{Exposure} = \frac{\text{EAV}}{\text{NAV} - \text{DAV}}$$

Floor = the offer price as of 2:00 p.m. on the date of determination, for a Bond with a face amount equal to $100.

$$\text{Distance} = \frac{\text{NAV} - \text{DAV} - \text{Floor}}{100}$$

Target Exposure = 5.0 x Distance, provided that, if such formula results in an amount in excess of 200%, the Target Exposure will be 200%.

The Loan Amount will be limited to no more than $105 per $100 Note and, for the purposes of the Allocation Formulas, will be measured as of the date of determination.

An Allocation Event may occur due to the Exposure being less than the Target Exposure by at least 25% within the initial 91 calendar days from the Issue Date and by at least 5% thereafter. This may occur for a number of reasons including, without limitation, an increase in the market value of the assets in the Equity Account or a rise in the applicable inter-bank swap rate. In this case, the Calculation Agent, acting with reasonable promptness, will, as necessary, re-allocate the value that would be realized upon disposition of Bonds until the amount in the Bond Account is zero and thereafter to the extent available, drawdown the Loan and apply the value thereof to additional interests in the Equity Account such that the Exposure will be approximately equal to the Target Exposure as if such notional transactions had been executed on the date of the Allocation Event. This may increase the value of assets held in the Equity Account and/or may decrease the value of assets held in the Bond Account.

Alternately, an Allocation Event may occur due to the Exposure being greater than the Target Exposure by more than 25% within the initial 91 calendar days from the Issue Date and 5% thereafter. This may occur for a number of reasons including, without limitation, a decrease in the market value of the assets in the Equity Account or a fall in the applicable inter-bank swap rate. In this case, the Calculation Agent, acting with reasonable promptness, will re-allocate the value that would be realized upon the notional sale of Units and apply the value first to reduce the Loan Amount until it is zero, and second, re-allocate any remainder of such value to Bonds such that the Exposure will be approximately equal to the Target Exposure as if such notional transactions had been executed on the date of the Allocation Event. This may increase the value of assets held in the Bond Account and/or decrease the value of assets held in the Equity Account.

If the Distance declines to less than or equal to 2%, the value that would be realized upon disposition of all assets in the Equity Account will be re-allocated first to reduce any outstanding Loan Amount and accrued Portfolio Fees, and second to Bonds such that on the Maturity Date, the value of the Bonds per Note is expected to equal at least $100 per Note. After a Protection Event occurs, the Notional Portfolio will be comprised entirely of Bonds in the Bond Account for the remaining term of the Note.

SUMMARY INFORMATION REGARDING THE EQUITY ACCOUNT

The Equity Account is a notional account comprised of the units or shares, as the case may be, of two Funds: Trimark Global Balanced Fund and Trimark Diversified Income Class.

The Fund Manager

AIM Funds Management Inc. is the manager and portfolio advisor of both Funds. AIM Funds Management Inc. is a Canadian investment management company wholly owned by Invesco Ltd.

AIM Funds Management Inc. has retained A I M Advisors, Inc., of Houston Texas, another member of the Invesco group of companies, as sub-advisor for the cash portion of the Funds but remains responsible for the investment advice provided by the sub-advisor to the Funds.

Funds

TRIMARK GLOBAL BALANCED FUND

Investment objectives

Trimark Global Balanced Fund seeks to provide a high total investment return through a combination of income and strong capital growth. The Fund holds a balanced portfolio of equities, convertible and fixed-income securities issued by governments — federal, provincial or municipal — or corporations anywhere in the world.

The investment objectives of the Fund cannot be changed without the approval of a majority of the investors at a meeting called to consider the change.

Investment strategies

To achieve these objectives, the portfolio management team focuses on a balanced portfolio that emphasizes:

- Common shares of established companies that have the potential for future growth
- Convertible securities of growing companies
- Fixed-income securities issued by governments and corporations anywhere in the world

The Fund may also invest in other financial instruments, such as credit derivatives, that may have economic characteristics similar to floating rate debt instruments.

The Fund is managed to comply with the investment restrictions set out in Schedule III of the Regulations to the Pension Benefits Standards Act, 1985 (Canada) applying the provisions as if the Fund were a pension plan.

TRIMARK DIVERSIFIED INCOME CLASS

Investment objectives

Trimark Diversified Income Class seeks to generate a total return over the long term. The Fund will invest primarily in Canadian equity securities, REITs, royalty and income trusts and fixed-income securities, including preferred shares and convertible debt.

The investment objectives of the Fund cannot be changed without the approval of a majority of the investors at a meeting called to consider the change.

Investment strategies

To achieve these objectives, the Fund takes a diversified investment approach that has the potential to perform well in a variety of market environments. The Fund employs a total return approach over the long-term as a means of funding distributions. Total return includes interest, dividends and capital gains.

The portfolio management team looks for companies:

- Whose competitive advantages provide opportunities for long-term growth
- That have the potential to generate strong cash flow
- That possess strong management
- That are believed to be undervalued in relation to their intrinsic value

The Fund may also invest in REITs and income trusts with characteristics similar to those listed above and in foreign and domestic fixed-income securities, including high-yield, investment-grade and convertible debt, as well as preferred shares. The Fund also may write covered call options on equities held in the portfolio to generate income.

The Fund may also invest in other financial instruments, such as credit derivatives, that may have economic characteristics similar to floating rate debt instruments.

The Fund will typically invest no more than 30% of its net assets in foreign securities.

Investment Information Applicable to each Fund

The Fund may invest the cash portion of its assets in securities of money market funds that are managed by AIM Trimark or one of its affiliates or associates. In making this investment decision, the sub-advisor considers a number of factors, including the Fund's requirement for a Canadian- or U.S.- dollar denominated short-term investment and the yield or return to the Fund.

Subject to AIM Trimark obtaining all necessary approvals for exchange-traded futures, the Fund may use derivatives, such as options, forwards and futures to hedge against potential loss. The Fund may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, to gain exposure to other currencies and to provide protection for the Fund's portfolio. If used for non-hedging purposes, options will represent no more than 10% of the net assets of the Fund. Any use of derivatives will be consistent with the investment objectives of the Fund and will comply with the requirements of Canadian securities regulation, as altered by the exemption granted to permit the Fund to (i) enter into interest rate swaps, credit default swaps or, if the transaction is for hedging purposes, currency forwards, in all cases with a remaining term to maturity of greater than three years; (ii) use as cover bonds, debentures, notes or other evidences of indebtedness that are liquid, floating rate debt instruments and securities of the AIM Trimark cash management funds; and (iii) use as cover, when the Fund holds a long position in a standardized future or forward or is entitled to receive payments under a swap, a right or obligation to sell an equivalent quantity of the underlying interest of the standardized future, forward or swap.

In anticipation of, or in response to, adverse market conditions, for cash management purposes, for defensive purposes or for purposes of a merger or other transaction, the Fund may hold all or a portion of its assets in cash, money market instruments, securities of affiliated money market funds, bonds or other debt securities. As a result, the Fund may not be fully invested in accordance with its investment objectives.

In the management of its portfolio, the Fund may use repurchase and reverse repurchase transactions, and may enter into securities lending agreements. These transactions will only be made with parties that are considered to be creditworthy and where the transactions should earn the Fund additional returns.

