

ROYAL BANK OF CANADA
Form 424B2
June 12, 2018

PRICING SUPPLEMENT

Filed Pursuant to Rule 424(b)(2)

Registration Statement No. 333-208507

Dated June 11, 2018

Royal Bank of Canada Capped Buffer In-GEARS

\$2,100,000 Securities Linked to the Least Performing Underlying of the S&P 500® Index and the Russell 2000® Index due on January 12, 2024

Investment Description

Capped Buffer In-GEARS (each, a “Security” and collectively, the “Securities”) are unconditional, unsecured and unsubordinated debt securities issued by Royal Bank of Canada with returns linked to the performance of the least performing underlying between the S&P 500® Index and the Russell 2000® Index (each, an “Underlying” and together, the “Underlyings”). The Final Underlying Level of each Underlying will be determined based on its closing level on each trading day during the three-month Valuation Period (as defined below). The Underlying Return of each Underlying will equal its Final Underlying Level divided by its Initial Underlying Level (expressed as a percentage of the Initial Underlying Level). If the Underlying Return of the Least Performing Underlying is less than 95% (meaning that its Final Level is more than 5% less than its Initial Level), we will pay less than the principal amount at maturity, and you will lose 1% of the principal amount of your Securities for every 1% decline in the level of the Least Performing Underlying from its Initial Level to its Final Level by more than 5%, up to a loss of 95% of your investment. If the Underlying Return of the Least Performing Underlying is between 95% and 100%, we will pay you a positive return equal to twice the difference between the Underlying Return and 95%. If the Underlying Return of the Least Performing Underlying is between 100% and 122%, we will pay you a positive return equal to 1.5 times the difference between its Underlying Return and 100%, plus 10%. If the Underlying Return of the Least Performing Underlying is greater than 122%, we will pay you a positive return equal to 2.76 times the difference between the Underlying Return and 122%, plus 43%. If the Underlying Return is greater than 144%, the Securities will pay a return 103.72% of the principal amount, or \$20.372 per \$10.00 in principal amount. Investing in the Securities involves significant risks. The Securities do not pay dividends or interest. You may lose up to 95% of your principal amount. The downside exposure to the Underlyings is buffered only at maturity. Any payment on the Securities, including any repayment of principal, is subject to our creditworthiness. If we were to default on our payment obligations, you may not receive any amounts owed to you under the Securities and you could lose your entire investment. The Securities will not be listed on any securities exchange.

Features Key Dates

Enhanced Growth Potential, Up to the Maximum Gain - At maturity, if the Underlying Return of the Least Performing Underlying is at least 95%, we will pay you a positive return, up to a Maximum Gain of 103.72% of the principal amount. If the Least Performing Underlying has declined in value, investors may be exposed to that decrease at maturity.

Buffered Downside Market Exposure - If the Least Performing Underlying has decreased in value by more than -5%, investors will be exposed to the downside performance of the Least Performing Underlying and we will pay less than the full principal amount, resulting in a loss of the principal amount that is proportionate to the percentage decline in the Least Performing Underlying by more than the Buffer (defined below). Accordingly, you may lose up to 95% of the principal amount of the Securities. Any payment on the Securities, including any repayment of principal, is subject to our creditworthiness.

Trade Date June 11, 2018

Settlement Date June 14, 2018

Valuation Period¹ October 9, 2023 to January 8, 2024 (both inclusive)

Maturity Date January 12, 2024

¹ See page 4 for additional details.

NOTICE TO INVESTORS: THE SECURITIES ARE SIGNIFICANTLY RISKIER THAN CONVENTIONAL DEBT INSTRUMENTS. THE ISSUER IS NOT NECESSARILY OBLIGATED TO REPAY THE FULL PRINCIPAL AMOUNT OF THE SECURITIES AT MATURITY, AND THE SECURITIES HAVE FULL DOWNSIDE MARKET RISK SIMILAR TO THE LEAST PERFORMING UNDERLYING. THIS MARKET RISK IS IN ADDITION TO THE CREDIT RISK INHERENT IN PURCHASING OUR DEBT OBLIGATION. YOU SHOULD NOT PURCHASE THE SECURITIES IF YOU DO NOT UNDERSTAND OR ARE NOT COMFORTABLE WITH THE SIGNIFICANT RISKS INVOLVED IN INVESTING IN THE SECURITIES. YOU SHOULD CAREFULLY CONSIDER THE RISKS DESCRIBED UNDER “KEY RISKS” BEGINNING ON PAGE 5 OF THIS PRICING SUPPLEMENT AND UNDER “RISK FACTORS” BEGINNING ON PAGE PS-4 OF THE ACCOMPANYING PRODUCT PROSPECTUS SUPPLEMENT UBS-IND-1 BEFORE PURCHASING ANY SECURITIES. EVENTS RELATING TO ANY OF THOSE RISKS, OR OTHER RISKS AND UNCERTAINTIES, COULD ADVERSELY AFFECT THE MARKET VALUE OF, AND THE RETURN ON, YOUR SECURITIES. YOU COULD LOSE UP TO 95% OF THE PRINCIPAL AMOUNT OF THE SECURITIES.

Security Offering

We are offering Capped Buffer In-GEARS Linked to the Least Performing Underlying Between the S&P 500® Index and the Russell 2000® Index. The return on the principal amount is subject to, and will not exceed, the predetermined Maximum Gain. The Securities are offered at a minimum investment of 100 Securities at the Price to Public described below.

Underlyings	Maximum Gain	Buffer	Initial Underlying Levels	CUSIP	ISIN
S&P 500® Index (SPX)	103.72% of the		2,782.00		
Russell 2000® Index (RTY)	principal amount	5%	1,674.678	78014G187US78014G1875	

See “Additional Information About Royal Bank of Canada and the Securities” in this pricing supplement. The Securities will have the terms specified in the prospectus dated January 8, 2016, the prospectus supplement dated January 8, 2016, product prospectus supplement UBS-IND-1 dated January 5, 2017 and this pricing supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Securities or passed upon the accuracy or the adequacy of this pricing supplement or the accompanying prospectus, prospectus supplement and product prospectus supplement UBS-IND-1. Any representation to the contrary is a criminal offense.

