

ROYAL BANK OF CANADA
Form 424B2
August 29, 2017

August 2017
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Registration Statement No. 333-208507
PRICING SUPPLEMENT
Dated August 25, 2017
Filed Pursuant to Rule 424(b)(2)

STRUCTURED INVESTMENTS

Opportunities in U.S. Equities

\$9,453,510 Contingent Income Auto-Callable Securities due March 1, 2018

With the Coupon and Payment at Maturity Subject to the Performance of the Common Stock of Netflix, Inc.

Principal at Risk Securities

Contingent Income Auto-Callable Securities do not guarantee the payment of interest or the repayment of principal. Instead, the securities offer the opportunity for investors to earn a contingent monthly coupon equal to 1.00% of the stated principal amount (12.00% per annum), but only with respect to each determination date on which the determination closing price of the underlying stock, or the final share price, as applicable, is greater than or equal to 75% of the initial share price, which we refer to as the downside threshold level. In addition, if the determination closing price of the underlying stock is greater than or equal to the redemption threshold level (which will be equal to 100% of the initial share price) on any determination date, the securities will be automatically redeemed for an amount per security equal to the stated principal amount and the contingent monthly coupon. At maturity, if the securities have not previously been redeemed and the final share price is greater than or equal to the downside threshold level, the payment at maturity will be the stated principal amount and the contingent monthly coupon with respect to the final determination date. However, if the final share price of the underlying stock is below the downside threshold level on the final determination date, investors will be fully exposed to the decrease in the underlying stock on a 1 to 1 basis and will receive a payment at maturity that is less than 75% of the stated principal amount and could be zero. Moreover, if on any determination date the determination closing price of the underlying stock, or the final share price, as applicable, is less than the downside threshold level, you will not receive any contingent monthly coupon for that monthly period. Accordingly, investors in the securities must be willing to accept the risk of losing their entire principal and also the risk of not receiving any contingent monthly coupon. The securities are for investors who are willing to risk their principal and seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving few or no contingent monthly coupons over the term of the securities. Investors will not participate in any appreciation of the underlying stock. The securities are senior unsecured obligations of Royal Bank of Canada, issued as part of Royal Bank of Canada's Series G Senior Global Medium-Term Notes program. All payments on the securities are subject to the credit risk of Royal Bank of Canada.

SUMMARY TERMS

Issuer:	Royal Bank of Canada
Underlying stock:	Common stock of Netflix, Inc. (Bloomberg symbol: "NFLX")
Aggregate principal amount:	\$9,453,510
Stated principal amount:	\$10 per security
Issue price:	\$10 per security
Pricing date:	August 25, 2017
Original issue date:	August 30, 2017
Maturity date:	March 1, 2018, subject to adjustment as described in "Additional Information About the Securities" below.
Early redemption:	

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If, on any of the first five determination dates, the determination closing price of the underlying stock is greater than or equal to the redemption threshold level, the securities will be automatically redeemed for an early redemption payment on the third business day following the related determination date. No further payments will be made on the securities once they have been redeemed.