Top 10 Holdings

As at December 31, 2007, the total net assets of the Trimark Global Balanced Fund were greater than $1.71 billion. The following table shows the 10 largest holdings of the Fund as of December 31, 2007.

1.	Johnson & Johnson	3.21%	6.	Novartis AG	2.68%
2.	Cisco Systems, Inc.	3.16%	7.	AMETEK Inc.	2.68%
3.	Reed Elsevier PLC	3.08%	8.	Erste Bank	2.65%
4.	WPP Group PLC	3.06%	9.	KLA-Tencor Corp	2.61%
5.	Wells Fargo & Co.	2.97%	10.	Tesco PLC	2.44%
			Aggregate Percentage of Top 10 holdings: **28.54%**		

As at December 31, 2007, the total net assets of the Trimark Diversified Income Class were greater than $1.16 billion. The following table shows the 10 largest holdings of the Fund as of December 31, 2007.

1.	Canada Housing Trust 4.05% due Mar15/11	4.20%	6.	Industrial Alliance Insurance & Financial Services Inc.	2.73%
2.	Plum Creek Timber Co. Inc.	3.35%	7.	Heineken Holding N.V.	2.54%
3.	Power Corp. of Canada	3.33%	8.	Cineplex Galaxy Income Fund	2.48%
4.	Canada Housing Trust 4.10%, due Dec 15/08	3.05%	9.	TransCanada Corp.	2.41%
5.	Bank of Montreal	2.84%	10.	Johnson & Johnson	2.38%
			Aggregate Percentage of Top 10 holdings: **29.31%**		

Past Performance

The following chart contains historical returns (1 year) and annualized compounded returns (3 years, 5 years, 10 years and since inception) as of December 31, 2007 for Series A units and Series T8 shares of the Funds and is not intended to be, nor should it be construed to be, an indication as to the future returns or volatility of the Funds or the potential return, if any, on Deposit Notes.

The following chart assumes that all Distributions on Units of the Funds were reinvested in additional Units of the Fund and does not include any applicable sales, redemption, distribution or optional charges or taxes, which would have reduced returns. Returns are shown after the payment of expenses and fees of the Funds. The performance figures in the chart reflect the payment of the management expense ratio of the Funds for the indicated periods. In contrast, the Equity Account is subject to portfolio fees that may be higher than the management expense ratio of the Funds. As a result of the potential for differing fees, the performance of the Equity Account could have been lower than the past performance figures reflected below.

	1 Year	*3 Years*	*5 Years*	*10 Years*	*Since Inception*
Trimark Global Balanced Fund (Series A units)*	*-8.10%*	*3.46%*	*8.76%*	*N/A*	*8.38% (Oct 1999)*
*Benchmark***	*-6.81%*	*2.15%*	*2.77%*	*N/A*	*N/A*
*Trimark Diversified Income Class (Series T8 shares)**	*-2.07%*	*7.28%*	*8.15%*	*3.59%*	*6.53% (May 1996)*
*Benchmark ****	*0.36%*	*9.82%*	*11.07%*	*6.32%*	*N/A*

* Source: Zephyr StyleAdvisor
** 60% MSCI World Index and 40% Merrill Lynch (ML) Global Government Bond Index II (in Canadian dollars)
*** 50% S&P TSX 60, 25% MSCI World (Net), 20% ML High Yield Master II, 5% 91 day Canadian T-Bill

Effective August 20, 2007, the Series A shares of Trimark Diversified Income Class were redesignated as Series T8 shares reflecting a change in distribution policy. Effective December 15, 2004, the investment strategies of Trimark Diversified Income Class were changed. The performance of the Fund prior to December 15, 2004, could have been different had the current investment strategies been in effect during that period.

We have obtained all information regarding the Fund from publicly available sources. Royal Bank has not had access to any information on the Fund other than information set out in publicly filed reports and documents. Moreover, Royal Bank has not had the opportunity, nor does it intend, to verify the accuracy and completeness of any information set out in the public reports and documents or to determine whether the Fund has omitted to disclose any facts, information or events that might have occurred prior to or subsequent to the date as of which any information contained in the public reports and documents was furnished by the Fund or that may affect the significance or accuracy of any information contained in the public reports and documents that is summarized herein.

NONE OF THE FUNDS, THE FUND MANAGER, OR ANY OF THEIR RESPECTIVE AFFILIATES ASSUMES ANY RESPONSIBILITY OR LIABILITY WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION CONTAINED IN THIS INFORMATION STATEMENT AND THEY MAKE NO REPRESENTATION AS TO THE SOUNDNESS OF PURCHASING THE NOTES. NONE OF THE FUNDS, THE FUND MANAGER, OR ANY OF THEIR RESPECTIVE AFFILIATES SHALL HAVE ANY OBLIGATION OR LIABILITY IN CONNECTION WITH THE ADMINISTRATION, MARKETING OR TRADING OF THE NOTES.

RISKS RELATING TO THE FUNDS

The Monthly Partial Principal Repayment, if any, paid to Noteholders prior to Maturity will be notionally funded by the Distributions, if any, made on the Units by the Funds and, as necessary, the notional liquidation of assets in the Equity Account. The amount of Final Variable Return, if any, payable on the Notes is based on the performance of the Notional Portfolio which, to the extent that it includes Units, is based on the performance of the Funds. Accordingly, certain risk factors applicable to investors who invest directly in units or shares of the Funds are also applicable to an investment in Notes to the extent that such risk factors could adversely affect the Distributions made by, and the performance of, the Funds.

Such risk factors may include: **equity risk** (in the case of equity investments, factors which may cause the price of the equity investments to rise or fall); **foreign investment risk** (in the case of investments in securities sold outside Canada, including investments in emerging markets, factors relating to the country or countries in which such securities trade and in which the issuer of such securities operates such as different regulation and reporting standards, inadequate investor protections, political, social or economic instability, high taxation or exchange controls); **currency risk** (in the case of investments made in foreign securities, factors relating to an increase in the value of the Canadian dollar relative to the foreign currency); **interest**

rate risk (in the case of investments in fixed income instruments, factors which might cause interest rates to rise or fall, since the value of fixed income instruments varies inversely with interest rates); **credit risk** (in the case of debt securities, factors relating to a default by the issuer of the debt in the payment of interest or repayment of the debt when due, an increase in the spread between the interest paid on the issuer's debt securities and debt securities considered to have little associated risk, a downgrade of the debt securities by a credit rating agency and illiquidity or deficiency relating to the assets that the issuer has given as collateral for the debt securities); **derivative risk** (in the case of the use of derivatives by the Funds, the price of the derivative may not accurately reflect the value of the underlying asset, the Funds may not be able to buy or sell a derivative contract due to an illiquid market or an inability to find an acceptable counterparty willing to enter into such contract, exchange restrictions or default by the counterparty to the derivatives contract, the use of derivatives may not be effective and such use may limit potential gains and losses); **repurchase transactions and securities lending risk** (in the case of a repurchase or securities lending transaction, factors relating to the possible bankruptcy of the other party or default by the other party in fulfilling its obligations and a rise in the value of the sold or lent securities leaving the Funds with collateral worth less than the securities it has sold or lent resulting in a loss to the Funds); **reverse repurchase transactions risk** (in the case of a reverse repurchase transaction, factors relating to the possible bankruptcy of the other party or default by the other party in fulfilling its obligations and a drop in the value of the purchased securities leaving the Fund unable to sell the securities at the price it paid plus interest); **series risk** (if the Funds cannot pay the expenses of one series using that series' proportionate share of the Funds' assets it may have to pay those expenses out of the other series' proportionate share of the assets, which could lower the investment return of those other series); **share class risk** (in the case of shares which are separate classes of a mutual fund corporation, if the corporation cannot pay the liabilities of one class using that class' assets it may have to pay those liabilities out of the other classes' assets, which could lower the investment return of those other classes); and **large transaction risk** (if an investor makes a large transaction, the Funds' cash flow may be affected, for example, if an investor redeems a substantial number of shares or units of the Funds, the Funds may be required to sell investments at unfavourable prices to pay for the redemption).