Offering of the Securities	Price to Public		Fees and Commissions ⁽¹⁾		Proceeds to Us	
	Total	Per Security	Total	Per Security	Total	Per Security
Least Performing Underlying Between the S&P 500® Index (SPX) and Russell 2000® Index (RTY)	\$2,100,000	\$10.00	\$15,750	\$0.075	\$2,084,250	\$9.925

⁽¹⁾ UBS Financial Services Inc., which we refer to as UBS, will receive a commission of \$0.075 per \$10 principal amount of the Securities. See “Supplemental Plan of Distribution (Conflicts of Interest)” below.

The initial estimated value of the Securities as of the date of this document is \$9.6264 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. We describe our determination of the initial estimated value under “Key Risks” beginning on page 5, “Supplemental Plan of Distribution (Conflicts of Interest)” and “Structuring the Securities” below.

The Securities will not constitute deposits insured under the Canada Deposit Insurance Corporation Act or by the United States Federal Deposit Insurance Corporation or any other Canadian or United States government agency or instrumentality

UBS Financial Services Inc. RBC Capital Markets, LLC

Additional Information About Royal Bank of Canada and the Securities

You should read this pricing supplement together with the prospectus dated January 8, 2016, as supplemented by the prospectus supplement dated January 8, 2016, relating to our senior global medium-term notes, Series G, of which these Securities are a part, and the more detailed information contained in product prospectus supplement UBS-IND-1 dated January 5, 2017. This pricing supplement, together with the documents listed below, contains the terms of the Securities and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, fact sheets, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in “Risk Factors” in the accompanying product prospectus supplement UBS-IND-1, as the Securities involve risks not associated with conventional debt securities.

If the terms discussed in this pricing supplement differ from those discussed in the product prospectus supplement, the prospectus supplement, or the prospectus, the terms discussed herein will control.

You may access these on the SEC website at www.sec.gov as follows (or if such address has changed, by reviewing our filing for the relevant date on the SEC website):

Product prospectus supplement UBS-IND-1 dated January 5, 2017:

<https://www.sec.gov/Archives/edgar/data/1000275/000114036117000609/form424b5.htm>

Prospectus supplement dated January 8, 2016:

<http://www.sec.gov/Archives/edgar/data/1000275/000121465916008811/p14150424b3.htm>

Prospectus dated January 8, 2016:

<http://www.sec.gov/Archives/edgar/data/1000275/000121465916008810/j18160424b3.htm>

As used in this pricing supplement, “we,” “us” or “our” refers to Royal Bank of Canada.

Investor Suitability

The Securities may be suitable for you if, among other considerations:

- .. You fully understand the risks inherent in an investment in the Securities, including the risk of loss of up to 95% of the principal amount.
- .. You can tolerate the loss of up to 95% of the principal amount of the Securities and are willing to make an investment that has similar downside market risk as a hypothetical investment in the Least Performing Underlying. You believe that the level of neither Underlying will decline over the term of the Securities by more than 5% from its Initial Level to its Final Level and that the appreciation of the Least Performing Underlying is unlikely to exceed an amount that would result in the Maximum Gain being paid on the Securities.
- .. You understand and accept that your potential return is limited by the Maximum Gain and you are willing to invest in the Securities based on the Maximum Gain indicated on the cover page of this pricing supplement.
- .. You are willing to accept that the Final Underlying Level of each Underlying will be determined based on its closing level on each trading day during the Valuation Period.
- .. You can tolerate fluctuations in the price of the Securities prior to maturity that may be similar to or exceed the downside fluctuations in the level of the Least Performing Underlying.
- .. You are willing to accept individual exposure to each Underlying and that the performance of the Least Performing Underlying will not be offset or mitigated by the performance of the other Underlying.
- .. You do not seek current income from your investment and are willing to forgo dividends paid on the securities represented by the Underlyings.
- .. You are willing to hold the Securities to maturity and accept that there may be little or no secondary market for the Securities.
- .. You are willing to assume our credit risk for all payments under the Securities, and understand that if we default on our obligations, you may not receive any amounts due to you, including any repayment of principal.

.. You fully understand and accept the risks associated with the Underlyings.

The Securities may not be suitable for you if, among other considerations:

- .. You do not fully understand the risks inherent in an investment in the Securities, including the risk of loss of up to 95% of the principal amount.
- .. You require an investment designed to provide a full return of principal at maturity. You cannot tolerate the loss of up to 95% of the principal amount of the Securities, and you are not willing to make an investment that has similar downside market risk as a hypothetical investment in the Least Performing Underlying. You believe that the level of either Underlying will decline over the term of the Securities by more than 5% from its Initial Level to its Final Level, or you believe the level of the Least Performing Underlying will appreciate over the term of the Securities by an amount that would result in the Maximum Gain being paid on the Securities.
- .. You seek an investment that has unlimited return potential without a cap on appreciation.
- .. You are unwilling to invest in the Securities based on the Maximum Gain indicated on the cover page of this pricing supplement.
- .. You are unwilling to accept that the Final Underlying Level of each Underlying will be determined based on its closing level on each trading day during the Valuation Period.
- .. You cannot tolerate fluctuations in the price of the Securities prior to maturity that may be similar to or exceed the downside fluctuations in the level of the Least Performing Underlying.
- .. You are unwilling to accept individual exposure to each Underlying and that the performance of the Least Performing Underlying will not be offset or mitigated by the performance of the other Underlying.
- .. You seek current income from this investment or prefer to receive the dividends paid on the securities represented by the Underlyings.
- .. You are unable or unwilling to hold the Securities to maturity, or you seek an investment for which there will be an active secondary market.
- .. You are not willing to assume our credit risk for all payments under the Securities, including any repayment of principal.
- .. You do not fully understand and accept the risks associated with the Underlyings.

The suitability considerations identified above are not exhaustive. Whether or not the Securities are a suitable investment for you will depend on your individual circumstances, and you should reach an investment decision only after you and your investment, legal, tax, accounting, and other advisers have carefully considered the suitability of an investment in the Securities in light of your particular circumstances. You should also review carefully the “Key Risks” in this pricing supplement and “Risk Factors” in the accompanying product prospectus supplement UBS-IND-1 for risks related to an investment in the Securities. In addition, you should review carefully the section below, “Information About the Underlyings,” for more information about the Underlyings.