Redemption threshold level:	100% of the initial share price		
Early redemption payment:	The early redemption payment will be an amount equal to (i) the stated principal amount plus (ii) the contingent monthly coupon with respect to the related determination date.		
Determination closing price:	The closing price of the underlying stock on any determination date other than the final determination date times the adjustment factor on that determination date		
Contingent monthly coupon:	•If, on any determination date, the determination closing price or the final share price, as applicable, is greater than or equal to the downside threshold level, we will pay a contingent monthly coupon of \$0.10 (1.00% of the stated principal amount, or 12.00% per annum) per security on the related contingent payment date.		
	•If, on any determination date, the determination closing price or the final share price, as applicable, is less than the downside threshold level, no contingent monthly coupon will be made with respect to that determination date.		
Determination dates:	September 25, 2017, October 25, 2017, November 27, 2017, December 26, 2017, January 25, 2018 and February 26, 2018, subject to postponement for non-trading days and certain market disruption events as described in “Additional Information About the Securities” below. We also refer to February 26, 2018 as the final determination date.		
Contingent payment dates:	With respect to each determination date other than the final determination date, the third business day after the related determination date. The payment of the contingent monthly coupon, if any, with respect to the final determination date will be made on the maturity date.		
Payment at maturity:	If the final share price is greater than or equal to the downside threshold level:	(i) the stated principal amount plus	(ii) the contingent monthly coupon with respect to the final determination date
	If the final share price is less than the downside threshold level:	(i) the stated principal amount multiplied by	(ii) the share performance factor
Share performance factor:	Final share price divided by the initial share price		
Adjustment factor:	1.0, subject to adjustment in the event of certain corporate events affecting the underlying stock		
Downside threshold level:	\$124.46, which is equal to 75.00% of the initial share price (rounded to two decimal places)		
Initial share price:	\$165.95, which is the closing price of the underlying stock on the pricing date		
Final share price:	The closing price of the underlying stock on the final determination date times the adjustment factor on that date		
CUSIP/ISIN:	78013F305 / US78013F3055		
Listing:	The securities will not be listed on any securities exchange.		
Agent:	RBC Capital Markets, LLC (“RBCCM”). See “Supplemental information regarding plan of distribution; conflicts of interest.”		
Commissions and issue price:	Price to public	Agent’s commissions	Proceeds to issuer
Per security	\$10.000	\$0.075 ⁽¹⁾	\$9.875
Total	\$9,453,510.00	\$0.050 ⁽²⁾	\$9,335,341.125
		\$70,901.325	
		\$47,267.55	

(1) RBCCM, acting as agent for Royal Bank of Canada, will receive a fee of \$0.125 per \$10 stated principal amount and will pay to Morgan Stanley Wealth Management (“MSWM”) a fixed sales commission of \$0.075 for each security

that MSWM sells. See “Supplemental information regarding plan of distribution; conflicts of interest.”

(2) Of the amount per \$10 stated principal amount received by RBCCM, acting as agent for Royal Bank of Canada, RBCCM will pay MSWM a structuring fee of \$0.05 for each security.

The initial estimated value of the securities as of the date of this document is \$9.8653 per \$10 in principal amount, which is less than the price to public. The actual value of the securities at any time will reflect many factors, cannot be predicted with accuracy, and may be less than this amount.

The securities involve risks not associated with an investment in ordinary debt securities. See “Risk Factors” beginning on page 7.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this document or the accompanying prospectus supplement and prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The securities will not constitute deposits insured by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation (the “FDIC”) or any other Canadian or U.S. government agency or instrumentality.

You should read this document together with the related prospectus supplement and prospectus, each of which can be accessed via the hyperlinks below. Please also see “Additional Information About the Securities” at the end of this document.

[Prospectus Supplement dated January 8, 2016](#)

[Prospectus dated January 8, 2016](#)

Contingent Income Auto-Callable Securities due March 1, 2018

With the Coupon and Payment at Maturity Subject to the Performance of the Common Stock of Netflix, Inc.

Principal at Risk Securities

Investment Summary

The Contingent Income Auto-Callable Securities due March 1, 2018 with the Coupon and Payment at Maturity Subject to the Performance of the Common Stock of Netflix, Inc., which we refer to as the “securities,” provide an opportunity for investors to earn a contingent monthly coupon, which is an amount equal to \$0.1000 (1.00% of the stated principal amount, or 12.00% per annum) per security, with respect to each monthly determination date on which the determination closing price or the final share price, as applicable, is greater than or equal to 75.00% of the initial share price, which we refer to as the downside threshold level. The contingent monthly coupon, if any, will be payable monthly on the contingent payment date, which is the third business day after the related determination date. It is possible that the closing price of the underlying stock could remain below the downside threshold level for extended periods of time or even throughout the term of the securities so that you may receive few or no contingent monthly coupons.