This is not a complete description of the risks applicable to the Funds. A complete description of the risks as they apply to the Funds is contained in the current simplified prospectus of each Fund, which may be obtained at www.sedar.com.

Fund NAV

The trading prices of the securities comprising the assets of the Funds from time to time will determine the net asset values of the Funds. Other activities of the Funds may impact the value of the Units of the Funds. See disclosure filed by the Funds, which may be obtained at www.sedar.com. Holders should recognize that it is impossible to know whether the value of the securities comprising the assets of the Funds at any time will rise or fall and whether the investment decisions of the Fund Manager will prove to be successful. Trading prices of the securities comprising the assets of the Funds will be influenced by complex and inter-related political, economic, financial and other factors that can affect the capital markets generally or the equity trading markets on which the securities comprising the assets of the Funds are trading. Investors should familiarize themselves with the basic features of the Units of the Funds, including the general method of calculating the net asset value of the Funds.

METHOD OF PAYMENT

The Principal Outstanding, any Monthly Partial Principal Repayments and any Final Variable Return payable under the Notes will be made available at our option by the Paying and Transfer Agent (or its delegate on our behalf), through FundSERV to dealers and financial advisors with clients who hold Notes or if Royal Bank in its sole discretion determines, directly to Noteholders. Our responsibility and liability in respect of the Notes is limited to making payment of any amount due through RBC DS (or its delegate on our behalf) via FundSERV to dealers and financial advisors with clients who hold Notes.

Royal Bank will, directly or indirectly through its CDS participant, hold all of the beneficial interests in the Notes for and on behalf of Noteholders or their representatives, as a custodial agent appointed for the purpose of holding such beneficial interests and facilitating certain transactions in respect of the Notes through FundSERV. Royal Bank will appoint RBC DS as its agent (who may delegate its responsibilities, without notice to Noteholders, to, and in reliance upon, third party service providers) to record the respective Noteholders' beneficial interests in the Notes, in each case as may be instructed by the dealers and financial advisors representing such Noteholders in accordance with FundSERV procedures and requirements. Noteholders should understand that Royal Bank and RBC DS (or its delegate), as the case may be, will only make such recordings as may be instructed through FundSERV by a Noteholder's dealer or financial advisor and will have no obligation to confirm or take notice of any such instructions, appointments, revocations or any other matters pertaining to, a Noteholder's appointment of, or arrangements with, a dealer or financial advisor. See "*Related Matters – Registration*".

Payments of the Principal Outstanding, any Monthly Partial Principal Repayments and any Final Variable Return on Notes issued in definitive form (which will only occur in certain exceptional circumstances) will be made by cheque mailed to the Noteholder at the address of the Noteholder appearing in a register which we will maintain or cause to be maintained or, if requested in writing by the Noteholder at least five Business Days before the date of the payment and agreed to by us, by electronic funds transfer to a bank account designated by the Noteholder with a bank in Canada. Final payment under any Note in definitive form is conditional upon the Noteholder first delivering the Note to us.

We reserve the right, in the case of payments of Monthly Partial Principal Repayments, to mark on the Global Note or the Notes, if represented in definitive form, as the case may be, that such amounts have been paid in full and only the Principal Outstanding and any Final Variable Return remain payable at maturity.

Neither we nor the Paying and Transfer Agent nor CDS (or the Nominee) will be bound to see to the execution of any trust affecting the ownership of any Note or be affected by notice of any equity that may be subsisting with respect to any Note. In relation to Royal Bank's role as custodian in connection with the Notes, we will have no obligation to confirm or take notice of any such instructions, appointments, revocations or any other matters pertaining to a Noteholder's appointment of, or arrangements with, a dealer or financial advisor or any notices given to or through the FundSERV system.

RELATED MATTERS

The following is a summary of other information relevant to your decision to purchase Notes.

Registration

The Notes will be represented in the form of a fully registered, book-entry only global note (the "**Global Note**") to be held by or on behalf of CDS in Toronto, Canada as custodian of the Global Note, and registered in the name of CDS in Toronto, Canada or its nominee (the "**Nominee**"), initially CDS & Co. Except in limited circumstances, Noteholders will not be entitled to receive Notes in definitive form. Rather, the Notes will be represented in book-entry form only.

Noteholders will have an indirect beneficial interest in the Global Note. Royal Bank will, directly or indirectly through its CDS participant, hold all of the beneficial interests in the Notes for and on behalf of such Noteholders or their representatives, as a custodial agent appointed for the sole purpose of holding such beneficial interests and facilitating certain transactions in respect of the Notes through FundSERV. These arrangements will be provided for in an agreement to be entered into between Royal Bank, as custodian, RBC DS and the dealers or financial advisors who represent Noteholders for the purposes of implementing transactions through the FundSERV system. Royal Bank will appoint RBC DS as its agent to record the respective Noteholders' beneficial interests in the Notes, in each case as may be instructed by the dealers or financial advisors representing such Noteholders in accordance with the FundSERV procedures and requirements. Noteholders should understand that Royal Bank and RBC DS will only make such recordings and process such transactions as may be instructed through FundSERV by a dealer or financial advisor recorded under FundSERV as representing the applicable Noteholder and will have no obligation to confirm or take notice of any instructions, appointments, revocations or any other matters pertaining to the Noteholder's appointment of or arrangements with a dealer or financial advisor purporting to act on his or her behalf or in respect of any notices given to or through the FundSERV system. Transactions involving Notes may only be implemented through FundSERV by dealers or financial advisors that have access to the FundSERV system and have an effective agreement with Royal Bank and RBC DS regarding the specific application of the FundSERV procedures to such transactions. If a Noteholder were to replace or transfer his or her investment accounts to another dealer or financial advisor who did not satisfy such conditions, the Noteholder would be required to sell his or her Notes pursuant to the procedures described under "*Related Matters – Resale of Notes Through FundSERV*".

Expenses of the Offering

The expenses associated with the creation and sale of the Notes will be $5.00 per Note (or 5.00% of the Original Principal Amount), which amount will be paid out of the proceeds of this offering to RBC DS for its services as selling agent and to reimburse it for certain costs incurred by it in connection with the Notes. The selling agent will pay all or a portion of this amount to other qualified selling agents for selling the Notes. RBC DS will also pay selling agents who sell the Notes a fee of 0.25% per annum of the average daily Equity Account Value, which shall be paid quarterly in arrears out of the proceeds of the Portfolio Fee.

Plan of Distribution

Each Note will be issued at $100, being 100% of the Original Principal Amount.

We will offer the Notes from time to time through selling agents. We will pay selling agents who sell the Notes an initial selling commission of 5.00% of the Original Principal Amount of any Note sold through such selling agent. We may also sell Notes to a selling agent, acting as principal, for resale to one or more investors at varying prices related to prevailing market prices at the time of such resale to be determined by such selling agent. We also reserve the right to sell Notes to investors directly on our own behalf in those jurisdictions in which we are authorized to do so.