Final Terms of the Securities¹

Issuer: Royal Bank of Canada
 Issue Price: \$10 per Security (subject to a minimum purchase of 100 Securities).
 Principal Amount: \$10 per Security
 Term:² Approximately 5 years and six months
 Underlyings: The S&P 500[®] Index (“SPX”) and the Russell 2000 Index (“RTY”)
 Maximum Gain: 103.72% of the principal amount
 Buffer: 5%

If the Underlying Return of the Least Performing Underlying is equal to or greater than 144%, we will pay you \$20.372 per \$10 in principal amount.
 If the Underlying Return of the Least Performing Underlying is greater than 122%, we will pay you:
 $\$10 + [\$10 \times ((2.76 \times (\text{Underlying Return} - 122\%)) + 43\%)]$
 If the Underlying Return of the Least Performing Underlying is between 100% and 122%, we will pay you:
 $\$10 + [\$10 \times ((1.5 \times (\text{Underlying Return} - 100\%)) + 10\%)]$
 If the Underlying Return of the Least Performing Underlying is between 95% and 100%, we will pay you:
 $\$10 + [\$10 \times 2 \times (\text{Underlying Return} - 95\%)]$
 If the Underlying Return of the Least Performing Underlying is less than 95%, we will pay you:
 $\$10 \times (\text{Underlying Return of Least Performing Underlying} + \text{Buffer})$
 In this scenario, you will lose up to 95% of the principal amount of the Securities in an amount proportionate to the decrease in the Least Performing Underlying by more than the Buffer.
 Please see the section below, “Hypothetical Examples and Return Table at Maturity,” for more detailed examples of the calculation of these payments.

Payment at Maturity (per \$10 Security):

Least Performing Underlying: The Underlying with the lowest Underlying Return.

Underlying Returns: With respect to each Underlying, Final Underlying Level divided by Initial Underlying Level (expressed as a percentage of the Initial Underlying Level)

Initial Underlying Levels: With respect to each Underlying, its closing level on the Trade Date, as set forth on the cover page of this pricing supplement.
 With respect to each Underlying, the arithmetic average of its closing level on each trading day during the Valuation Period.

Final Underlying Levels: A market disruption event as to one Underlying will not impact the other Underlying. As to either Underlying, if a market disruption event occurs on any trading day during the Valuation Period, its closing level on that trading day will be disregarded in the calculation of its Final Underlying Level.

Valuation Period: From and including October 9, 2023 to and including January 8, 2024.

Terms used in this pricing supplement, but not defined herein, shall have the meanings ascribed to them in the product prospectus supplement.

Investment Timeline

Trade Date The Initial Underlying Level of each Underlying was determined.

Valuation Period: The Final Underlying Level and Underlying Return of each Underlying are determined.

If the Underlying Return of the Least Performing Underlying is equal to or greater than 144%, we will pay you \$20.372 per \$10 in principal amount.

If the Underlying Return of the Least Performing Underlying is greater than 122%, we will pay you: $\$10 + [\$10 \times ((2.76 \times (\text{Underlying Return} - 122\%)) + 43\%)]$

If the Underlying Return of the Least Performing Underlying is between 100% and 122%, we will pay you:

$\$10 + [\$10 \times ((1.5 \times (\text{Underlying Return} - 100\%)) + 10\%)]$

Maturity Date: If the Underlying Return of the Least Performing Underlying is between 95% and 100%, we will pay you:

$\$10 + [\$10 \times 2 \times (\text{Underlying Return} - 95\%)]$

If the Underlying Return of the Least Performing Underlying is less than 95%, we will pay you:

$\$10 \times (\text{Underlying Return of Least Performing Underlying} + \text{Buffer})$

In this scenario, you will lose up to 95% of the principal amount of the Securities in an amount proportionate to the decrease in the Least Performing Underlying by more than the Buffer.

Please see the section below, "Hypothetical Examples and Return Table at Maturity," for more detailed examples of the calculation of these payments.

INVESTING IN THE SECURITIES INVOLVES SIGNIFICANT RISKS. YOU MAY LOSE UP TO 95% OF YOUR PRINCIPAL AMOUNT. ANY PAYMENT ON THE SECURITIES, INCLUDING ANY REPAYMENT OF PRINCIPAL, IS SUBJECT TO OUR CREDITWORTHINESS. IF WE WERE TO DEFAULT ON OUR PAYMENT OBLIGATIONS, YOU MAY NOT RECEIVE ANY AMOUNTS OWED TO YOU UNDER THE SECURITIES AND YOU COULD LOSE YOUR ENTIRE INVESTMENT.

Key Risks

An investment in the Securities involves significant risks. Investing in the Securities is not equivalent to investing directly in any of the component securities of the Underlyings. These risks are explained in more detail in the “Risk Factors” section of the accompanying product prospectus supplement UBS-IND-1. We also urge you to consult your investment, legal, tax, accounting and other advisors before investing in the Securities.

Risks Relating to the Securities Generally

Your Investment in the Securities May Result in a Loss of Principal — The Securities differ from ordinary debt securities in that we are not necessarily obligated to repay the full principal amount of the Securities at maturity. The return on the Securities at maturity is linked to the performance of the Underlyings and will depend on whether, and the extent to which, the Least Performing Underlying increases or decreases in value. If the Underlying Return of the Least Performing Underlying is less than 95%, you will be exposed to any decrease in the Least Performing Underlying in excess of the Buffer and we will pay you less than your principal amount at maturity, resulting in a loss of principal of your Securities that is proportionate to the percentage decline in the Least Performing Underlying in excess of the Buffer. Accordingly, you could lose up to 95% of the principal amount of the Securities. **The Enhanced Upside Potential of the Securities Applies Only if You Hold the Securities to Maturity** — The potential to receive a return on the Securities that exceeds the percentage increase in the Least Performing Underlying only applies at maturity. If you are able to sell your Securities prior to maturity in the secondary market, the price you receive will likely not reflect the full effect of the formula set forth in this document for determining your payment. The return that you realize at that time may be less than the return you would have received had you held the Securities until maturity, and if the Least Performing Underlying had increased to a similar degree.

The Contingent Repayment of Principal Applies Only if You Hold the Securities to Maturity — The contingent repayment of principal provided by the Buffer is only available at maturity. If you are able to sell your Securities prior to maturity in the secondary market, you may have to sell them at a loss, even if the level of each Underlying has not decreased by 95% at the time of sale.

The Appreciation Potential of the Securities Is Limited by the Maximum Gain — If the Least Performing Underlying increases in value, or does not decrease in value by more than 5%, we will pay you \$10 per Security at maturity plus an additional return that will not exceed the Maximum Gain, regardless of the appreciation in either Underlying, which may be significant. Therefore, you will not benefit from any appreciation of either Underlying in excess of 44% (an amount that results in a payment at maturity that is equal to the Maximum Gain), and your return on the Securities may be less than your return would be on a hypothetical direct investment in the securities represented by an Underlying.

