

ROYAL BANK OF CANADA
Form FWP
January 05, 2018

RBC Capital Markets® Filed Pursuant to Rule 433
Registration Statement No. 333-208507

The information in this preliminary terms supplement is not complete and may be changed.

Preliminary Terms
Supplement

Subject to Completion:

Dated January 5, 2018

Pricing Supplement \$_____

Dated January __, 2018 Direct Investment Notes

to the Product Linked to 20 Common Equity Securities

Prospectus Supplement Selected from the RBC Capital Markets Top 30

ERN-ES-1 Dated Global Ideas for 2018 due February 7, 2019

January 14, 2016, Royal Bank of Canada

Prospectus Supplement

Dated January 8, 2016,

and Prospectus Dated

January 8, 2016

Royal Bank of Canada is offering the Notes linked 20 common equity securities selected from the RBC Capital Markets Top 30 Global Ideas for 2018 (the “Notes”). These securities will be equally weighted in the basket and are set forth below. The CUSIP number for the Notes is 78013XCQ9.

The Notes may pay interest on May 1, 2018, July 31, 2018, October 31, 2018, and the maturity date. The amount of any interest to be paid on the Notes will not be fixed, and will depend upon the total dividends paid on the Reference Stocks during the preceding quarter, as described in more detail below.

On the maturity date, the amount that we will pay to you (the “Redemption Amount”) will depend upon the performance of the Basket over the term of the Notes. As described in more detail below, the Redemption Amount will be less than the price to the public set forth below if the Percentage Amount of the Basket is not at least approximately 102.30%.

We describe in more detail below how the payments on the Notes will be determined.

Issue Date: January 31, 2018

Maturity Date: February 7, 2019

The Notes will not be listed on any securities exchange.

Non-U.S. holders will be subject to withholding on dividend equivalent payments under Section 871(m) of the U.S. Internal Revenue Code. Please see the section below, “Supplemental Discussion of U.S. Federal Income Tax Consequences,” which applies to the Notes.

Investing in the Notes involves a number of risks. See “Risk Factors” beginning on page S-1 of the prospectus supplement dated January 8, 2016, “Risk Factors” beginning on page PS-4 of the product prospectus supplement dated January 14, 2016, and “Selected Risk Considerations” beginning on page P-8 of this terms supplement.

The Notes will not constitute deposits insured by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. government agency or instrumentality.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this terms supplement is truthful or complete. Any representation to the contrary is a criminal offense.

Per Note Total

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Price to public	100.00%	\$
Underwriting discounts and commissions	1.50%	\$
Proceeds to Royal Bank of Canada	98.50%	\$

The initial estimated value of the Notes as of the date of this terms supplement is \$977.50 per \$1,000 in principal amount, which is less than the price to public. The final pricing supplement relating to the Notes will set forth our estimate of the initial value of the Notes as of the Pricing Date, which will not be less than \$957.50 per \$1,000 in principal amount. The actual value of the Notes 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 in more detail below.

If the Notes priced on the date of this terms supplement, RBC Capital Markets, LLC, which we refer to as RBCCM, acting as agent for Royal Bank of Canada, would receive a commission of approximately \$15.00 per \$1,000 in principal amount of the Notes and would use a portion of that commission to allow selling concessions to other dealers of up to approximately \$15.00 per \$1,000 in principal amount of the Notes. The other dealers may forgo, in their sole discretion, some or all of their selling concessions. See “Supplemental Plan of Distribution (Conflicts of Interest)” on below.

We may use this terms supplement in the initial sale of the Notes. In addition, RBCCM or another of our affiliates may use this terms supplement in a market-making transaction in the Notes after their initial sale. Unless we or our agent informs the purchaser otherwise in the confirmation of sale, this terms supplement is being used in a market-making transaction.

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SUMMARY

The information in this “Summary” section is qualified by the more detailed information set forth in this terms supplement, the product prospectus supplement, the prospectus supplement, and the prospectus.

Issuer: Royal Bank of Canada (“Royal Bank”)

Issue: Senior Global Medium-Term Notes, Series G

Underwriter: RBC Capital Markets, LLC (“RBCCM”)

The Notes are linked to the value of a basket (the “Basket”) consisting of the common equity securities of 20 publicly traded companies indicated on page P-3 (each, a “Reference Stock,” and collectively, the “Reference Stocks”). The Reference Stocks were derived from RBC Capital Markets’ Top 30 Global Ideas for 2018 as indicated on page P-3. A Top 30 Global Idea was identified as of December 20, 2017 as one of the most attractive investment ideas for the coming year and was rated outperform by RBC Capital Markets’ research analysts. The Reference Stocks are the securities included in the 30 Global Ideas for 2018 that have their primary trading market on a U.S. securities exchange. See the section below, “The Basket.”