Unless Notes are sold by us to a selling agent acting as principal, no part of any commission paid by us to the selling agent may be reallocated, directly or indirectly, to the purchaser of Notes or to others, and the selling agent will not be entitled to receive any commission from any other party in respect of initial sales of Notes.

Any selling agent may from time to time purchase and sell Notes in the secondary market, but is not obligated to do so. There can be no assurance that there will be a secondary market for the Notes. The offering price and other selling terms for such sales in the secondary market may, from time to time, be varied by the relevant selling agent. See "*Related Matters – Resale of Notes Through FundSERV*".

We will have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes in whole or in part. A selling agent will have the right, in its discretion reasonably exercised, without notice to us, to reject any offer to purchase Notes received by it in whole or in part. With respect to a purchase of Notes, the full aggregate original principal amount of the Notes to be purchased must be delivered by the purchaser's dealer or financial advisor through FundSERV no later than three Business Days prior to the Issue Date. We will credit the purchaser of Notes interest accruing on funds so delivered at a rate of 1.75% per annum from and including the last Business Day of the week including the day such funds are received by us, to but excluding the Issue Date. The purchaser will be required to include, in computing its income for the purposes of the Act, the amount of such interest.

Despite delivery of such funds, Royal Bank reserves the right not to accept any offer to purchase Notes. If Notes are not issued to the purchaser for any reason, such funds will be returned forthwith, together with interest at a rate of 1.75% per annum (calculated from and including the first Business Day after such funds are received by us, to but excluding the date on which such funds are returned) to the prospective purchaser's dealer or financial advisors through FundSERV. The purchaser will be required to include, in computing its income for the purposes of the Act, the amount of such interest. In any case, whether or not the Notes are issued, no other interest or other compensation will be paid to the purchaser on such funds or to the dealer or financial advisor representing such purchaser.

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 this 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*, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the *United States Securities Act of 1933*, as amended.

Resale of Notes Through FundSERV

Noteholders wishing to sell Notes prior to the Maturity Date will be permitted to do so using the procedures established to redeem securities through FundSERV. Such sales will be subject to certain procedures, requirements and limitations relating to the FundSERV system. Noteholders wishing to sell all or a part of their holdings should consult with their dealers or financial advisors in advance in order to understand the timing and other procedures, requirements and limitations of selling through the FundSERV system.

RBC DS may, from time to time, purchase and sell Notes but will not be obliged to do so. RBC DS will have the right, in its sole discretion, to cease to offer to purchase or sell Notes. If RBC DS determines to stop facilitating a secondary market for the Notes, holders of Notes may not be able to resell their Notes through the FundSERV system.

To give effect to a sale of Notes through FundSERV, the dealer or financial advisor for a Noteholder must initiate an irrevocable request to “redeem” the applicable Notes in accordance with the then established procedures of FundSERV. The use of FundSERV’s redemption procedures for this purpose is a matter of convenience to give effect to a sale transaction within FundSERV’s existing systems and procedures. Despite this terminology, Notes will not be “redeemed”, but rather Notes will be sold through these procedures to RBC DS. In turn, RBC DS will be able in its discretion to resell such Notes to other third parties at negotiated prices or to hold them for its own account. Noteholders should be aware that, from time to time, the FundSERV “redemption” procedures required to give effect to any resale of Notes may be suspended for any reason without notice, thus effectively preventing Noteholders from selling their Notes. Potential purchasers requiring liquidity should carefully consider this possibility before purchasing Notes.

Generally, to be effective on a Business Day, a redemption request will need to be initiated by 2:00 p.m. (Toronto time) on that Business Day (or such other time as may be established by FundSERV). Any request received after such time will be deemed to be a request sent and received on the next following Business Day.

A sale of a Note will be effected at a sale price (the “**Net Bid Price**”) equal to the FundSERV closing price of a Note as of the close of business on the Business Day on which the order is placed as posted to FundSERV by RBC DS (in its capacity as Calculation Agent) on the following Business Day, minus (ii) any applicable pre-determined reduction amount set out below (similar in concept to a deferred sales charge applied in relation to an early redemption of certain mutual fund securities) (the **“Deferred Sales Charge”**). Accordingly, a Noteholder will not be able to negotiate a sale price for Notes.

A Deferred Sales Charge of up to 6.95% of the $100 Principal Amount of a Note will be deducted from the amount received by a Noteholder as sales proceeds if the Noteholder sells Notes within three years of the Issue Date. The specific amount of Deferred Sales Charge in relation to a resale transaction will be determined as follows:

If Sold Within the Specified Number of Years from the Issue Date	Deferred Sales Charge
1 Year	6.95%
2 Years	4.65%
3 Years	2.30%
Thereafter	Nil

RBC DS, in its capacity as Calculation Agent, will act as the “fund sponsor” for the purpose of calculating and posting daily the Closing Price in relation to the Notes within FundSERV. The Net Bid Price will represent the price at which RBC DS may offer to purchase Notes from Noteholders in connection with a secondary market transaction. Such price will be determined as of the close of business for the applicable Business Day. There is no guarantee that the Net Bid Price for any day will be the highest possible price available in any secondary market for the Notes, but it will represent a bid price generally available to Noteholders as at the relevant close of business, including clients of RBC DS. The Net Bid Price of a Note at any time will generally be dependent on, among other things, (a) the NAV per Note, (b) the fact that the Original Principal Amount of each Note is payable on the Maturity Date regardless of the NAV at maturity, and (c) a number of other interrelated factors, including, without limitation, volatility in the value of the Notional Portfolio, prevailing interest rates and the distribution policies of the Funds. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the trading price of a Note.

The Noteholder may wish to consult his or her investment advisor on whether it would be more favourable in the circumstances at any time to sell Notes (assuming the availability of a secondary market) or hold Notes until the Maturity Date.

Governing Law

The Notes, and the terms thereof, will be governed by and construed in accordance with the laws of the Province of Ontario, Canada, and the federal laws of Canada applicable in Ontario.

Further Issuance of Notes

We reserve the right to issue the Notes in additional tranches and may issue other note obligations, including listed note obligations subject to receipt of necessary approvals. Such other note obligations may have terms substantially similar to the terms of the Notes and may be offered by us concurrently with the offering of this or other tranches of Notes.

Notices to Noteholders

If notice is required to be given to holders of Notes, Royal Bank or RBC DS (or its delegate) shall provide such notice through FundSERV to dealers and financial advisors with clients who hold Notes. Noteholders will have access to such information through dealers and financial advisors through which their Notes are held. We will have no obligation to notify Noteholders, dealers or financial advisors in any other manner.

Modifications of the Notes

The Global Note may be amended without the consent of the Noteholders if in our reasonable opinion the amendment would not materially and adversely affect the rights of the Noteholders. In other cases, the Global Note may be amended if the amendment is approved by a resolution passed by the favourable votes of Noteholders holding Notes representing not less than 66 2/3% of the outstanding aggregate original principal amount of the Notes represented for the purpose of considering the resolution. Each Noteholder is entitled to one vote per Note held for the purpose of voting at meetings convened for this purpose. The Notes do not carry the right to vote in any other circumstances.