If the determination closing price is greater than or equal to the redemption threshold level on any of the first five determination dates, the securities will be automatically redeemed for an early redemption payment equal to the stated principal amount plus the contingent monthly coupon with respect to the related determination date. If the securities have not previously been redeemed and the final share price is greater than or equal to the downside threshold level, the payment at maturity will also be the sum of the stated principal amount and the contingent monthly coupon with respect to the related determination date. However, if the securities have not previously been redeemed and the final share price is less than the downside threshold level, investors will be exposed to the decline in the closing price of the underlying stock, as compared to the initial share price, on a 1 to 1 basis and will receive a payment at maturity that is less than 75% of the stated principal amount of the securities and could be zero. Investors in the securities must be willing to accept the risk of losing their entire principal and also the risk of not receiving any contingent monthly coupon. In addition, investors will not participate in any appreciation of the underlying stock.

August 2017 Page 2

Contingent Income Auto-Callable Securities due March 1, 2018

With the Coupon and Payment at Maturity Subject to the Performance of the Common Stock of Netflix, Inc.

Principal at Risk Securities

Key Investment Rationale

The securities offer investors an opportunity to earn a contingent monthly coupon equal to 1.00% of the stated principal amount (12.00% per annum) with respect to each determination date on which the determination closing price or the final share price, as applicable, is greater than or equal to 75% of the initial share price, which we refer to as the downside threshold level. The securities may be redeemed prior to maturity for the stated principal amount per security plus the applicable contingent monthly coupon, and the payment at maturity will vary depending on the final share price, as follows:

- Scenario 1 On any of the first five determination dates, the determination closing price is greater than or equal to the redemption threshold level.
§ The securities will be automatically redeemed for (i) the stated principal amount plus (ii) the contingent monthly coupon with respect to the related determination date.
§ Investors will not participate in any appreciation of the underlying stock from the initial share price.
- Scenario 2 The securities are not automatically redeemed prior to maturity and the final share price is greater than or equal to the downside threshold level.
§ The payment due at maturity will be (i) the stated principal amount plus (ii) the contingent monthly coupon with respect to the final determination date.
§ Investors will not participate in any appreciation of the underlying stock from the initial share price.
- Scenario 3 The securities are not automatically redeemed prior to maturity and the final share price is less than the downside threshold level.
§ The payment due at maturity will be (i) the stated principal amount multiplied by (ii) the share performance factor.
§ Investors will lose a significant portion, and may lose all, of their principal amount in this scenario.

Contingent Income Auto-Callable Securities due March 1, 2018

With the Coupon and Payment at Maturity Subject to the Performance of the Common Stock of Netflix, Inc.

Principal at Risk Securities

How the Securities Work

The following diagrams illustrate the potential outcomes for the securities depending on (1) the determination closing price and (2) the final share price.

Diagram #1: First Five Determination Dates

Diagram #2: Payment at Maturity if No Automatic Early Redemption Occurs

August 2017 Page 4

Contingent Income Auto-Callable Securities due March 1, 2018

With the Coupon and Payment at Maturity Subject to the Performance of the Common Stock of Netflix, Inc.

Principal at Risk Securities

Hypothetical Examples

The examples below are based on the following terms:

Hypothetical Initial Share Price:	\$100.00
Hypothetical Downside Threshold Level:	\$75.00, which is 75% of the hypothetical initial share price
Hypothetical Adjustment Factor:	1.0
Contingent Monthly Coupon:	\$0.1000 (1.00% of the stated principal amount, or 12.00% per annum)
Stated Principal Amount:	\$10 per security
Redemption Threshold Level:	\$100.00, which is equal to 100% of the hypothetical initial share price

In Examples 1 and 2, the closing price of the underlying stock fluctuates over the term of the securities and the determination closing price of the underlying stock is greater than or equal to the redemption threshold level on one of the first five determination dates. Because the determination closing price is greater than or equal to the redemption threshold level on one of the first five determination dates, the securities are automatically redeemed following the relevant determination date. In Examples 3 and 4, the determination closing price on the first five determination dates is less than the redemption threshold level, and, consequently, the securities are not automatically redeemed prior to, and remain outstanding until, maturity.