Currency: U.S. Dollars

Minimum Investment: \$1,000 and minimum denominations of \$1,000 in excess thereof

Pricing Date: January 26, 2018

Issue Date: January 31, 2018

Valuation Date: February 4, 2019

The amount that you will receive at maturity for each \$1,000 in principal amount of the Notes will depend upon the performance of the Basket and the dividends paid on the Reference Stocks. The Redemption Amount will equal the product of (a) \$977.50 and (b) the Percentage Amount. As discussed in more detail below, the Percentage Amount must exceed approximately 102.30% in order for you to receive a Redemption Amount per \$1,000 in principal amount of the Notes that exceeds the principal amount. In addition, the Redemption Amount could be substantially less than the principal amount of the Notes.

Percentage Amount: The Percentage Amount will equal an amount, expressed as a percentage and rounded to two decimal places, equal to:

Initial Price: The closing price per share of a Reference Stock on the Pricing Date, as determined by the Calculation Agent.

Final Price: The closing price per share of a Reference Stock on the Valuation Date.

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	Reference Stock Issuer	Ticker	Initial Price
	Air Lease Corporation	AL	
	Aptiv PLC	APTIV	
	Broadcom Limited	AVGO	
	Canadian Natural Resources Limited	CNQ	
	Celgene Corporation	CELG	
	Dollar Tree, Inc.	DLTR	
	DowDuPont Inc.	DWDP	
	Facebook, Inc.	FB	
Basket:	Gartner, Inc.	IT	
	GDS Holdings Limited	GDS	
	Magna International Inc.	MGA	
	Netflix, Inc.	NFLX	
	Parsley Energy, Inc.	PE	
	Raytheon Company	RTN	
	ServiceNow, Inc.	NOW	
	Sun Life Financial Inc.	SLF	
	The Walt Disney Company	DIS	
	TransCanada Corporation	TRP	
	Waste Connections, Inc.	WCN	
	Xylem Inc.	XYL	
Component Weights:	1/20 for each Reference Stock (subject to adjustment as provided below).		
Initial Basket Level:	The initial level of the Basket shall be deemed to be \$1,000.		
	The Basket shall initially be deemed to consist of a number of shares of each Reference Stock calculated as follows:		
	· Each Reference Stock shall initially constitute 1/20 of the Basket, with an aggregate value of \$50.00 (\$1,000 divided by 20).		
	· Accordingly, initially, the number of shares of each Reference Share in the Basket shall be calculated by dividing \$50.00 by the Initial Price.		
Initial Composition of the Basket:	· The number of shares of each Reference Share initially included in the Basket will be determined on the Pricing Date, and will be set forth in the final pricing supplement.		
	For example, if the Initial Price of a Reference Share is \$25, the Basket will initially be deemed to include 2 shares of that Reference Share (\$50.00 divided by \$25).		

