



**BZX Information Circular 14-068**  
**BYX Information Circular 14-068**

**EDGA Regulatory Information Circular 14-068**  
**EDGX Regulatory Information Circular 14-068**

**Date:** July 29, 2014

**Re:** Royal Bank of Canada

Pursuant to the Rules of BATS Exchange, Inc. (“BZX”), BATS Y-Exchange, Inc. (“BYX”), EDGA Exchange, Inc. (“EDGA”) and EDGX Exchange, Inc. (“EDGX”, each such exchange referred to hereafter as “BATS” or the “Exchange” and together with BZX, BYX and EDGA, the “Exchange”), this Information Circular is being issued to advise you that the following securities have been approved for trading pursuant to unlisted trading privileges (“UTP”) on the Exchange as UTP Derivative Securities pursuant to Chapter XIV of the Exchange’s Rules.

**Securities (the “Fund”)**

**Symbol**

Royal Bank of Canada ETNs due July 19, 2034 Linked to the Yorkville MLP Distribution Growth Leaders Liquid PR Index

YGRO

**Commencement of Trading on the Exchange:** July 30, 2014

**Issuer/Trust:** Royal Bank of Canada

**Primary Listing Exchange:** NYSE Arca

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in this new product on the Exchange, as well as to provide certain characteristics and features of the Notes.

**Background Information on the Notes**

The Royal bank of Canada (“RBC” or the “Issuer”) has issued Exchange Traded Notes (“ETNs” or “Notes” or “Securities”) that are linked to the performance of the Yorkville MLP Distribution Growth Leaders Liquid PR Index (the “Index”). The ETNs do not guarantee any return of principal. Investors should be willing, if the Index declines, to lose up to 100% of their investment. The ETNs may pay a quarterly coupon as described in this pricing supplement. Since the payment of any quarterly coupon is uncertain, investors should not expect to receive fixed periodic interest payments.

The ETNs are senior unsecured medium-term notes of the Issuer, Series F, maturing July 19, 2034, subject to adjustment as provided in the prospectus. The denomination and stated principal amount of each ETN is \$20. Any future issuances of ETNs may be issued at a price that is higher or lower than the stated principal amount, based on the indicative value of the ETNs at that time.

The securities considered for inclusion in the Index must be publicly traded securities that represent the limited partner interests of a master limited partnership that is traded on a recognized U.S. securities exchange (each, an “MLP”).

If the ETNs have not previously been repurchased by RBC, investors will receive at maturity a cash payment, per \$20 principal amount ETN, calculated as (a) the product of (i) \$20 and (ii) the Index Factor as of the last Valuation Date in the Final Measurement Period, plus (b) the final Coupon Payment

determined on the Final Valuation Date, if any, minus (c) the fee shortfall on the Final Valuation Date, if any. In no event, however, will the payment at maturity be less than zero.

The Index Factor on any Valuation Date will be equal to the Final Index Level on that Valuation Date divided by the Initial Index Level. The closing level is not the same as the closing price or any other trading price of the ETNs in the secondary market.

On each Coupon Payment Date, for each \$20 principal amount ETN, investors will receive a cash payment equal to (a) the MLP Distribution Amount minus (b) the Investor Fee, each calculated as of the corresponding Coupon Valuation Date. To the extent that the MLP Distribution Amount is less than the Investor Fee, there will be no Coupon Payment made on the corresponding Coupon Payment Date, and an amount equal to the absolute value of the difference between the MLP Distribution Amount and the Investor Fee calculated on that Coupon Valuation Date (the “fee shortfall”) will be added to the Investor Fee with respect to the next Coupon Valuation Date.

The applicable Valuation Date means (i) with respect to a repurchase at the option of the ETN holder, the Trading Day immediately succeeding the Business Day on which you deliver a valid repurchase notice to RBC, (ii) with respect to a repurchase of the ETNs at our option, each of the five Trading Days during the Call Measurement Period and (iii) with respect to the Maturity Date, the five Trading Days during the Final Measurement Period, ending on the Final Valuation Date. The “Final Valuation Date” will be the Trading Day that falls on July 14, 2034. If any of the applicable Valuation Dates, including the last Valuation Date in the Call Measurement Period or the Final Valuation Date, is not a Trading Day, then such Valuation Date, last Valuation Date in the Call Measurement Period or Final Valuation Date shall be the next following Trading Day. If a Market Disruption Event occurs or is continuing on any Valuation Date (including the last Valuation Date in the Call Measurement Period or the Final Valuation Date), then such Valuation Date will be postponed to the next Trading Day.