No Interest Payments — We will not pay any interest with respect to the Securities.

An Investment in the Securities Is Subject to Our Credit Risk — The Securities are unsubordinated, unsecured debt obligations of the issuer, Royal Bank of Canada, and are not, either directly or indirectly, an obligation of any third party. Any payment to be made on the Securities, including any repayment of principal at maturity, depends on our ability to satisfy our obligations as they come due. As a result, our actual and perceived creditworthiness may affect the market value of the Securities and, in the event we were to default on our obligations, you may not receive any amounts owed to you under the terms of the Securities and you could lose your entire initial investment.

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. Even if your return is positive, your return may be less than the return you could earn if you bought a conventional senior interest bearing debt security of ours with the same maturity date or if you were able to invest directly in the securities included in an Underlying. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

No Dividend Payments or Voting Rights — Investing in the Securities is not equivalent to investing directly in any of the component securities of an Underlying. As a holder of the Securities, you will not have voting rights or rights to receive cash dividends or other distributions or other rights that holders of the securities represented by either Underlying would have. Each Underlying is a price return index, and its Underlying Return excludes any cash dividend payments paid on its component stocks.

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, which is less than the public offering price you pay for the Securities, does not represent a minimum price at which we, RBCCM or any of our other 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 the initial estimated value. This is due to, among other things, changes in the level of the Underlyings, the borrowing rate we pay to issue securities of this kind, and the inclusion in the price to the public of the underwriting discount, and our estimated profit and the costs relating to our hedging of the Securities. These factors, together with various credit, market and economic factors over the term of the Securities, are expected to reduce the price at which you may be able to sell the Securities in any secondary market and will affect the value of the Securities in complex and unpredictable ways. Assuming no change in market conditions or any other relevant factors, the price, if any, at which you may be able to sell your Securities prior to maturity may be less than the price to public, as any such sale price would not be expected to include the underwriting discount and our estimated profit and the costs relating to our hedging of the Securities. In addition, any price at which you may sell the Securities is likely to reflect customary bid-ask spreads for similar trades. In addition to bid-ask spreads, the value of the Securities determined for any secondary market price is expected to be based on a secondary market rate rather than the internal borrowing rate used to price the Securities and determine the initial estimated value. As a result, the secondary price will be less than if the internal borrowing rate was used. The Securities are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your Securities to maturity.

Our Initial Estimated Value of the Securities Is an Estimate Only, Calculated as of the Time the Terms of the Securities Are Set — The initial estimated value of the Securities is based on the value of our obligation to make the payments on the Securities, together with the mid-market value of the derivative embedded in the terms of the Securities. See “Structuring the Securities” below. Our estimate is based on a variety of assumptions, including our credit spreads, expectations as to dividends, interest rates and volatility, and the expected term of the

Securities. These assumptions are based on certain forecasts about future events, which may prove to be incorrect. Other entities may value the Securities or similar securities at a price that is significantly different than we do. The value of the Securities at any time after the Trade Date will vary based on many factors, including changes in market conditions, and cannot be predicted with accuracy. As a result, the actual value you would receive if you sold the Securities in any secondary market, if any, should be expected to differ materially from the initial estimated value of your Securities and the amount that may be paid at maturity.

Your Return On The Securities Is Not Linked to a Basket Consisting of the Underlyings. Rather, It Will Be Contingent Upon the Performance of Each Individual Underlying — Unlike an instrument with a return linked to a basket of indices or other underlying assets, in which risk is mitigated and diversified among all of the components of the basket, you will be exposed equally to the risks related to both of the Underlyings. Poor performance by either one of the Underlyings over the term of the Securities may negatively affect your return and will not be offset or mitigated by a positive performance by the other Underlying. If the Final Underlying Level of either Underlying is less than its Initial Underlying Level by more than the Buffer, you will incur a loss proportionate to the decrease in the level of the Least Performing Underlying in excess of the Buffer. Accordingly, your investment is subject to the market risk of each Underlying, which results in a higher risk of incurring a loss at maturity.

Because the Securities Are Linked to the Individual Performance of More Than One Underlying, It Is More Likely That the Final Underlying Level of One of the Underlyings Will Be Less Than Its Initial Underlying Level by More Than the Buffer, Increasing The Probability That You Will Lose up to 95% of Your Initial Investment — The risk that you will lose up to 95% of your initial investment in the Securities is greater if you invest in the Securities as opposed to securities that are linked to the performance of a single Underlying if their terms are otherwise substantially similar. With a greater total number of Underlyings, it is more likely that the Final Underlying Level of an Underlying will be below its initial Underlying Level by more than the Buffer, and therefore it is more likely that you will receive an amount in cash which is less than your principal amount. In addition, the performances of a pair of Underlyings may be positively or negatively correlated, or may not be correlated at all. If the Underlyings are not correlated to each other or are negatively correlated, there is a greater potential for the Final Underlying Level of one of those Underlyings to be less than its initial Underlying Level by more than the Buffer, and therefore the risk that you will lose a portion of your principal at maturity.

It is impossible to predict what the correlations between the Underlyings will be over the term of the Securities. The Underlyings represent different equity markets and these different equity markets may not perform similarly over the term of the Securities. Although the correlation of the Underlyings' performance may change over the term of the Securities, the terms of the Securities (including the Maximum Gain) are determined, in part, based on the Underlyings' performance calculated using our internal models at the time when the terms of the Securities are determined. A higher potential payment on the Securities is generally associated with lower correlation of the Underlyings, which reflects a greater potential for a loss on your investment at maturity. See "Correlation of the Underlyings" below.

The Return on the Securities Will Be Affected by the Closing Levels of the Underlyings During the Valuation Period — Because the Final Underlying Level of an Underlying will be determined based on its closing levels during the Valuation Period, and the Final Underlying Level of that Underlying may be less than its closing level on the last trading day during the Valuation Period, your return on the Securities may be less than what it would be if the payment on the Securities were based solely on the performance of the Underlyings on a single trading day. This difference could be particularly large if there is a significant increase in the closing level of an Underlying shortly prior to maturity. Additionally, the secondary market value of the Securities, if such a market exists, will be impacted by the closing level of each Underlying on any previous trading day during the Valuation Period, in that those levels will impact the amount payable at maturity.