Determination Dates	Example 1			Example 2		
	Hypothetical Determination Closing Price (or Final Share Price)	Contingent Monthly Coupon	Early Redemption Payment*	Hypothetical Determination Closing Price (or Final Share Price)	Contingent Monthly Coupon	Early Redemption Payment
#1	\$105.00	-*	\$10.10	\$90.00	\$0.10	N/A
#2	N/A	N/A	N/A	\$91.00	\$0.10	N/A
#3	N/A	N/A	N/A	\$92.00	\$0.10	N/A
#4	N/A	N/A	N/A	\$93.00	\$0.10	N/A
#5	N/A	N/A	N/A	\$110.00	-*	\$10.10
Final Determination Date	N/A	N/A	N/A	N/A	N/A	N/A

* The Early Redemption Payment includes the unpaid contingent monthly coupon with respect to the determination date on which the determination closing price is greater than or equal to the redemption threshold level and the securities are redeemed as a result.

In Example 1, the securities are automatically redeemed following the first determination date, as the determination closing price on the first determination date is greater than the redemption threshold level. You receive the early redemption payment, calculated as follows:

stated principal amount + contingent monthly coupon = \$10 + \$0.10 = \$10.10

In this example, the early redemption feature limits the term of your investment to approximately 1 month and you may not be able to reinvest at comparable terms or returns. If the securities are redeemed early, you will stop receiving contingent payments.

In Example 2, the securities are automatically redeemed following the fifth determination date as the determination closing price on the fifth determination date is greater than the redemption threshold level. As the determination closing prices on the first four determination dates are greater than the downside threshold level, you will receive the contingent payment of \$0.10 with respect to each such determination date. Following the fifth determination date, you receive an early redemption payment of \$10.10, which includes the contingent monthly coupon with respect to the fifth determination date.

In this example, the early redemption feature limits the term of your investment to approximately 5 months and you may not be able to reinvest at comparable terms or returns. If the securities are redeemed early, you will stop receiving contingent payments. Further, although the underlying stock has appreciated by 10.00% from its initial share price on the fifth determination date, you receive only an early redemption payment of \$10.10 per security and

do not benefit from such appreciation.

August 2017 Page 5

Contingent Income Auto-Callable Securities due March 1, 2018

With the Coupon and Payment at Maturity Subject to the Performance of the Common Stock of Netflix, Inc.

Principal at Risk Securities

Determination Dates	Example 3			Example 4		
	Hypothetical Determination Closing Price (or Final Share Price)	Contingent Monthly Coupon	Early Redemption Payment	Hypothetical Determination Closing Price (or Final Share Price)	Contingent Monthly Coupon	Early Redemption Payment
#1	\$50.00	\$0	N/A	\$50.00	\$0	N/A
#2	\$48.00	\$0	N/A	\$48.00	\$0	N/A
#3	\$46.00	\$0	N/A	\$46.00	\$0	N/A
#4	\$44.00	\$0	N/A	\$44.00	\$0	N/A
#5	\$42.00	\$0	N/A	\$42.00	\$0	N/A
Final Determination Date	\$40.00	\$0	N/A	\$81.00	-*	N/A
Payment at Maturity	\$4.00			\$10.10		

* The final contingent monthly coupon, if any, will be paid at maturity.

Examples 3 and 4 illustrate the payment at maturity per security based on the final share price.

In Example 3, the closing price of the underlying stock remains below the downside threshold level on every determination date. As a result, you do not receive any contingent payments during the term of the securities and, at maturity, you are fully exposed to the decline in the closing price of the underlying stock. As the final share price is less than the downside threshold level, your payment at maturity is calculated as follows:

stated principal amount x share performance factor = $\$10 \times (\$40.00/\$100.00) = \4.00

In this example, the amount you receive at maturity is significantly less than the stated principal amount.