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Final Basket Level:	The value of the shares (and any other assets) in the Basket as of the close of trading on the Valuation Date, as determined by the Calculation Agent, using the Final Price of each Reference Stock.
Adjustments to the Composition of the Basket:	The Calculation Agent will adjust the number of shares of each Reference Stock in the Basket, as may be needed to reflect stock splits, reverse stock splits, stock dividends, and similar transactions, as discussed in the section of the product supplement, “General Terms of the Notes—Anti-Dilution Adjustments Relating to Equity Securities.” See “Other Terms of Your Notes” on page P-11 of this document.
Interest Payment Dates:	May 1, 2018, July 31, 2018, October 31, 2018, and February 7, 2019 (the maturity date).
Interest Calculation Dates:	April 26, 2018, July 26, 2018, October 26, 2018, and February 4, 2019 (the Valuation Date).
Calculation of Interest Payments:	The amount of each interest payment, if any, will depend upon the amount of dividends paid on each Reference Stock during the Interest Calculation Period preceding each interest payment date, and will equal, for each \$1,000 in principal amount, 97.75% of the sum of the Dividend Amounts for each of the Reference Stocks.
Interest Calculation Period:	The first Interest Calculation Period will commence on the trading day after the Pricing Date and end on the first Interest Calculation Date. Each subsequent Interest Calculation Period will begin on the trading day following an Interest Calculation Date and end on the next Interest Calculation Date. The final Interest Calculation Date will occur on the Valuation Date.
Dividend Amount:	For each Reference Stock, an amount in U.S. dollars equal to (a) \$1,000 divided by the Initial Price of the applicable Reference Stock multiplied by (b) the applicable Component Weight multiplied by (c) 100% of the gross cash distributions (including ordinary and extraordinary dividends) per share of Reference Stock declared by the applicable Reference Stock Issuer where the date that the applicable Reference Stock has commenced trading ex-dividend on its primary U.S. securities exchange as to each relevant distribution occurs during the relevant Interest Calculation Period, as described in more detail below.
Maturity Date:	February 7, 2019, subject to extension for market and other disruptions, as described in the product prospectus supplement dated January 14, 2016.
Term:	Approximately 53 weeks.
Principal at Risk:	The Notes are NOT principal protected. You may lose all or a substantial portion of your principal amount at maturity if the value of the Basket decreases, or does not increase by at least 2.30%, from the Pricing Date to the Valuation Date.
Calculation Agent:	RBCCM
U.S. Tax Treatment:	By purchasing a Note, each holder agrees (in the absence of a change in law, an administrative determination or a judicial ruling to the contrary) to treat the Note as a pre-paid cash-settled contingent income-bearing derivative contract linked to the Basket for U.S. federal income tax purposes. However, the U.S. federal income tax consequences of your investment in the Notes are uncertain and the Internal Revenue Service could assert that the Notes should be taxed in a manner that is different from that described in the preceding sentence. Please see the section below, “Supplemental Discussion

of U.S. Federal Income Tax Consequences,” which applies to the Notes.

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Secondary Market: RBCCM (or one of its affiliates), though not obligated to do so, plans to maintain a secondary market in the Notes after the Issue Date. The amount that you may receive upon sale of your Notes prior to maturity may be less than the principal amount of your Notes.

Listing: The Notes will not be listed on any securities exchange.

Clearance and Settlement: DTC global (including through its indirect participants Euroclear and Clearstream, Luxembourg as described under “Description of Debt Securities—Ownership and Book-Entry Issuance” in the prospectus dated January 8, 2016).

Events of Default: In case an event of default with respect to the Notes will have occurred and be continuing, the amount declared due and payable on the Notes upon any acceleration will be determined by the Calculation Agent and will be an amount of cash equal to the amount payable as described above under the caption “—Payment at Maturity,” calculated as if the date of acceleration were the Valuation Date. The Dividend Amount for each Reference Stock will only include dividends declared and paid through that date.

The Pricing Date and the Issue Date of the Notes are subject to change. The actual Pricing Date, Issue Date, and other dates for the Notes set forth above will be set forth in the final pricing supplement.

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ADDITIONAL TERMS OF YOUR NOTES

You should read this terms supplement together with the prospectus dated January 8, 2016, as supplemented by the prospectus supplement dated January 8, 2016 and the product prospectus supplement dated January 14, 2016, relating to our Senior Global Medium-Term Notes, Series G, of which these Notes are a part. Capitalized terms used but not defined in this terms supplement will have the meanings given to them in the product prospectus supplement. In the event of any conflict, this terms supplement will control. The Notes vary from the terms described in the product prospectus supplement in several important ways. You should read this terms supplement carefully.

This terms supplement, together with the documents listed below, contains the terms of the Notes and supersedes all 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, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in “Risk Factors” in the prospectus supplement dated January 8, 2016 and “Risk Factors” in the product prospectus supplement dated January 14, 2016, as the Notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisors before you invest in the Notes. You may access these documents on the Securities and Exchange Commission (the “SEC”) website at www.sec.gov as follows (or if that address has changed, by reviewing our filings for the relevant date on the SEC website):

Prospectus dated January 8, 2016:

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

Prospectus Supplement dated January 8, 2016:

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

Product Prospectus Supplement ERN-ES-1 dated January 14, 2016:

<https://www.sec.gov/Archives/edgar/data/1000275/000114036116047764/form424b5.htm>

Our Central Index Key, or CIK, on the SEC website is 1000275. As used in this terms supplement, “we,” “us,” or “our” refers to Royal Bank of Canada.

