RBC Capital Markets®

June 2014

DEBT LINKED SECURITIES I **RBC GLOBAL INVESTMENT SOLUTIONS**

RBC Non-Protected Corporate Bond RoC Securities, Series 1F

4-Year Term	Semi-Annual Return of Capital Payments	Variable Return linked to a Notional Portfolio of Four Corporate Bonds

Issue Date
July 30, 2014

Maturity Date
July 30, 2018

Portfolio
Four Corporate Bonds

RoC Payments
$1.60 Semi-annual

FundSERV
RBB101

A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed, is required to be delivered with this document.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

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INVESTMENT HIGHLIGHTS

- **Tax-Efficient Exposure** to a notional Canadian dollar bond portfolio composed of four corporate bonds. Semi-annual return of capital payments will reduce an investor's cost base for the Debt Securities.
- **Return Based on Notional Portfolio of Bonds Trading at Premiums.** Investors gain exposure to a portfolio of corporate bonds trading above par while eliminating adverse tax treatment of buying bonds trading at a premium.
- **Alternative** to investing in bond ETFs, bond mutual funds or holding the Underlying Bonds outright.
- **Fixed Cash Flow:** The Debt Securities provide semi-annual return of capital payments equal to $1.60 per Debt Security.

KEY TERMS

Issuer:	Royal Bank of Canada (the "**Bank**")
Issuer Credit Rating:	Aa3 by Moody's; AA- by Standard & Poor's and AA by DBRS
Currency:	CAD
Issue Price:	$100 (the "**Principal Amount**")
Minimum Subscription:	$5,000 (50 Debt Securities)
Issue Date:	July 30, 2014
Valuation Date:	July 25, 2018
Maturity Date:	July 30, 2018, for a term of approximately 4 years
Principal at Risk:	The Debt Securities are not principal protected
Partial Principal Repayments:	$1.60 paid semi-annually ($3.20 per annum) on or about each 30th day of January and July.
Variable Return:	The difference between the Value per Debt Security and the Outstanding Principal Amount on the Valuation Date. The Variable Return may be positive or negative
Outstanding Principal Amount	$100 minus the sum of all the Partial Principal Repayments prior to the particular time. For the purpose of determining the Outstanding Principal Amount on the Valuation Date, the final Partial Principal Repayment that is payable on the Maturity Date is deemed to have been paid.
Payment at Maturity:	The Outstanding Principal Amount plus the Variable Return, subject to a minimum payment of $1.00.
Portfolio:	3.825% global notes issued by AT&T due 25-November-2020 3.19% notes issued by JP Morgan Chase & Co due 5-March-2021 4.60% fixed rate notes issued by GE Capital Canada Funding due 26-January-2022 4.54% medium term notes issued by Brookfield Asset Management due 31-March-2023
Selling Commission:	None
Agency Fee	The Bank will pay a fee to Laurentian Bank Securities Inc. in an amount up to 0.15% of the Principal Amount of the Debt Securities issued under this offering for acting as independent agent, payable from the Note Program Amount.
Note Program Amount:	As an allowance for management of the Debt Securities, the Bank is entitled to an upfront amount of 1.50% of the Principal Amount of the Debt Securities and an on-going annual amount of 0.15% of the Value of the Portfolio
FundSERV Code:	RBB101. The Debt Securities will also be subject to specified early trading charges, depending on when the Debt Securities are sold. See the Pricing Supplement for more information.
Subscriptions Close:	July 25, 2014

INVESTMENT RATIONALE

Through the single purchase of Debt Securities, investors are able to obtain a return based on the performance of a notional portfolio of four corporate bonds (the "**Underlying Bonds**"). The Debt Securities provide investors with an alternative to investing in fixed income investments such as bond mutual funds, bond ETFs and bonds while receiving the following tax efficient benefits:

- Semi-annual return of capital payments equal to $1.60 ($3.20 per annum) should not be included in the investor's income when received but, rather, should reduce the investor's adjusted cost base of the Debt Securities.
- Many corporate bonds are trading above their principal amount ($100) resulting in a tax mismatch where capital losses realized at maturity as a result of the difference between the principal amount of the bonds and their purchase price cannot be applied to reduce coupon interest income.