In Example 4, the closing price of the underlying stock decreases to a final share price of \$81.00. Although the final share price is less than the redemption threshold level, because the final share price is still not less than the downside threshold level, you receive the stated principal amount plus a contingent monthly coupon with respect to the final determination date. Your payment at maturity is calculated as follows:

$\$10 + \$0.10 = \$10.10$

In this example, although the final share price represents a 19.00% decline from the initial share price, you receive the stated principal amount per security plus the final contingent monthly coupon, equal to a total payment of \$10.10 per security at maturity, because the final share price is not less than the downside threshold level.

Contingent Income Auto-Callable Securities due March 1, 2018

With the Coupon and Payment at Maturity Subject to the Performance of the Common Stock of Netflix, Inc.

Principal at Risk Securities

Risk Factors

The following is a non-exhaustive list of certain key risk factors for investors in the securities. For further discussion of these and other risks, you should read the section entitled "Risk Factors" in the accompanying prospectus supplement and prospectus. You should also consult your investment, legal, tax, accounting and other advisers in connection with your investment in the securities.

The securities do not guarantee the return of any principal. The terms of the securities differ from those of ordinary debt securities in that the securities do not guarantee the payment of regular interest or the return of any of the principal amount at maturity. Instead, if the securities have not been automatically redeemed prior to maturity and if § the final share price is less than the downside threshold level, you will be exposed to the decline in the closing price of the underlying stock, as compared to the initial share price, on a 1 to 1 basis and you will receive for each security that you hold at maturity an amount equal to the stated principal amount times the share performance factor. In this case, the payment at maturity will be less than 75% of the stated principal amount and could be zero.

The potential contingent repayment of principal represented by the downside threshold level applies only at maturity. You should be willing to hold the securities until maturity. Additionally, if the securities are not § redeemed, at maturity, you will receive the stated principal amount (plus the contingent monthly coupon with respect to the final determination date) only if the final share price is greater than or equal to the downside threshold level. If you are able to sell the securities prior to maturity, you may have to sell them for a loss relative to the principal amount, even if the price of the underlying stock is at or above the downside threshold level.

The contingent monthly coupon, if any, is based solely on the determination closing price or the final share price, as applicable. Whether the contingent monthly coupon will be made with respect to a determination date will be based on the determination closing price or the final share price, as applicable. As a result, you will not know whether you § will receive the contingent monthly coupon until the related determination date. Moreover, because the contingent monthly coupon is based solely on the determination closing price on a specific determination date or the final share price, as applicable, if that determination closing price or final share price is less than the downside threshold level, you will not receive any contingent monthly coupon with respect to that determination date, even if the closing price of the underlying stock was higher on other days during the term of the securities.

You will not receive any contingent monthly coupon for any monthly period where the determination closing price or the final share price, as applicable, is less than the downside threshold level. A contingent monthly coupon will § be made with respect to a monthly period only if the determination closing price or final share price is greater than or equal to the downside threshold level. If the determination closing price or final share price remains below the downside threshold level on each determination date over the term of the securities, you will not receive any contingent monthly coupons.

Your return on the securities may be lower than the return on a conventional debt security of comparable maturity. § The return that you will receive on the securities, which could be negative, may be less than the return you could earn on other investments. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money, such as inflation.

Investors will not participate in any appreciation in the price of the underlying stock. Investors will not participate in any appreciation in the price of the underlying stock from the initial share price, and the return on the securities will be limited to the contingent monthly coupon that is paid with respect to each determination date on which the determination closing price or the final share price, as applicable, is greater than or equal to the downside threshold § level. The payment at maturity will not exceed the principal amount plus the final contingent monthly coupon, if it is payable. It is possible that the closing price of the underlying stock could be below the downside threshold level on most or all of the determination dates so that you will receive few or no contingent monthly coupons. If you do not earn sufficient contingent monthly coupons over the term of the securities, the overall return on the securities may be less than the amount that would be paid on a conventional debt security of the issuer of comparable maturity.