Royal Bank of Canada has filed a registration statement (including a product prospectus supplement, a prospectus supplement, and a prospectus) with the SEC for the offering to which this terms supplement relates. Before you invest, you should read those documents and the other documents relating to this offering that we have filed with the SEC for more complete information about us and this offering. You may obtain these documents without cost by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, Royal Bank of Canada, any agent or any dealer participating in this offering will arrange to send you the product prospectus supplement, the prospectus supplement and the prospectus if you so request by calling toll-free at 1-877-688-2301.

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HYPOTHETICAL RETURNS AT MATURITY

The following hypothetical examples are provided for illustration purposes only and are hypothetical; they do not purport to be representative of every possible scenario concerning increases or decreases in the value of the Basket and the related effect on the Redemption Amount. The following hypothetical examples illustrate the payment you would receive on the maturity date if you purchased \$1,000 in principal amount of the Notes. Numbers appearing in the examples below have been rounded for ease of analysis. This table does not reflect any interest that may be paid on the Notes.

Percentage Amount	Redemption Amount per \$1,000 in Principal Amount	Percentage Gain (or Loss) per \$1,000 in Principal Amount
140.00%	\$1,368.50	36.85%
130.00%	\$1,270.75	27.08%
120.00%	\$1,173.00	17.30%
110.00%	\$1,075.25	7.53%
102.30% ⁽¹⁾	\$1,000.00	0.00%
100.00% ⁽²⁾	\$977.50	-2.25%
90.00%	\$879.75	-12.03%
80.00%	\$782.00	-21.80%
70.00%	\$684.25	-31.58%
60.00%	\$586.50	-41.35%
50.00%	\$488.75	-51.13%
40.00%	\$391.00	-60.90%
30.00%	\$293.25	-70.68%
20.00%	\$195.50	-80.45%
10.00%	\$97.75	-90.23%
0.00%	\$0.00	-100.00%

⁽¹⁾ Due to the payment formula set forth above, for you to receive a Redemption Amount greater than the principal amount the Notes, the Percentage Amount must be greater than approximately 102.30%.

⁽²⁾ If the Percentage Amount is not at least approximately 102.30%, you will lose some or all of the principal amount of the Notes.

Please see the sections below, “Selected Risk Considerations—Principal at Risk” and “—The Notes Will Not Reflect the Full Performance of the Reference Stocks, Which Will Negatively Impact Your Return on the Notes.”

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SELECTED RISK CONSIDERATIONS

An investment in the Notes involves significant risks. Investing in the Notes is not equivalent to investing directly in the Reference Stocks. These risks are explained in more detail in the section “Risk Factors” beginning on page PS-4 of the product prospectus supplement. In addition to the risks described in the prospectus supplement and the product prospectus supplement, you should consider the following:

Principal at Risk – Investors in the Notes could lose all or a substantial portion of their principal amount if there is a decline in the value of the Basket. Investors will also lose a portion of their principal amount if the Percentage Amount is not at least approximately 102.30%.

The Notes May Not Pay Interest and Your Return May Be Lower than the Return on a Conventional Debt Security of Comparable Maturity – There may be no periodic interest payments on the Notes, and any such payments may be less than there would be on a conventional fixed-rate or floating-rate debt security having the same maturity. The amount of each interest payment, if any, will depend upon the amount of dividends paid on each Reference Stock during the Interest Calculation Period preceding each interest payment date. The yield that you will receive on your Notes, which could be negative, may be less than the yield you could earn if you purchased a standard senior debt security of ours with the same maturity date. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

The Notes Will Not Reflect the Full Performance of the Reference Stocks, Which Will Negatively Impact Your Return on the Notes – Because the calculation of the Redemption Amount for each \$1,000 in principal amount reflects the product of the Percentage Amount and \$977.50, the return, if any, on the Notes will not reflect the full performance of the Reference Stocks. Therefore, the yield to maturity based on the methodology for calculating the Redemption Amount will be less than the yield that would be produced if the Reference Stocks were purchased and held for a similar period. Similarly, the interest payments you receive on the Notes will be less than the applicable Dividend Amounts.