Changes Affecting the Underlyings — The policies of an index sponsor concerning additions, deletions and substitutions of the stocks included in the applicable Underlying and the manner in which an index sponsor takes account of certain changes affecting those stocks included in the applicable Underlying may adversely affect its level. The policies of an index sponsor with respect to the calculation of the applicable Underlying could also adversely affect its level. An index sponsor may discontinue or suspend calculation or dissemination of the applicable Underlying and has no obligation to consider your interests in the Securities when taking any action regarding that Underlying. Any such actions could have an adverse effect on the value of the Securities and the

amount that may be paid at maturity.

Lack of Liquidity — The Securities will not be listed on any securities exchange. RBC Capital Markets, LLC ("RBCCM") intends to offer to purchase the Securities in the secondary market, but is not required to do so. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Securities easily.

Because other dealers are not likely to make a 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 buy the Securities.

Potential Conflicts — We and our affiliates play a variety of roles in connection with the issuance of the Securities, including hedging our obligations under the Securities. In performing these duties, the economic interests of the calculation agent and other affiliates of ours are potentially adverse to your interests as an investor in the Securities.

Potentially Inconsistent Research, Opinions or Recommendations by RBCCM, UBS or Their Affiliates — RBCCM, UBS or their affiliates may publish research, express opinions or provide recommendations that are inconsistent with investing in or holding the Securities, and which may be revised at any time. Any such research, opinions or recommendations could affect the level of an Underlying or the equity securities included in an Underlying, and therefore, the market value of the Securities.

An Investment in Securities Linked to the RTY Is Subject to Risks Associated in Investing in Stocks with a Small Market Capitalization — The RTY consists of stocks issued by companies with relatively small market capitalizations. These companies often have greater stock price volatility, lower trading volume and less liquidity than large-capitalization companies. As a result, the level of the RTY may be more volatile than that of a market measure that does not track solely small-capitalization stocks. Stock prices of small-capitalization companies are also often more vulnerable than those of large-capitalization companies to adverse business and economic developments, and the stocks of small-capitalization companies may be thinly traded, and be less attractive to many investors if they do not pay dividends. In addition, small capitalization companies are often less well-established and less stable financially than large-capitalization companies and may depend on a small number of key personnel, making them more vulnerable to loss of those individuals. Small capitalization companies tend to have lower revenues, less diverse product lines, smaller shares of their target markets, fewer financial resources and fewer competitive strengths than large-capitalization companies. These companies may also be more susceptible to adverse developments related to their products or services.

..Uncertain Tax Treatment — Significant aspects of the tax treatment of an investment in the Securities are uncertain. You should consult your tax adviser about your tax situation.

Potential Royal Bank of Canada and UBS Impact on Price — Trading or other transactions by Royal Bank of Canada, UBS and our respective affiliates in the equity securities composing an Underlying or in futures, options, exchange-traded funds or other derivative products on the equity securities included in an Underlying may adversely affect the market value of those equity securities, the level of that Underlying, and, therefore, the market value of the Securities.

The Probability That the Final Underlying Level of an Underlying Will Be Below Its Initial Underlying Level by More Than the Buffer Will Depend on the Volatility of That Underlying — “Volatility” refers to the frequency and magnitude of changes in the level of an Underlying. Greater expected volatility with respect to an Underlying reflects a higher expectation as of the Trade Date that the Final Underlying Level of that Underlying could be below its Initial Underlying Level, resulting in the loss of up to 95% of your investment. However, an Underlying’s volatility can change significantly over the term of the Securities. The level of an Underlying could fall sharply, which could result in a significant loss of principal.

The Terms of the Securities at Issuance Were Influenced and Their Market Value Prior to Maturity Will Be Influenced by Many Unpredictable Factors — Many economic and market factors influenced the terms of the Securities at issuance and will influence their value prior to maturity. These factors are similar in some ways to those that could affect the value of a combination of instruments that might be used to replicate the payments on the Securities, including a combination of a bond with one or more options or other derivative instruments. For the market value of the Securities, we expect that, generally, the levels of the Underlyings on any day will affect the value of the Securities more than any other single factor. However, you should not expect the value of the Securities in the secondary market to vary in proportion to changes in the level of the Underlying. The value of the Securities will be affected by a number of other factors that may either offset or magnify each other, including:

..the actual or expected volatility of the Underlyings;

.. the time remaining to maturity of the Securities;

..the dividend rates on the securities represented by the Underlyings;

..interest and yield rates in the market generally, as well as in each of the markets of the securities represented by the Underlyings;

..a variety of economic, financial, political, regulatory or judicial events; and

..our creditworthiness, including actual or anticipated downgrades in our credit ratings.

Some or all of these factors influenced the terms of the Securities at issuance and will influence the price you will receive if you choose to sell the Securities prior to maturity. The impact of any of the factors set forth above may enhance or offset some or all of any change resulting from another factor or factors. You may have to sell the Securities at a substantial discount from the principal amount if, for example, the level of the Least Performing Underlying is at, below or not sufficiently above, its Initial Underlying Level.

Hypothetical Examples and Return Table at Maturity

Hypothetical terms only. Actual terms may vary. See the cover page for actual offering terms.

The following table and hypothetical examples below illustrate the payment at maturity per \$10.00 Security for a hypothetical range of Underlying Returns of the Least Performing Underlying, and assume a hypothetical Initial Underlying Level of 100.00 for the Least Performing Underlying, the Maximum Gain of 103.72% of the principal amount, and the Buffer of 5%. The actual Initial Underlying Level of each Underlying is set forth on the cover page of this pricing supplement. The hypothetical Payment at Maturity examples set forth below are for illustrative purposes only and may not be the actual returns applicable to a purchaser of the Securities. The actual payment at maturity will be determined based on the Final Underlying Level of the Least Performing Underlying. You should consider carefully whether the Securities are suitable to your investment goals. The numbers appearing in the table below have been rounded for ease of analysis.