EXAMPLES

The following are hypothetical examples that illustrate how the Redemption Amount is calculated. These examples are included for illustration purposes only. The amounts used are hypothetical and are not forecasts or projections of the performance of the Portfolio or the performance of the Debt Securities. No assurance can be given that the results shown in these examples can be achieved.

The examples set out below are included for illustration purposes only. The examples assume that a holder of Debt Securities has purchased such securities with an aggregate principal amount of $100 and that no Extraordinary Event has occurred. The starting Value per Debt Security for each example is $98.50, which is intended to account for the 1.50% upfront portion of the Note Program Amount. All dollar amounts are rounded to the nearest whole cent.

Example #1 — Calculation of the Redemption Amount where the Value of the Portfolio increases

In this example, the Value of the Portfolio is assumed to increase at a rate of 1.36% in the first year, 0.94% in the second year, 0.48% in the third year and 0.07% in the final year (less the applicable on-going annual portion of the Note Program Amount), which correlates to a decrease in the average yield of the Portfolio of 1.0% during the term of the Debt Securities (a 0.25% decrease each year) such that the average yield of the Portfolio will be 2.52% on the Maturity Date.

Year	Value of the Portfolio (per Debt Security)	Annual Note Program Amount (0.15%)	Value per Debt Security less Note Program Amount	Partial Principal Repayments	Outstanding Principal Amount
1	99.84	0.15	99.69	3.20	96.80
2	100.63	0.15	100.48	3.20	93.60
3	100.96	0.15	100.81	3.20	90.40
4	100.88	0.15	100.73	3.20	87.20

Variable Return = Value per Debt Security – Outstanding Principal Amount
= $100.73 – $87.20
= $13.53

Redemption Amount = Outstanding Principal Amount + Variable Return
= $87.20 + $13.53
= $100.73

Total Partial Principal Repayments made during the term of the Debt Securities = $12.80

In this example, the Redemption Amount and the Partial Principal Repayments result in a return equivalent to an annually compounded rate of return of 3.40%.

Example #2 — Calculation of the Redemption Amount where the Value of the Portfolio decreases

In this example, the Value of the Portfolio is assumed to decrease at a rate of 6.67% in the first year, 4.74% in the second year, 2.77% in the third year and 0.58% in the final year (less the applicable on-going annual portion of the Note Program Amount), which correlates to an increase in the average yield of the Portfolio of 5.0% during the term of the Debt Securities (a 1.25% increase each year) such that the average yield of the Portfolio will be 8.20% on the Maturity Date.

Year	Value of the Portfolio (per Debt Security)	Annual Note Program Amount (0.15%)	Value per Debt Security less Note Program Amount	Partial Principal Repayments	Outstanding Principal Amount
1	91.93	0.14	91.79	3.20	96.80
2	87.44	0.13	87.31	3.20	93.60
3	84.89	0.13	84.76	3.20	90.40
4	84.27	0.13	84.14	3.20	87.20

Variable Return = Value per Debt Security – Outstanding Principal Amount
= $84.14 – $87.20
= -$3.06

Redemption Amount = Outstanding Principal Amount + Variable Return
= $87.20 + (-$3.06)
= $84.14

Total Partial Principal Repayments made during the term of the Debt Securities = $12.80

In this example, the Redemption Amount and the Partial Principal Repayments result in a return equivalent to an annually compounded rate of return of -0.82%.

Example #3 — Calculation of the Redemption Amount where the Value of the Portfolio does not change significantly

In this example, the Value of the Portfolio is assumed to decrease at a rate of 0.04% in the first year, 0.03% in the second year, 0.09% in the third year, and 0.06% in the final year (less the applicable on-going annual portion of the Note Program Amount), which correlates to no change in the average yield of the Portfolio during the term of the Debt Securities such that the average yield of the Portfolio will remain 3.24% on the Maturity Date.