§ The automatic early redemption feature may limit the term of your investment to approximately one month. If the securities are redeemed early, you may not be able to reinvest at comparable terms or returns. The term of your investment in the securities may be limited to as short as approximately one month by the automatic early

redemption feature of the securities. If the securities are redeemed prior to maturity, you will receive no more contingent monthly coupons and may be forced to invest in a lower interest rate environment and may not be able to reinvest at comparable terms or returns.

The market price will be influenced by many unpredictable factors. Several factors will influence the value of the securities in the secondary market and the price at which RBCCM may be willing to purchase or sell the securities in the secondary market. Although we expect that generally the closing price of the underlying stock on any day may affect the value of the securities more than any other single factor, other factors that may influence the value of the securities include:

- § the trading price and volatility (frequency and magnitude of changes in value) of the underlying stock,
- § whether the determination closing price has been below the downside threshold level on any determination date,
- § dividend rates on the underlying stock,
- § interest and yield rates in the market,
- § the time remaining until the securities mature,

August 2017 Page 7

Contingent Income Auto-Callable Securities due March 1, 2018

With the Coupon and Payment at Maturity Subject to the Performance of the Common Stock of Netflix, Inc.

Principal at Risk Securities

§ geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the underlying stock and which may affect the final share price of the underlying stock,

§ the occurrence of certain events affecting the underlying stock that may or may not require an adjustment to the adjustment factor, and

§ any actual or anticipated changes in our credit ratings or credit spreads.

The price of the underlying stock may be, and has recently been, volatile, and we can give you no assurance that the volatility will lessen. See “Netflix, Inc. Overview” below. You may receive less, and possibly significantly less, than the stated principal amount per security if you try to sell your securities prior to maturity.

The securities are subject to the credit risk of Royal Bank of Canada, and any actual or anticipated changes to its credit ratings or credit spreads may adversely affect the market value of the securities. You are dependent on Royal Bank of Canada’s ability to pay all amounts due on the securities on each contingent payment date, upon automatic redemption or at maturity, and therefore you are subject to the credit risk of Royal Bank of Canada. If Royal Bank of Canada defaults on its obligations under the securities, your investment would be at risk and you could lose some or all of your investment. As a result, the market value of the securities prior to maturity will be affected by changes in the market’s view of Royal Bank of Canada’s creditworthiness. Any actual or anticipated decline in Royal Bank of Canada’s credit ratings or increase in the credit spreads charged by the market for taking Royal Bank of Canada credit risk is likely to adversely affect the market value of the securities.

If the price of the shares of the underlying stock changes, the market value of the securities may not change in the same manner. Owning the securities is not the same as owning shares of the underlying stock. Accordingly, changes in the price of the underlying stock may not result in a comparable change of the market value of the securities. If the closing price of one share of the underlying stock on any trading day increases above the initial share price or the downside threshold level, the value of the securities may not increase in a comparable manner, if at all. It is possible for the price of the shares of the underlying stock to increase while the value of the securities declines.

Investing in the securities is not equivalent to investing in the underlying stock. Investors in the securities will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to the underlying stock.

No affiliation with Netflix, Inc. Netflix, Inc. (the “underlying company”) is not an affiliate of ours, is not involved with this offering in any way, and has no obligation to consider your interests in taking any corporate actions that might affect the value of the securities. We have not made any due diligence inquiry with respect to the underlying company in connection with this offering.