Changes in the Price of One Reference Stock May Be Offset by Changes in the Price of the Other Reference Stocks – A change in the price of one Reference Stock may not correlate with changes in the price of the other Reference Stocks. The price of one Reference Stock may increase, while the price of the other Reference Stocks may not increase as much, or may even decrease. Therefore, in determining the Percentage Change, increases in the price of one Reference Stock may be moderated, or wholly offset, by lesser increases or decreases in the prices of the other Reference Stocks.

Payments on the Notes Are Subject to Our Credit Risk, and Changes in Our Credit Ratings Are Expected to Affect the Market Value of the Notes – The Notes are Royal Bank’s senior unsecured debt securities. As a result, your receipt of all required payments on the Notes will be dependent upon Royal Bank’s ability to repay its obligations as of the applicable payment date. This will be the case even if the value of the Basket increases after the Pricing Date, or if substantial payments are made on the Reference Stocks. No assurance can be given as to what our financial condition will be at any time during the term of the Notes.

There May Not Be an Active Trading Market for the Notes—Sales in the Secondary Market May Result in Significant Losses – There may be little or no secondary market for the Notes. The Notes will not be listed on any securities exchange. RBCCM and other affiliates of Royal Bank may make a market for the Notes; however, they are not required to do so. RBCCM or any other affiliate of Royal Bank may stop any market-making activities at any time. Even if a secondary market for the Notes develops, it may not provide significant liquidity or trade at prices advantageous to you. We expect that transaction costs in any secondary market would be high. As a result, the difference between bid and asked prices for your Notes in any secondary market could be substantial.

You Will Not Have Any Rights to the Reference Stocks – As a holder of the Notes, you will not have voting rights or other rights that holders of the Reference Stocks would have. You will have no right to receive shares of the Reference Stocks.

The Historical Performance of the Reference Stocks Should Not Be Taken as an Indication of Their Future Performance – The Final Prices of the Reference Stocks will determine the Redemption Amount. The historical

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performance of the Reference Stocks does not necessarily give an indication of their future performance. As a result, it is impossible to predict whether the prices of the Reference Stocks will rise or fall during the term of the Notes. The prices of the Reference Stocks will be influenced by complex and interrelated political, economic, financial and other factors.

Holders of the Reference Stocks Are Only Entitled to Receive Those Dividends as Each Issuer's Board of Directors May Declare out of Funds Legally Available – Although dividends and distributions on one or more of the Reference Stocks may have historically been declared by the applicable board of directors, they are not required to do so and may reduce or eliminate those dividends in the future. The Dividend Amount of one or more of the Reference Stocks during the term of the Notes may be zero. If the dividends paid on the Reference Stocks are not significant, any interest payments that you receive on the Notes may not be sufficient to provide you with your desired return on the Notes.

The Initial Estimated Value of the Notes Will Be Less than the Price to the Public – The initial estimated value set forth on the cover page and that will be set forth in the final pricing supplement for the Notes does not represent a minimum price at which we, RBCCM or any of our affiliates would be willing to purchase the Notes in any secondary market (if any exists) at any time. If you attempt to sell the Notes 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 value of the Basket, 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 the estimated costs relating to our hedging of the Notes. These factors, together with various credit, market and economic factors over the term of the Notes, are expected to reduce the price at which you may be able to sell the Notes in any secondary market and will affect the value of the Notes 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 Notes prior to maturity may be less than your original purchase price, as any such sale price would not be expected to include the underwriting discount and the hedging costs relating to the Notes. In addition to bid-ask spreads, the value of the Notes determined for any secondary market price is expected to be based on the secondary rate rather than the internal funding rate used to price the Notes and determine the initial estimated value. As a result, the secondary price will be less than if the internal funding rate was used. The Notes are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your Notes to maturity.

The Initial Estimated Value of the Notes on the Cover Page and that We Will Provide in the Final Pricing Supplement Are Estimates Only, Calculated as of the Time the Terms of the Notes Are Set – The initial estimated value of the Notes will be based on the value of our obligation to make the payments on the Notes, together with the mid-market value of the derivative embedded in the terms of the Notes. See “Structuring the Notes” below. Our estimates are based on a variety of assumptions, including our credit spreads, expectations as to dividends, interest rates and volatility, and the expected term of the Notes. These assumptions are based on certain forecasts about future events, which may prove to be incorrect. Other entities may value the Notes or similar securities at a price that is significantly different than we do.

The value of the Notes at any time after the Pricing 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 Notes in any secondary market, if any, should be expected to differ materially from the initial estimated value of the Notes.