Example 1 - The Final Underlying Level of the Least Performing Underlying is 80% of its Initial Underlying Level. Because the Underlying Return of the Least Performing Underlying is less than 95%, we will pay you \$8.50 per \$10 in principal amount of the Securities, calculated as follows:

$$\begin{aligned} & \$10 \times (\text{Underlying Return of Least Performing Underlying} + \text{Buffer}) \\ & \$10 \times (80.00\% + 5\%) = \$8.50 \end{aligned}$$

Example 2 – The Final Underlying Level of the Least Performing Underlying is 98% of its Initial Underlying Level. Because the Underlying Return of the Least Performing Underlying is greater than 95%, but less than 100%, the payment at maturity will be calculated as follows:

$$\begin{aligned} & \$10 + [\$10 \times (2 \times (\text{Underlying Return} - 95\%))] \\ & \$10 + [\$10 \times (2 \times (98 - 95\%))] = \$10.60 \end{aligned}$$

Example 3 – The Final Underlying Level of the Least Performing Underlying is 105% of its Initial Underlying Level. In this case, the payment at maturity will be calculated as follows:

$$\begin{aligned} & \$10 + [\$10 \times ((1.5 \times (\text{Underlying Return} - 100\%)) + 10\%)] \\ & \$10 + [\$10 \times ((1.5 \times (105\% - 100\%)) + 10\%)] = \$11.75 \end{aligned}$$

Example 4– The Final Underlying Level of the Least Performing Underlying is 125% of its Initial Underlying Level. In this case, the payment at maturity will be calculated as follows:

$$\begin{aligned} & \$10 + [\$10 \times ((2.76 \times (\text{Underlying Return} - 122\%)) + 43\%)] \\ & \$10 + [\$10 \times ((2.76 \times (125\% - 122\%)) + 43\%)] = \$15.128 \end{aligned}$$

Example 5 - The Final Underlying Level of the Least Performing Underlying is 150% of its Initial Underlying Level. Because the Underlying Return of the Least Performing Underlying is greater than 144%, you will receive \$20.372 per \$10 in principal amount of the Securities, which corresponds to the Maximum Gain.

Hypothetical Final Underlying Level of the Least Performing Underlying	Hypothetical Underlying Return of the Least Performing Underlying ¹	Hypothetical Payment at Maturity	Hypothetical Total Return on Securities ²
150.00	150.00%	\$20.372	103.72%
144.00	144.00%	\$20.372	103.72%
140.00	140.00%	\$19.268	92.68%
130.00	130.00%	\$16.508	65.08%
125.00	125.00%	\$15.128	51.28%
122.00	122.00%	\$14.300	43.00%
120.00	120.00%	\$14.000	40.00%
110.00	110.00%	\$12.500	25.00%
105.00	105.00%	\$11.750	17.50%
100.00	100.00%	\$11.000	10.00%
98.00	98.00%	\$10.600	6.00%
95.00	95.00%	\$10.000	0.00%
90.00	90.00%	\$9.500	-5.00%
80.00	80.00%	\$8.500	-15.00%

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60.00	60.00%	\$6.500	-35.00%
40.00	40.00%	\$4.500	-55.00%
20.00	20.00%	\$2.500	-75.00%
5.00	5.00%	\$1.000	-90.00%
0.00	0.00%	\$0.500	-95.00%

¹ The Underlying Return of the Least Performing Underlying excludes any cash dividend payments.

² The “total return” is the number, expressed as a percentage, that results from comparing the payment at maturity per \$10 principal amount Security to the purchase price of \$10.00 per Security.

Information About the Underlyings

We have derived all information contained in this document regarding the Underlyings, including, without limitation, their make-up, method of calculation, and changes in their components, from publicly available sources. The information reflects the policies of, and is subject to change by, the index sponsors. Each index sponsor, which owns the copyright and all other rights to the applicable Underlying, has no obligation to continue to publish, and may discontinue publication of that Underlying. None of us, UBS or RBCCM accepts any responsibility for the calculation, maintenance or publication of either Underlying or any successor index.

The S&P 500[®] Index

The SPX is intended to provide an indication of the pattern of common stock price movement in the large capitalization segment of the U.S. equity market. The calculation of the level of the SPX is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943.

The index sponsor calculates the SPX by reference to the prices of the constituent stocks of the SPX without taking account of the value of dividends paid on those stocks. As a result, the return on the Securities will not reflect the return you would realize if you actually owned the SPX constituent stocks and received the dividends paid on those stocks.

Computation of the SPX

While the index sponsor currently employs the following methodology to calculate the SPX, no assurance can be given that the index sponsor will not modify or change this methodology in a manner that may affect the Payment at Maturity.

Historically, the market value of any component stock of the SPX was calculated as the product of the market price per share and the number of then outstanding shares of such component stock. In March 2005, the index sponsor began shifting the SPX halfway from a market capitalization weighted formula to a float-adjusted formula, before moving the SPX to full float adjustment on September 16, 2005. The index sponsor's criteria for selecting stocks for the SPX did not change with the shift to float adjustment. However, the adjustment affects each company's weight in the SPX.

Under float adjustment, the share counts used in calculating the SPX reflect only those shares that are available to investors, not all of a company's outstanding shares. Float adjustment excludes shares that are closely held by control groups, other publicly traded companies or government agencies.

In September 2012, all shareholdings representing more than 5% of a stock's outstanding shares, other than holdings by "block owners," were removed from the float for purposes of calculating the SPX. Generally, these "control holders" will include officers and directors, private equity, venture capital and special equity firms, other publicly traded companies that hold shares for control, strategic partners, holders of restricted shares, ESOPs, employee and family trusts, foundations associated with the company, holders of unlisted share classes of stock, government entities at all levels (other than government retirement/pension funds) and any individual person who controls a 5% or greater stake in a company as reported in regulatory filings. However, holdings by block owners, such as depository banks, pension funds, mutual funds and ETF providers, 401(k) plans of the company, government retirement/pension funds, investment funds of insurance companies, asset managers and investment funds, independent foundations and savings and investment plans, will ordinarily be considered part of the float.

Treasury stock, stock options, restricted shares, equity participation units, warrants, preferred stock, convertible stock, and rights are not part of the float. Shares held in a trust to allow investors in countries outside the country of domicile, such as depository shares and Canadian exchangeable shares are normally part of the float unless those shares form a control block.