We or our affiliates may have adverse economic interests to the holders of the securities. RBCCM and other affiliates of ours may trade the shares of the underlying stock and other financial instruments related to the underlying stock on a regular basis, for their accounts and for other accounts under their management. RBCCM and these affiliates may also issue or underwrite or assist unaffiliated entities in the issuance or underwriting of other securities or financial instruments linked to the underlying stock. To the extent that we or one of our affiliates serves as issuer, agent or underwriter for those securities or financial instruments, our or their interests with respect to those products may be adverse to those of the holders of the securities. Any of these trading activities could potentially affect the performance of the underlying stock and, accordingly, could affect the value of the securities and the amounts, if any, payable on the underlying stock.

We may hedge our obligations under the securities through certain affiliates, who would expect to make a profit on that hedge. We or our affiliates may adjust these hedges by, among other things, purchasing or selling those assets at any time, including around the time of each determination date, which could have an impact on the return of your securities. Because hedging our obligations entails risk and may be influenced by market forces beyond our or our affiliates' control, such hedging may result in a profit that is more or less than expected, or it may result in a loss.

§ We may engage in business with or involving the underlying company without regard to your interests. We or our affiliates may presently or from time to time engage in business with the underlying company without regard to your interests and thus may acquire non-public information about the underlying company. Neither we nor any of our affiliates undertakes to disclose any of that information to you. In addition, we or our affiliates from time to time

have published and in the future may publish research reports with respect to the underlying company, which may or may not recommend that investors buy or hold the underlying stock.

The historical performance of the underlying stock should not be taken as an indication of its future performance.

The price of the underlying stock will determine the amounts to be paid on the securities. The historical performance of the underlying stock does not give an indication of its future performance. As a result, it is impossible to predict whether the price of the underlying stock will rise or fall during the term of the securities. The price of the underlying stock will be influenced by complex and interrelated political, economic, financial and other factors. The value of the underlying stock may decrease such that you may not receive any return of your investment or any contingent monthly coupon. There can be no assurance that the price of the underlying stock will not decrease so that at maturity you will not lose some or all of your investment.

The antidilution adjustments the calculation agent is required to make do not cover every corporate event that could affect the underlying stock. RBCCM, as calculation agent, will adjust the amount adjustment factor for certain corporate events affecting the underlying stock, such as stock splits and stock dividends, and certain other corporate actions involving the underlying company, such as mergers. However, the calculation agent will not make an adjustment for every corporate event that can affect the underlying stock. For example, the calculation agent is not required to make any adjustments if the underlying company or anyone else makes a partial tender or partial exchange offer for the underlying stock, nor will adjustments be made following the

August 2017 Page 8

Contingent Income Auto-Callable Securities due March 1, 2018

With the Coupon and Payment at Maturity Subject to the Performance of the Common Stock of Netflix, Inc.

Principal at Risk Securities

final determination date. If an event occurs that does not require the calculation agent to adjust the adjustment factor, the market price of the securities may be materially and adversely affected.

The securities will not be listed on any securities exchange and secondary trading may be limited. The securities will not be listed on any securities exchange. Therefore, there may be little or no secondary market for the securities. RBCCM may, but is not obligated to, make a market in the securities, and, if it chooses to do so at any time, it may cease doing so. When it does make a market, it will generally do so for transactions of routine secondary market size at prices based on its estimate of the current value of the securities, taking into account its bid/offer spread, our credit spreads, market volatility, the notional size of the proposed sale, the cost of unwinding any relating § hedging positions, the time remaining to maturity and the likelihood that it will be able to resell the securities. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the securities easily. Since other broker-dealers may not participate significantly in the secondary market for the securities, the price at which you may be able to trade your securities is likely to depend on the price, if any, at which RBCCM is willing to transact. If, at any time, RBCCM were to cease making a market in the securities, it is likely that there would be no secondary market for the securities. Accordingly, you should be willing to hold your securities to maturity.

The initial estimated value of the securities is less than the price to the public. The initial estimated value that is set § forth on the cover page of this document does not represent a minimum price at which we, RBCCM or any of our affiliates would be willing to purchase the securities in any secondary market (if any exists) at any time. If you attempt to sell the securities prior to maturity, their market value may be lower than the price you paid for them and