Dealings in the Funds

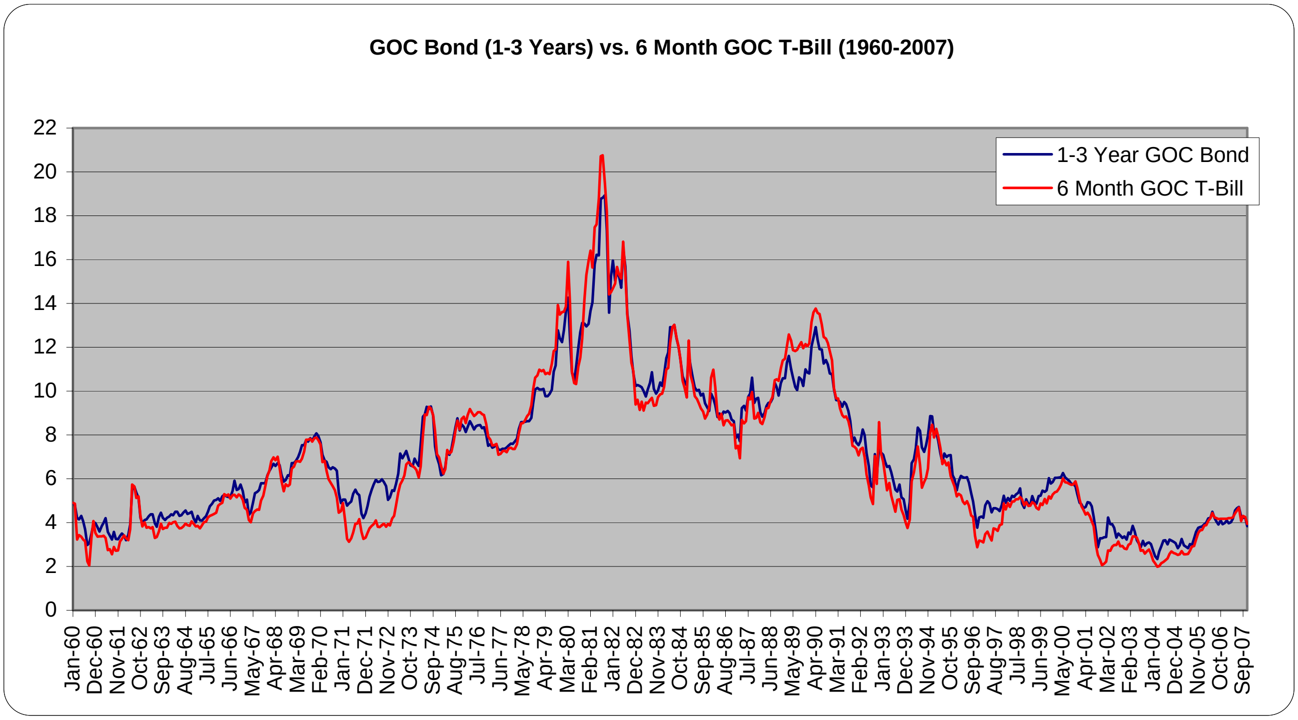
We, RBC DS, or any of our respective affiliates may from time to time, in the course of our respective normal business operations, have dealings in the securities held by the Funds, and certain of the affiliates of the issuers of those securities, including through the extension of credit to, or investing in, such entities. We will base all such actions on normal commercial criteria in the particular circumstances and we will not take into account the effect, if any, of such actions on the NAV or the amount that may be payable on the Notes or Noteholders' interests generally.

Deferred Payment

Federal laws of Canada prohibit anyone from receiving interest at an effective rate that is greater than 60% per annum. Therefore, in the event that the variable return and any other interest payments paid on the Notes is greater than 60% per annum at maturity, we will pay you, at maturity, only the portion of the variable return that constitutes 60% per annum, taking into account any other interest payments, and will pay the balance, together with interest at Royal Bank's equivalent term deposit rate as soon as permitted under applicable laws.

CANADIAN INTEREST RATE ANALYSIS

The Additional Amount calculation is based on one year Canadian dollar bankers acceptance rates and as such one year Canadian rates have an impact on the amount an investor ultimately receives. One year Canadian rates have historically varied from time to time. Graphs and analyses of 6 month Government of Canada T-Bill and 1 - 3 year Government of Canada bonds appear below.



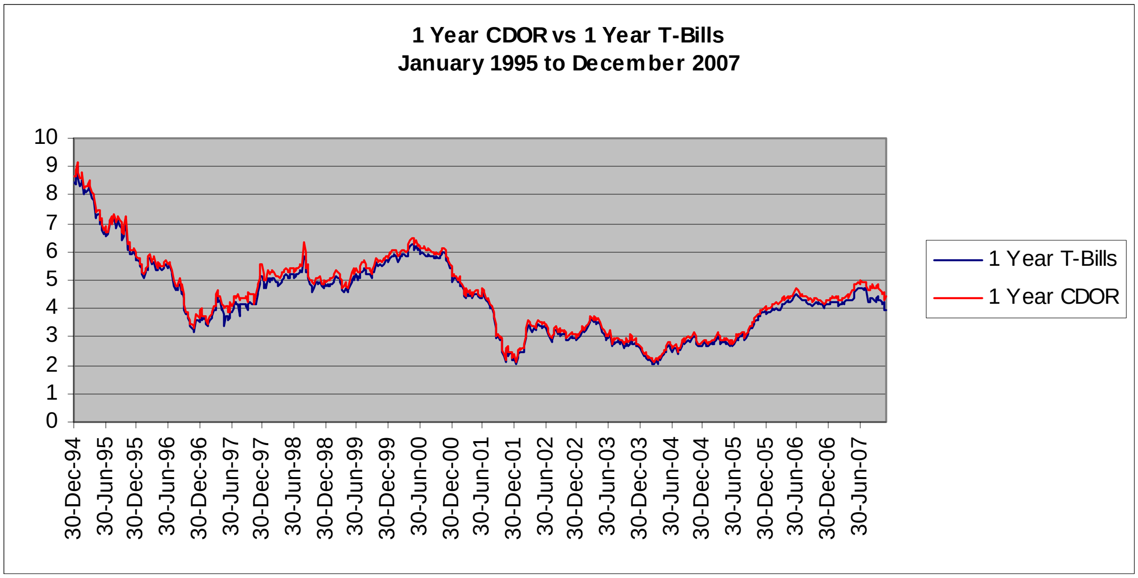
Source: Bank of Canada

Historical performance of Government of Canada T-Bills and 1 - 3 year Government of Canada bonds are is necessarily indicative of future performance of such instruments. The source of the data displayed in the above chart is the Bank of Canada and its accuracy cannot be guaranteed.

The data considered was 6 month Government of Canada T-Bills and 1 - 3 year Government of Canada Notes. It is monthly data from the Bank of Canada that goes back to 1960 in the case of 6 month T-Bills and to 1949 in the case of 1 - 3 year Government of Canada notes.