Our Business Activities May Create Conflicts of Interest – We and our affiliates expect to engage in trading activities related to the Reference Stocks that are not for the account of holders of the Notes or on their behalf. These trading activities may present a conflict between the holders' interests in the Notes and the interests we and our affiliates will

have in their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the prices of the Reference Stocks, could be adverse to the interests of the holders of the Notes. We and one or more of our affiliates may, at present or in the future, engage in business with the issuers of the Reference Stocks, including making loans to or providing advisory services. These services could include investment banking and merger and acquisition advisory services. These activities may present a conflict between our or one or more of our affiliates' obligations and your interests as a holder of the Notes. Any of these activities by us or one or more of our affiliates may affect the value of the Reference Stocks, and, therefore, the market value of the Notes.

You Must Rely on Your Own Evaluation of the Merits of an Investment Linked to the Reference Stocks – In the ordinary course of their business, RBCCM and our other affiliates have expressed views on the value of the Reference

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Stocks and/or expected movements in their prices, and may do so in the future. These views or reports may be communicated to clients of our affiliates. However, these views are subject to change from time to time. Moreover, other professionals who transact business in markets relating to any Reference Stock may at any time have significantly different views from those of our affiliates. For these reasons, you are encouraged to derive information concerning the Reference Stocks from multiple sources, and you should not rely solely on views expressed by us or our affiliates.

Some Reference Stocks Have Limited Historical Information – Because three of the Reference Stocks have a limited trading history, your investment in the Notes may involve a greater risk than investing in securities linked to one or more equity securities with more established records of performance.

The Inclusion of the Reference Stocks in the Basket Does Not Guarantee a Positive Return on the Notes – There can be no assurance that any Reference Stock, or the Basket in its entirety, will increase in value. The performance of the Reference Stocks may be less than the performance of the equities markets generally, and less than the performance of specific sectors of the equity markets, or other securities in which you may choose to invest. As of the date of this document, the Equity Research Department of RBCCM believes that the prices of the Reference Stocks have the potential to increase during the term of the Notes. However, there can be no assurance that they will in fact do so.

Although RBCCM has expressed a positive view as to the Reference Stocks prior to the date of this terms supplement, its views may change significantly during the term of the Notes. In addition, any positive views of RBCCM's research divisions are separate and apart from the offering of the Notes, and do not constitute investment advice. Our offering of the Notes does not constitute our recommendation or the recommendation of RBCCM or our other affiliates to invest in the Notes or in the Reference Stocks.

The Reference Stocks Represent Do Not Represent All of the Top 30 Global Ideas — The 20 Reference Stocks were selected from the Top 30 Global Ideas. These 20 Reference Stocks are the Top Global Ideas that have their primary listing on a U.S. stock exchange. These 20 Reference Stocks may or may not perform as well as the Top 30 Global Ideas in the aggregate, and/or the Top 30 Global Ideas that were not selected as Reference Stocks.

An Investment in the Notes Is Subject to Risks Relating to Foreign Securities Markets – Eight of the Reference Stocks are organized outside of the U.S. An investment linked to companies of this type involves particular risks. For example, the relevant foreign markets may be more volatile than the U.S. markets, and market developments may affect these markets differently from the U.S. or other securities markets. Direct or indirect government intervention to stabilize the securities markets outside the U.S., as well as cross-shareholdings in certain companies, may affect trading prices and trading volumes in those markets.

As Calculation Agent, RBCCM Will Have the Authority to Make Determinations that Could Affect the Value of Your Notes and Your Payment at Maturity – As calculation agent for your Notes, RBCCM will have discretion in making various determinations that affect your Notes, including determining the Final Prices, the Percentage Amount, the Redemption Amount, the amounts of any interest payments on the Notes, and whether any market disruption events have occurred. The Calculation Agent also has discretion in making certain adjustments relating to mergers and certain other corporate transactions that an issuer of a Reference Stock may undertake. The exercise of this discretion by RBCCM could adversely affect the value of your Notes and may present RBCCM, which is our wholly owned subsidiary, with a conflict of interest.

Market Disruption Events and Adjustments – The payments on the Notes are subject to adjustment as described in this terms supplement and the product prospectus supplement. For a description of what constitutes a market disruption event as well as the consequences of that market disruption event, see “General Terms of the Notes—Market Disruption Events” in the product prospectus supplement.

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OTHER TERMS OF YOUR NOTES

Certain Reorganization Events