The Multiplier is equal to 0.0852079, the quotient of \$20 divided by the Initial Index Level. The Initial Index Level is 234.72, the closing level of the Index on the Initial Trade Date. The Final Index Level, as determined by the Calculation Agent, is the arithmetic mean of the Index closing levels measured on each Valuation Date during the Call Measurement Period or the Final Measurement Period, or the Index closing level on any Valuation Date relating to a Repurchase Date for a repurchase at the option of the holder.

With respect to any Coupon Valuation Date, including the Final Valuation Date or the last Valuation Date in the Call Measurement Period, the Investor Fee will be equal to (a) (i) the annual investor fee multiplied by (ii) the number of days in the Coupon Period with respect to such Coupon Valuation Date divided by 365 multiplied by (iii) \$20 multiplied by (iv) the Index Factor, plus (b) the fee shortfall from the previous Coupon Valuation Date, if any. There will only be a fee shortfall from the previous Coupon Valuation Date if the MLP Distribution Amount on such previous Coupon Valuation Date minus the Investor Fee on such previous Coupon Valuation Date was negative. In such case, the fee shortfall will be equal to the absolute value of such negative number. The annual investor fee is equal to 0.90%.

Because the Investor Fees reduce the Coupon Payment and may reduce the amount of return at maturity or upon repurchase, the level of the Index must increase by an amount equal to the percentage of the principal amount represented by the Investor Fee, minus the Coupon Payments, if any, in order for investors to receive an aggregate amount over the term of the ETNs equal to at least the principal amount of your investment. If the level of the Index decreases or does not increase sufficiently, investors will receive less, and possibly significantly less, than the principal amount of your investment at maturity or upon repurchase by RBC.

Please see the prospectus for the Notes for more details regarding the calculations and details regarding the Index.

It is expected that the market value of the Notes will depend substantially on the value of the Index and may be affected by a number of other interrelated factors including, among other things: the general level

of interest rates, the volatility of the Index, the time remaining to maturity, the dividend yield of the stocks comprising the Index, and the credit ratings of the Issuer.

### **Exchange Rules Applicable to Trading in the Notes**

Trading in the Notes on BATS is subject to BATS equity trading rules.

### **Trading Hours**

The Notes will trade on BATS between 8:00 a.m. and 5:00 p.m. ET. The Notes will trade on EDGA and EDGX between 8:00 a.m. and 8:00 p.m. ET.

Please note that trading in the Notes during the Exchange's Pre-Opening and After Hours/Post Closing Trading Sessions ("Extended Market Sessions") may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the Extended Market Sessions, (2) lower liquidity in the Extended Market Sessions may impact pricing, (3) higher volatility in the Extended Market Sessions may impact pricing, (4) wider spreads may occur in the Extended Market Sessions, and (5) because the indicative value is not calculated or widely disseminated during the Extended Market Sessions, an investor who is unable to calculate an implied value for the Shares in those sessions may be at a disadvantage to market professionals.

### **Suitability**

Trading in the securities on the Exchange will be subject to the provisions of Exchange Rule 3.7. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer. Members should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

### **Trading Halts**

The Exchange will halt trading in the shares of a security in accordance with Exchange Rules. The grounds for a halt include a halt because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, a halt for other regulatory reasons or due to other conditions or circumstances deemed to be detrimental to the maintenance of a free and orderly market.

**This Information Circular is not a statutory prospectus. Exchange Members should consult the prospectus for a security and the security's website for relevant information.**

Please contact BZX and BYX Membership Services at 913.815.7002 or EDGA and EDGX Member Services at 201.942.8220 with any inquiries regarding this Information Circular.