	6 mo GOC T- Bills 1/15/1960 – 11/15/2007	**1 – 3 Year GOC Notes 1/15/1949 – 11/15/2007**
High	20.76%	18.94%
Low	1.98%	1.55%
Mean	6.7776%	6.2633%
Current	3.94%	3.84%
Historic Annualized Volatility	27.86%	22.86%

Based on the historical data above, 95% of the occurrences for the 6 month T-Bill rates were at or below 13.569% and 95% of the occurrences for the 1 – 3 Year Government of Canada notes were at or below 12.378%. In addition, one year Canadian Bankers Acceptance Rates are typically higher than equivalent term Government of Canada Rates (although the magnitude of the difference varies). A chart of one year Canadian T-Bills and one year CDA BA CDOR rates appears below:



Source: Bloomberg

Historical performance of the one year CDA BA CDOR vs one year Government of Canada T-Bill rates will not necessarily predict future performance of such instruments. The source of the data displayed in this chart is Bloomberg and its accuracy cannot be guaranteed.

Historical One Year CDA BA CDOR vs One Year Government of Canada T-Bill Spread, 1992 – 2007

High	1.0630%	May 1, 1992
Low	-0.6600%	November 13, 1992
Mean	0.15724%	
Current	0.50000%	November 30, 2007

If we use the 0.42% monthly payout rate and an initial Equity Account Value of $100 per Note we arrive at initial Monthly Partial Principal Repayment Amounts of $0.42 per Note. If that amount of Monthly Partial Principal Repayments were maintained for 18 months then the sum of Monthly Partial Principal Repayments per $100 note would be $7.56 leaving Principal Outstanding of $92.44. Subject to appreciation of the Notional Portfolio, one year interest rates of 10.34184% or higher would result in a payment at maturity of only the remaining principal of $92.44. A one year rate of 10.34184% would be within the 95% band indicated by the study.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, tax counsel to Royal Bank, the following is a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of the Notes by an individual Noteholder who purchases Notes at the time of their issuance, and who, for purposes of the Act and at all applicable times, is a resident of Canada, deals at arm's length with and is not affiliated with, Royal Bank and holds a Note as capital property. This summary applies only to an individual (other than a trust) and does not apply to a Noteholder that is a corporation, partnership, or trust, including a "financial institution" within the meaning of section 142.2 of the Act. This summary is based on the Act and the regulations made under the Act (the "**Regulations**") as in force on the date of this Information Statement, all specific proposals (the "**Proposals**") to amend the Act or Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Information Statement and counsel’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") as made publicly available prior to the date of this Information Statement. Except for Proposals, this summary does not take into account or anticipate any changes to the law or the CRA's administrative policies and assessing practices whether by legislative, governmental or judicial action. No assurance can be given that the Proposals will be implemented in their current form, or at all. Provincial, territorial and foreign income tax considerations are not addressed. **This summary is not intended to constitute, nor should it be relied upon as, tax advice to any particular Noteholder. All Noteholders should consult their own tax advisors with respect to their tax positions and the tax consequences of holding Notes.** In particular, Noteholders should consult their tax advisors as to whether they will hold the Notes as capital property for purposes of the Act, which determination should take into account, among other factors, whether the Notes are acquired with the intention or secondary intention of selling them prior to the Maturity Date, and as to whether the Noteholder is eligible for and should file an irrevocable election under subsection 39(4) of the Act to treat every "Canadian security" owned by the Noteholder, including the Notes, as capital property.

Income on the Note

In the event that the Noteholder holds a Note until Maturity Date, the full amount of the Final Variable Return generally will be included in the Noteholder's income in the Noteholder's taxation year that includes the Maturity Date except to the extent that some part or all of the Final Variable Return has already been included in the Noteholder's income for that or a preceding taxation year.

In certain circumstances, provisions of the Act can deem interest to accrue on a "prescribed debt obligation" (as defined for purposes of the Act). Based in part on an understanding of the CRA's administrative practice, there should be no amounts included in income of a Noteholder in respect of the Notes until the Noteholder's taxation year that includes the Maturity Date other than as discussed below with respect to an Extraordinary Event or Protection Event. If the amount of the Final Variable Return becomes limited to a maximum amount as a result of the occurrence of an Extraordinary Event or a Protection Event, a Noteholder would generally be required to include in income for each taxation year, commencing in the taxation year in which the amount of the Final Variable Return becomes so limited, the portion of the Final Variable Return deemed to accrue as interest to the Noteholder to the end of the "anniversary day" in the taxation year, as determined in accordance with the prescribed debt obligation rules, except to the extent that the amount was otherwise included in income for the taxation year or a preceding taxation year.

Disposition of a Note

In certain circumstances, where an investor assigns or otherwise transfers a debt obligation, the amount of interest accrued on the debt obligation to that time, but unpaid, will be excluded from the proceeds of disposition of the obligation and will be required to be included as interest in computing the investor's income for the taxation year in which the transfer occurs, except to the extent that it has been otherwise included in income for that taxation year or a preceding taxation year. Under the terms of the Notes, there should be no amount that will be treated as accrued interest on an assignment or transfer of a Note prior to the Maturity Date, unless there has been an Extraordinary Event or a Protection Event. Although not free from doubt, a Noteholder who disposes of, or is deemed to dispose of, a Note (other than a disposition by virtue of the repayment of such Note by Royal Bank on the Maturity Date) should realize a capital gain (or capital loss) to the extent that the proceeds of disposition of the Note, less any costs of disposition, exceed (or are less than) the Noteholder's adjusted cost base of the Note at the time of disposition.

Any partial repayments of principal received in respect of the Notes will reduce the principal amount of the Notes and reduce the initial Noteholder's adjusted cost base of the Notes.

One-half of a capital gain realized by a Noteholder must be included in the income of the Noteholder. One-half of a capital loss realized by a Noteholder is deductible against the taxable portion of capital gains realized in the year, in the three preceding years or in subsequent years, subject to the rules in the Act. Capital gains realized by an individual may give rise to a liability for alternative minimum tax.

Interest on Subscription Proceeds

The amount of any interest paid on subscription proceeds for Notes paid by a Noteholder will be included in the Noteholder’s income, regardless of whether Notes or fractions thereof are issued to such Noteholder in payment thereof or such interest is paid in cash.

Eligibility for Investment

The Notes, if issued on the date of this Information Statement, would be qualified investments under the Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans and deferred profit sharing plans (other than a deferred profit sharing plan to which payments are made by Royal Bank or a person or partnership with which Royal Bank does not deal at arm's length).

CERTAIN RISK FACTORS

The Notes provide opportunities but may pose risks. You should carefully consider the risks involved in purchasing Notes before making an investment decision and you should discuss with your advisors the suitability of purchasing Notes in light of your particular investment objectives and after reviewing all available information, including the following:

Suitability – A purchase of Notes is not suitable for a person looking for a guaranteed rate of return. The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* (Canada). We make no recommendation as to the suitability of the Notes for your investment purposes.

No Return May Be Payable – It is uncertain how much return, if any, will be payable under the Notes. A Noteholder may only receive payments totalling the Original Principal Amount of each Note over the term of the Notes.

No Ownership of, or Recourse to, Assets Comprising the Notional Portfolio – The Notes will not reflect the return a Noteholder would realize if the Noteholder actually owned the assets comprising the Notional Portfolio. Noteholders will not have, and the Notes will not represent, any direct or indirect ownership interest in the Fund or Bonds or in any notional account. Noteholders will have no recourse to any of the assets comprising the Equity Account or Bond Account.