For each stock, an investable weight factor ("IWF") is calculated by dividing the available float shares by the total shares outstanding. Available float shares are defined as the total shares outstanding less shares held by control holders. This calculation is subject to a 5% minimum threshold for control blocks. For example, if a company's officers and directors hold 3% of the company's shares, and no other control group holds 5% of the company's shares, the index sponsor would assign that company an IWF of 1.00, as no control group meets the 5% threshold. However, if a company's officers and directors hold 3% of the company's shares and another control group holds 20% of the

company's shares, the index sponsor would assign an IWF of 0.77, reflecting the fact that 23% of the company's outstanding shares are considered to be held for control. As of July 31, 2017, companies with multiple share class lines are no longer eligible for inclusion in the SPX. Constituents of the SPX prior to July 31, 2017 with multiple share class lines will be grandfathered in and continue to be included in the SPX. If a constituent company of the SPX reorganizes into a multiple share class line structure, that company will remain in the SPX at the discretion of the S&P Index Committee in order to minimize turnover

The SPX is calculated using a base-weighted aggregate methodology. The level of the SPX reflects the total market value of all 500 component stocks relative to the base period of the years 1941 through 1943. An indexed number is used to represent the results of this calculation in order to make the level easier to work with and track over time. The actual total market value of the component stocks during the base period of the years 1941 through 1943 has been set to an indexed level of 10. This is often indicated by the notation 1941- 43 = 10. In practice, the daily calculation of the SPX is computed by dividing the total market value of the component stocks by the "index divisor." By itself, the index divisor is an arbitrary number. However, in the context of the calculation of the SPX, it serves as a link to the original base period level of the SPX. The index divisor keeps the SPX comparable over time and is the manipulation point for all adjustments to the SPX, which is index maintenance.

Index Maintenance

Index maintenance includes monitoring and completing the adjustments for company additions and deletions, share changes, stock splits, stock dividends, and stock price adjustments due to company restructuring or spinoffs. Some corporate actions, such as stock splits and stock dividends, require changes in the common shares outstanding and the stock prices of the companies in the SPX, and do not require index divisor adjustments.

To prevent the level of the SPX from changing due to corporate actions, corporate actions which affect the total market value of the SPX require an index divisor adjustment. By adjusting the index divisor for the change in market value, the level of the SPX remains constant and does not reflect the corporate actions of individual companies in the SPX. Index divisor adjustments are made after the close of trading and after the calculation of the index closing level. Changes in a company's shares outstanding and IWF due to its acquisition of another public company are made as soon as reasonably possible. At S&P's discretion, de minimis merger and acquisition share changes are accumulated and implemented with the quarterly share rebalancing.

All other changes of less than 5% are accumulated and made quarterly on the third Friday of March, June, September, and December.

Changes in a company's total shares outstanding of 5% or more due to public offerings are made as soon as reasonably possible. Other changes of 5% or more (for example, due to tender offers, Dutch auctions, voluntary exchange offers, company stock repurchases, private placements, acquisitions of private companies or non-index companies that do not trade on a major exchange, redemptions, exercise of options, warrants, conversion of preferred stock, notes, debt, equity participations, at-the-market stock offerings or other recapitalizations) are made weekly, and are generally announced on Fridays for implementation after the close of trading the following Friday (one week later). If a 5% or more share change causes a company's IWF to change by five percentage points or more, the IWF is updated at the same time as the share change. IWF changes resulting from partial tender offers are considered on a case-by-case basis.

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Historical Information

The following table sets forth the quarterly high, low and period-end closing levels of the SPX, as reported by Bloomberg L.P. The historical performance of the SPX should not be taken as an indication of future performance. We cannot give you assurance that the performance of the SPX will result in the return of any of your initial investment.

Quarter Begin	Quarter End	Quarterly Closing High	Quarterly Closing Low	Quarterly Period-End Close
1/1/2008	3/31/2008	1,447.16	1,273.37	1,322.70
4/1/2008	6/30/2008	1,426.63	1,278.38	1,280.00
7/1/2008	9/30/2008	1,305.32	1,106.39	1,166.36
10/1/2008	12/31/2008	1,161.06	752.44	903.25
1/1/2009	3/31/2009	934.70	676.53	797.87
4/1/2009	6/30/2009	946.21	811.08	919.32
7/1/2009	9/30/2009	1,071.66	879.13	1,057.08
10/1/2009	12/31/2009	1,127.78	1,025.21	1,115.10
1/1/2010	3/31/2010	1,174.17	1,056.74	1,169.43
4/1/2010	6/30/2010	1,217.28	1,030.71	1,030.71
7/1/2010	9/30/2010	1,148.67	1,022.58	1,141.20
10/1/2010	12/31/2010	1,259.78	1,137.03	1,257.64
1/1/2011	3/31/2011	1,343.01	1,256.88	1,325.83
4/1/2011	6/30/2011	1,363.61	1,265.42	1,320.64
7/1/2011	9/30/2011	1,353.22	1,119.46	1,131.42
10/1/2011	12/31/2011	1,285.09	1,099.23	1,257.60
1/1/2012	3/31/2012	1,416.51	1,277.06	1,408.47
4/1/2012	6/30/2012	1,419.04	1,278.04	1,362.16
7/1/2012	9/30/2012	1,465.77	1,334.76	1,440.67
10/1/2012	12/31/2012	1,461.40	1,353.33	1,426.19
1/1/2013	3/31/2013	1,569.19	1,457.15	1,569.19
4/1/2013	6/30/2013	1,669.16	1,541.61	1,606.28
7/1/2013	9/30/2013	1,725.52	1,614.08	1,681.55
10/1/2013	12/31/2013	1,848.36	1,655.45	1,848.36
1/1/2014	3/31/2014	1,878.04	1,741.89	1,872.34
4/1/2014	6/30/2014	1,962.87	1,815.69	1,960.23
7/1/2014	9/30/2014	2,011.36	1,909.57	1,972.29
10/1/2014	12/31/2014	2,090.57	1,862.49	2,058.90
1/1/2015	3/31/2015	2,117.39	1,992.67	2,067.89
4/1/2015	6/30/2015	2,130.82	2,057.64	2,063.11
7/1/2015	9/30/2015	2,128.28	1,867.61	1,920.03
10/1/2015	12/31/2015	2,109.79	1,923.82	2,043.94
1/1/2016	3/31/2016	2,063.95	1,829.08	2,059.74
4/1/2016	6/30/2016	2,119.12	2,000.54	2,098.86
7/1/2016	9/30/2016	2,190.15	2,088.55	2,168.27
10/1/2016	12/31/2016	2,271.72	2,085.18	2,238.83
1/1/2017	3/31/2017	2,395.96	2,257.83	2,362.72
4/1/2017	6/30/2017	2,453.46	2,328.95	2,423.41
7/1/2017	9/30/2017	2,519.36	2,409.75	2,519.36
10/1/2017	12/31/2017	2,690.16	2,529.12	2,673.61
1/1/2018	3/31/2018	2,872.87	2,581.00	2,640.87
4/1/2018	6/11/2018*	2,782.00	2,581.88	2,782.00

* This pricing supplement includes information for the second calendar quarter of 2018 for the period from April 1, 2018 through June 11, 2018. Accordingly, the “Quarterly Closing High,” “Quarterly Closing Low” and “Quarterly Period-End Close” data indicated are for this shortened period only and do not reflect complete data for the second

calendar quarter of 2018.