Year	Value of the Portfolio (per Debt Security)	Annual Note Program Amount (0.15%)	Value per Debt Security less Note Program Amount	Partial Principal Repayments	Outstanding Principal Amount
1	98.46	0.15	98.31	3.20	96.80
2	98.28	0.15	98.13	3.20	93.60
3	98.04	0.15	97.89	3.20	90.40
4	97.83	0.15	97.68	3.20	87.20

Variable Return = Value per Debt Security – Outstanding Principal Amount
= $97.68 – $87.20
= $10.48

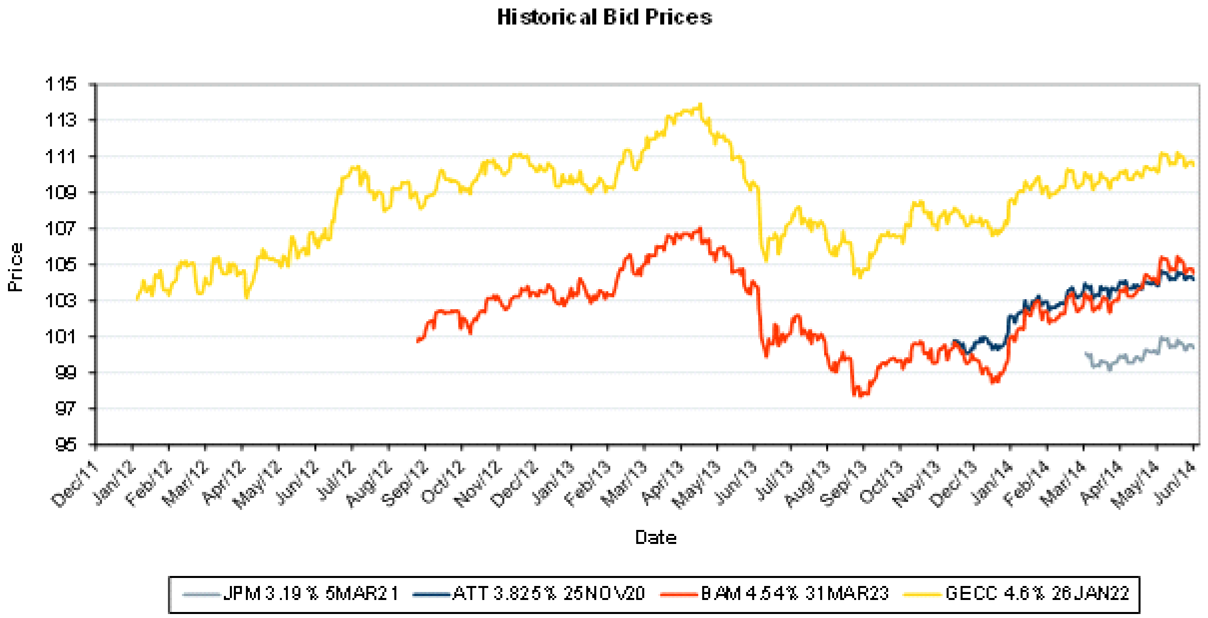
Redemption Amount = Outstanding Principal Amount + Variable Return
= $87.20 + $10.48
= $97.68

Total Partial Principal Repayments made during the term of the Debt Securities = $12.80

In this example, the Redemption Amount and the Partial Principal Repayments result in a return equivalent to an annually compounded rate of return of 2.66%.

HISTORICAL PRICE/YIELD OF THE UNDERLYING BONDS in the PORTFOLIO

The charts below sets out the closing bid prices and yields for the four Underlying Bonds in the Portfolio from their respective issuance dates to June 10, 2014. **Past price and yield performance is not an indicator of future price and yield performance.** *(Source: RBC Capital Markets)*



All capitalized terms unless defined will have the meanings described to them in the Pricing Supplement.

These Debt Securities are not conventional notes. For the various risks associated with such an investment, please see the Risk Factors section of the Pricing Supplement. The Debt Securities will not constitute deposits insured under the *Canada Deposit Insurance Corporation Act*. The Debt Securities will expose investors to the credit risks of both the Bank and the Underlying Bond Issuers. The Underlying Bonds may have historically had lower credit ratings than the Bank's debt securities.

An investment in the Debt Securities involves risks. An investment in the Debt Securities is not the same as a direct investment in the securities that comprise the Portfolio and investors have no direct rights with respect to the securities in the Portfolio. The Debt Securities are considered to be "specified derivatives" under applicable Canadian securities laws. If you purchase Debt Securities, you will be exposed to fluctuations in interest rates and changes in the value of the Portfolio, among other factors. Price changes may be volatile and an investment in the Debt Securities may be considered to be speculative. Since the Debt Securities are not principal protected and the Principal Amount will be at risk, you could lose substantially all of your investment."