Liquidation of Equity Account Assets – Apart from the implementation of the notional portfolio allocation rules, some assets in the Equity Account may be notionally liquidated from time to time if there is not enough cash in the Equity Account to pay fees or the Monthly Partial Principal Repayment of 0.42% of the Equity Account Value (which is equal to an annualized repayment of 5.04%, assuming a constant Equity Account Value). The average annual gross yield of the Units as of November 30, 2007 was 2.64%. Liquidation of assets in the Equity Account results in a decrease in value of the Equity Account that, in turn, increases the likelihood of the occurrence of a Protection Event.

***Non-Conventional Notes* -** The Notes are not conventional notes or debt instruments. The Notes do not provide investors with a guaranteed return or fixed income stream prior to the Maturity Date, or a guaranteed return at the Maturity Date, calculated using a fixed or floating rate of interest that can be determined prior to the Maturity Date. Noteholders will not have the opportunity to reinvest any income generated by the Notes prior to the Maturity Date nor will they be able, prior to the Maturity Date, to determine the amount of the return, if any, that they will receive on their Notes at the Maturity Date.

Secondary Market – The Notes will not be listed on any stock exchange and there is no assurance that a secondary market for Notes will develop or be sustainable. RBC DS may, from time to time, purchase and sell Notes, but will not be obligated to do so. If RBC DS offers to purchase Notes in connection with a secondary market transaction, there is no assurance that the purchase price will be the highest possible price available in any secondary market for the Notes and, in particular, any purchase price will be reduced by up to 6.95% of the original Principal Amount if the Noteholder sells Notes within three years of the Issue Date. The resale price of Notes could be below the $100 original principal amount per Note. The value of the Notes in any secondary market will be affected by a number of complex and inter-related factors.

One Year Canadian Bankers Acceptance Rates – The Additional Amount and in turn the Payment Amount at maturity are impacted by the one year Canadian dollar bankers acceptance rate at the Maturity Date. Such one year interest rates have varied significantly in the past. A high rate at the Maturity Date will negatively impact the amount a Noteholder receives.

FundSERV – The Notes will be purchased, settled and otherwise dealt with in accordance with the clearing and settlement procedures and services operated by FundSERV and certain other rules and protocols established with dealers and financial advisors in connection with such services. Only those dealers and financial advisors that have an effective agreement with Royal Bank will be eligible to deal with Notes on behalf of Noteholders.

Extraordinary Events and Protection Event – If one or more Extraordinary Events occur, or if there is a Protection Event, the Notional Portfolio will only consist of Bonds in which case, no further Monthly Partial Principal Repayments will be made during the term of the Notes and return on the Maturity Date may be reduced or eliminated altogether, even though the Funds may appreciate in value and/or earn a positive return following the Extraordinary Event or Protection Event.

Potential Conflicts of Interest – We, RBC DS, an/or our respective affiliates may perform functions or engage in activities that could adversely impact the value of the Notes, your ability to resell your Notes or the amount or timing of your receipt of entitlements under the Notes. For example, we, RBC DS or our affiliates may have dealings in one or more of the assets comprising the Notional Portfolio, which dealings will not take into account the effect, if any, on the Noteholders' interests generally. Except in unusual circumstances, we or RBC DS, as the Calculation Agent, will be responsible to determine the amount, if any, of the return payable under the Notes and may exercise judgement and discretion in relation to the functions and activities undertaken in respect of the Notes from time to time. Consequently, potential conflicts between the interests of Noteholders and our interests may arise.

Dependence on Management **-** The success of the Funds and the value of the Units depends on the skill and acumen of the management of the Fund Manager. These individuals will not devote all of their time to the business of the Funds. If these individuals should cease to participate in the management of the Funds, the ability to select attractive investments and manage the Funds could be severely impaired. There can be no assurance that: (a) the Funds' investment objectives will be realized; (b) the Funds' investment strategies will prove successful; (c) the distribution policy of the assets in the Funds can be maintained; or (d) the Equity Account can avoid losses. Past performance of the Fund Manager is not indicative of future returns.

Leverage **–** There may be notionally borrowed money against the Notional Portfolio. The use of leverage creates an opportunity for increased exposure to the Equity Account and the potential of an increased return. At the same time, however, leverage creates special risks. Although the principal amount of the money notionally borrowed will be fixed, the value of the Equity Account may change during the time a borrowing is outstanding. Since any decline in value of the Equity Account will be borne entirely by the Noteholders (and not by those persons notionally providing the borrowed money), a decline in the value of the Equity Account can lead to an increased allocation to the Bond Account under the Notional Portfolio Allocation Rules.

DEFINITIONS

The following capitalized terms are used frequently in this Information Statement and have the respective meanings set forth below.

"**Act**" means the *Income Tax Act* (Canada).

"**Additional Amount**" means an amount, which may be positive or negative, which will be calculated at the Maturity Date to be equal to the difference between the Undiscounted Future Amount discounted at the one year CAD BA CDOR rate prevailing at the Maturity Date and the Principal Outstanding at the Maturity Date.

"**Allocation Event**" means the absolute value of the difference between the Target Exposure and the Exposure (i) within the initial 91 calendar days from the Issue Date is greater than 25%, and (ii) after the initial 91 calendar days from the Issue Date is greater than 5%.

"**BAV**" or "**Bond Account Value**" has the meaning attributed thereto under *"Notional Portfolio Allocation Rules – Allocation Formulas"*.

"**Bond**" means a notional obligation denominated in Canadian dollars with an implicit yield to maturity equal to the inter-bank swap rate for a term equal to the remaining term of the Notes at the time the Bond is purchased and that pays a quarterly coupon at a rate of 0.30% per annum.

"**Bond Account**" means the notional bond account that makes up part of the Notional Portfolio.

"**Business Day**" means a day on which commercial banks are open for business and able to effect transactions in foreign exchange and foreign currency deposits in Toronto, Canada and a day on which book-entry transfers may be effected through CDS. If any date on which any action is otherwise required to be taken in respect of the Notes is not a Business Day, the date on which such action shall be taken shall, except as otherwise indicated, be the next following Business Day and, if the action involves payment of any amount, no interest or other compensation shall be paid as a result of any such delay.

"**CAD BA CDOR**" means the average rate for Canadian dollar bankers acceptances as determined by the Calculation Agent.

"**Calculation Agent**" means the calculation agent for the Notes appointed by Royal Bank from time to time. The Calculation Agent initially will be RBC Dominion Securities Inc., whose address is P.O. Box 50, Royal Bank Plaza, 2nd Floor, South Tower, Toronto, Ontario, Canada M5J 2W7; Attention: Global Equity Derivatives.

"**Capital Appreciation**" means the amount if any, calculated on the Maturity Date by which the NAV_{Final} exceeds the Original Principal Amount.

"**CDIC**" means Canada Deposit Insurance Corporation.

"**CDS**" means The Canadian Depository for Securities Limited, and its successors.

"**CRA**" has the meaning attributed thereto under *"Canadian Federal Income Tax Considerations"*.

"**DAV**" or "**Distribution Account Value**" has the meaning attributed thereto under *"Notional Portfolio Allocation Rules – Allocation Formulas"*.

"**Deferred Sales Charge**" has the meaning attributed thereto under "*Related Matters – Resale of Notes Through FundSERV*".

"Distance" has the meaning attributed thereto under *"Notional Portfolio Allocation Rules – Allocation Formulas"*.

"**Distribution Account**" means the notional account that will, from time to time, notionally hold Distributions and cash to make the Monthly Partial Principal Repayments.

"**Distributions**" means all ordinary cash dividends and other cash distributions paid in respect of the Units that are notionally included in the Equity Account on the record date.