The graph below illustrates the performance of the SPX from January 1, 2008 to June 11, 2018.

HISTORIC PERFORMANCE IS NOT AN INDICATION OF FUTURE PERFORMANCE.

Source: Bloomberg L.P. We have not independently verified the accuracy or completeness of the information obtained from Bloomberg Financial Markets.

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The Russell 2000® Index

The RTY was developed by Russell Investments (“Russell”) before FTSE International Limited (“FTSE”) and Russell combined in 2015 to create FTSE Russell, which is wholly owned by London Stock Exchange Group. Russell began dissemination of the RTY (Bloomberg L.P. index symbol “RTY”) on January 1, 1984. The RTY was set to 135 as of the close of business on December 31, 1986. FTSE Russell (the “index sponsor”) calculates and publishes the RTY. The RTY is designed to track the performance of the small capitalization segment of the U.S. equity market. As a subset of the Russell 3000® Index, the RTY consists of the smallest 2,000 companies included in the Russell 3000® Index. The Russell 3000® Index measures the performance of the largest 3,000 U.S. companies, representing approximately 98% of the investable U.S. equity market. The RTY is determined, comprised, and calculated by the index sponsor without regard to the Securities.

Selection of Stocks Underlying the RTY

All companies eligible for inclusion in the RTY must be classified as a U.S. company under the index sponsor’s country-assignment methodology. If a company is incorporated, has a stated headquarters location, and trades in the same country (American Depositary Receipts and American Depositary Shares are not eligible), then the company is assigned to its country of incorporation. If any of the three factors are not the same, the index sponsor defines three Home Country Indicators (“HCIs”): country of incorporation, country of headquarters, and country of the most liquid exchange (as defined by a two-year average daily dollar trading volume) (“ADDTV”) from all exchanges within a country. Using the HCIs, the index sponsor compares the primary location of the company’s assets with the three HCIs. If the primary location of its assets matches any of the HCIs, then the company is assigned to the primary location of its assets. If there is insufficient information to determine the country in which the company’s assets are primarily located, the index sponsor will use the primary country from which the company’s revenues are primarily derived for the comparison with the three HCIs in a similar manner. The index sponsor uses the average of two years of assets or revenues data to reduce potential turnover. If conclusive country details cannot be derived from assets or revenues data, the index sponsor will assign the company to the country of its headquarters, which is defined as the address of the company’s principal executive offices, unless that country is a Benefit Driven Incorporation “BDI” country, in which case the company will be assigned to the country of its most liquid stock exchange. BDI countries include: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bermuda, Bonaire, British Virgin Islands, Cayman Islands, Channel Islands, Cook Islands, Curacao, Faroe Islands, Gibraltar, Guernsey, Isle of Man, Jersey, Liberia, Marshall Islands, Panama, Saba, Sint Eustatius, Sint Maarten, and Turks and Caicos Islands. For any companies incorporated or headquartered in a U.S. territory, including countries such as Puerto Rico, Guam, and U.S. Virgin Islands, a U.S. HCI is assigned.

All securities eligible for inclusion in the RTY must trade on a major U.S. exchange. Stocks must have a closing price at or above \$1.00 on their primary exchange on the rank day in May to be eligible for inclusion during annual reconstitution. However, in order to reduce unnecessary turnover, if an existing member’s closing price is less than \$1.00 on the last day of May, it will be considered eligible if the average of the daily closing prices (from its primary exchange) during the month of May is equal to or greater than \$1.00. Initial public offerings are added each quarter and must have a closing price at or above \$1.00 on the last day of their eligibility period in order to qualify for index inclusion. If an existing stock does not trade on the “rank day” (typically the last trading day in May, but a confirmed timetable is announced each Spring) but does have a closing price at or above \$1.00 on another eligible U.S. exchange, that stock will be eligible for inclusion.

An important criterion used to determine the list of securities eligible for the RTY is total market capitalization, which is defined as the market price as of the rank day in May for those securities being considered at annual reconstitution times the total number of shares outstanding. Where applicable, common stock, non-restricted exchangeable shares and partnership units/membership interests are used to determine market capitalization. Any other form of shares such as preferred stock, convertible preferred stock, redeemable shares, participating preferred stock, warrants, rights, installment receipts or trust receipts, are excluded from the calculation. If multiple share classes of common stock exist, they are combined to determine total shares outstanding. In cases where the common stock share classes act independently of each other (e.g., tracking stocks), each class is considered for inclusion separately. If multiple share classes exist, the pricing vehicle will be designated as the share class with the highest two-year trading volume as of the rank day in May.

Companies with a total market capitalization of less than \$30 million are not eligible for the RTY. Similarly, companies with only 5% or less of their shares available in the marketplace are not eligible for the RTY. Royalty trusts, limited liability companies, closed-end investment companies (companies that are required to report Acquired Fund Fees and Expenses, as defined by the SEC, including business development companies), blank check companies, special purpose acquisition companies, and limited partnerships are also ineligible for inclusion. Exchange traded funds and mutual funds are also excluded. Bulletin board, pink sheets, and over-the-counter (“OTC”) traded securities are not eligible for inclusion.

Annual reconstitution is a process by which the RTY is completely rebuilt. Based on closing levels of the company’s common stock on its primary exchange on the rank day of May of each year, FTSE Russell reconstitutes the composition of the RTY using the then existing market capitalizations of eligible companies. Reconstitution of the RTY occurs on the last Friday in June or, when the last Friday in June is the 29th or 30th, reconstitution occurs on the prior Friday. In addition, the index sponsor adds initial public offerings to the RTY on a quarterly basis based on total market capitalization ranking within the market-adjusted capitalization breaks established during the most recent reconstitution.

After membership is determined, a security’s shares are adjusted to include only those shares available to the public. This is often referred to as “free float.” The purpose of the adjustment is to exclude from market calculations the capitalization that is not available for purchase and is not part of the investable opportunity set.

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