"**EAV**" or "**Equity Account Value**" has the meaning attributed thereto under *"Notional Portfolio Allocation Rules – Allocation Formulas"*.

"**Equity Account**" has the meaning attributed thereto under *"Summary"*.

"**Exchange Day**" means, in respect of a Fund, a day that is (or, but for the occurrence of an Extraordinary Event, would have been) a trading day on each exchange for the securities of the companies comprising such Fund or related contracts, options or instruments, other than a day on which trading on such an exchange is scheduled to close prior to its regular closing time.

"**Exposure**" has the meaning attributed thereto under *"Notional Portfolio Allocation Rules – Allocation Formulas"*.

"**Extraordinary Event**" means any event, circumstance or cause which Royal Bank determines, in its sole discretion, has or will have a material adverse effect on the ability of Royal Bank to perform its obligations under the Notes or to hedge its position in respect of its obligation to make payment of amounts owing thereunder. More specifically, Extraordinary Events in respect of the Notional Portfolio will include the following events to the extent that they have such effect and occur after the Issue Date and prior to the Maturity Date:

(a) any suspension of or limitation on trading in securities that comprise 20% or more of a Fund or a general limitation on prices for such securities on any relevant exchange;

(b) the investment objectives of a Fund are amended in any material respect after the Issue Date;

(c) the currency denomination of units or shares, as the case may be, of the Funds is changed so that the net asset value of the Funds is no longer calculated in Canadian dollars;

(d) a Fund fails for reasons other than those of a technical or operational nature to calculate the net asset value of any securities that comprise a Fund for five consecutive Business Days;

(e) the activities of the Fund Manager are under investigation by applicable regulators for reasons of material wrongdoing or material breach of any rule or regulation;

(f) subscriptions or redemptions of units or shares, as the case may be, of a Fund has been suspended for such length of time as will materially affect the ability of Royal Bank to hedge its liabilities in respect of the Notes or such subscriptions are no longer available to Royal Bank;

(g) the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other government authority which would make it unlawful or impracticable for Royal

Bank to perform its obligations under the Notes or for dealers to execute, maintain or modify a hedge in a position in respect of a Fund;

(h) a material fee is added to the management fee, subscription price or redemption price of units or shares, as the case may be, of the Funds;

(i) the taking of any action by any governmental, administrative, legislative or judicial authority or power of Canada or the United States of America or any political subdivision of Canada or the United States of America which has a material adverse effect on the financial markets thereof; or

(j) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of Royal Bank to perform its obligations under the Notes or of a dealer to execute, maintain or modify a hedge of a position with respect to a Fund or a material and adverse effect on the economy of Canada or the United States of America or the trading of securities, contracts or other instruments generally on relevant exchanges.

For the purpose of determining whether an Extraordinary Event exists at any time, a limitation on the hours or number of days of trading shall not constitute an Extraordinary Event if it results from an announced change in the regular business hours of a relevant exchange, and an "absence" or "limitation on trading" of or on such exchange will not include any time when such exchange itself is closed for trading under ordinary circumstances.

"**Final Variable Return**" has the meaning attributed thereto under *"Payments Under the Notes – Payments on Maturity – Principal Amount and Final Variable Return"*.

"**Fixed MER**" has the meaning attributed thereto under *"Summary"*.

"**Floor**" has the meaning attributed thereto under *"Notional Portfolio Allocation Rules – Allocation Formulas"*.

"**Funds**" means the Trimark Global Balanced Fund and the Trimark Diversified Income Class, each managed by the Fund Manager.

"**Fund Manager**" means AIM Funds Management Inc., the manager of the Funds.

"**Global Note**" has the meaning attributed thereto under *"Related Matters – Registration"*.

"**Initial Loan Amount**" has the meaning attributed thereto under *"Notional Portfolio and Loan"*.

"**Issue Date**" means on or about March 13, 2008.

"**Loan**" means a notional loan that may, from time to time, be drawn down to increase the notional investment in the Notional Portfolio.

"**Loan Amount**" means, at any time, the total of the outstanding principal amount of the Loan, plus any accrued and unpaid interest thereon at that time (expressed pro rata per Note).

"**Maturity Date**" means on or about March 13, 2015.

"**Monthly Partial Principal Repayment**" has the meaning given to it under *"Payments Under the Notes – Payments Prior to Maturity-Monthly Partial Principal Repayments"*.

“**Monthly Partial Principal Repayment Amount**” has the meaning given to it under *“Summary”*.

“**Monthly Partial Principal Repayment Date**” has the meaning given to it under *“Payments Under the Notes – Payments Prior to Maturity-Monthly Partial Principal Repayments*.

“**NAV**”, or “**Net Asset Value**” has the meaning attributed thereto under *“Notional Portfolio Allocation Rules – Allocation Formulas”*.

“$\mathbf{NAV_{Final}}$” has the meaning attributed thereto under *“Payments Under the Notes”*.

“**Net Bid Price**” has the meaning attributed thereto under *“Related Matters – Resale of Notes Through FundSERV”*.

“**Nominee**” means the nominee appointed from time to time by CDS, initially CDS & Co.

“**Note**” and “**Notes**” have the meanings attributed thereto under “*Summary*”.

“**Noteholder**” has the meaning attributed thereto under *“Related Matters – Registration”*.

“**Notional Portfolio**” means a notional portfolio of investments consisting of the Equity Account and the Bond Account.

“**Notional Portfolio Allocation Rules**” has the meaning attributed thereto under *“Notional Portfolio Allocation Rules”*.

“**Original Principal Amount**” has the meaning attributed thereto under “*Summary*”.

“**Paying and Transfer Agent**” means the paying and transfer agent for the Notes appointed by us from time to time. The Paying and Transfer Agent will initially be RBC Dominion Securities Inc. whose address is P.O. Box 50, Royal Bank Plaza, 6th Floor, South Tower, Toronto, Ontario, Canada M5J 2W7; Attention: National Operations.

“**Payment Amount**” has the meaning attributed thereto under *“Payments Under the Notes—Payments on Maturity – Principal Amount and Final Variable Return”*.

“**Portfolio Fee**” means a fee equal to (i) 2.45% per annum of the average daily value of the Equity Account, plus (ii) 0.30% per annum of the face amount of the Bonds in the Bond Account, calculated by the Calculation Agent on a daily basis and paid quarterly in arrears.

“**Principal Outstanding**” means, on any date of determination, the Original Principal Amount per Note minus the aggregate Monthly Partial Principal Repayment Amounts made in respect of each Note to and including such date.

“**Proposals**” has the meaning attributed thereto under *“Canadian Federal Income Tax Considerations”*.

“**Protection Event**” means that the Distance declines to less than or equal to 2%.

“**RBC DS**” means RBC Dominion Securities Inc. and its successors and assigns.

“**Regulations**” has the meaning attributed thereto under *“Canadian Federal Income Tax Considerations”*.

“**Royal Bank**” means Royal Bank of Canada and its successors and assigns.

“**Target Exposure**” has the meaning attributed thereto under *“Notional Portfolio Allocation Rules – Allocation Formulas”*.

“**Undiscounted Future Amount**” means an amount in excess of $100 established by the Calculation Agent at the Issue Date and currently anticipated to be $102 based on conditions existing as at the date of this Information Statement.

“**Units**” has the meaning given to it under *“Summary”*.