

ROYAL BANK OF CANADA  
Form FWP  
November 06, 2017

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November 2017  
MSELN-303-C  
Registration Statement No. 333-208507  
Dated November 2, 2017  
Filed Pursuant to Rule 433

## STRUCTURED INVESTMENTS

### Opportunities in U.S. Equities

Contingent Income Auto-Callable Securities due November 16, 2020  
With the Coupon and Payment at Maturity Subject to the Performance of the Common Stock of Palo Alto Networks, Inc.

#### Principal at Risk Securities

Contingent Income Auto-Callable Securities do not guarantee the payment of interest or the repayment of principal. Instead, the securities offer the opportunity for investors to earn a contingent quarterly coupon equal to 2.625% of the stated principal amount (10.50% per annum), but only with respect to each determination date on which the determination closing price of the underlying stock, or the final share price, as applicable, is greater than or equal to 75% of the initial share price, which we refer to as the downside threshold level. In addition, if the determination closing price of the underlying stock is greater than or equal to the redemption threshold level (which will be equal to 100% of the initial share price) on any determination date, the securities will be automatically redeemed for an amount per security equal to the stated principal amount and the contingent quarterly coupon. At maturity, if the securities have not previously been redeemed and the final share price is greater than or equal to the downside threshold level, the payment at maturity will be the stated principal amount and the contingent quarterly coupon with respect to the final determination date. However, if the final share price of the underlying stock is below the downside threshold level on the final determination date, investors will be fully exposed to the decrease in the underlying stock on a 1 to 1 basis and will receive a payment at maturity that is less than 75% of the stated principal amount and could be zero. Moreover, if on any determination date the determination closing price of the underlying stock, or the final share price, as applicable, is less than the downside threshold level, you will not receive any contingent quarterly coupon for that quarterly period. Accordingly, investors in the securities must be willing to accept the risk of losing their entire principal and also the risk of not receiving any contingent quarterly coupon. The securities are for investors who are willing to risk their principal and seek an opportunity to earn interest at a potentially above-market rate in exchange for the risk of receiving few or no contingent quarterly coupons over the term of the securities. Investors will not participate in any appreciation of the underlying stock. The securities are senior unsecured obligations of Royal Bank of Canada, issued as part of Royal Bank of Canada's Series G Senior Global Medium-Term Notes program. All payments on the securities are subject to the credit risk of Royal Bank of Canada.

#### SUMMARY TERMS

Issuer: Royal Bank of Canada  
Underlying stock: Common stock of Palo Alto Networks, Inc. (Bloomberg symbol: "PANW")  
Aggregate principal amount: \$  
Stated principal amount: \$10 per security  
Issue price: \$10 per security  
Pricing date: November 10, 2017  
Original issue date: November 15, 2017 (3 business days after the pricing date)  
Maturity date:

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November 16, 2020, subject to adjustment as described in “Additional Information About the Securities” below.

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

Early redemption:	The securities will be automatically redeemed for an early redemption payment on the third business day following the related determination date. No further payments will be made on the securities once they have been redeemed.		
Redemption threshold level:	100% of the initial share price		
Early redemption payment:	The early redemption payment will be an amount equal to (i) the stated principal amount plus (ii) the contingent quarterly coupon with respect to the related determination date.		
Determination closing price:	The closing price of the underlying stock on any determination date other than the final determination date times the adjustment factor on that determination date		
Contingent quarterly coupon:	<ul style="list-style-type: none"> <li>• If, on any determination date, the determination closing price or the final share price, as applicable, is greater than or equal to the downside threshold level, we will pay a contingent quarterly coupon of \$0.2625 (2.625% of the stated principal amount, or 10.50% per annum) per security on the related contingent payment date.</li> <li>• If, on any determination date, the determination closing price or the final share price, as applicable, is less than the downside threshold level, no contingent quarterly coupon will be made with respect to that determination date.</li> </ul>		
Determination dates:	February 12, 2018, May 10, 2018, August 10, 2018, November 12, 2018, February 11, 2019, May 10, 2019, August 12, 2019, November 11, 2019, February 10, 2020, May 11, 2020, August 10, 2020 and November 10, 2020, subject to postponement for non-trading days and certain market disruption events as described in “Additional Information About the Securities” below. We also refer to November 10, 2020 as the final determination date.		
Contingent payment dates:	With respect to each determination date other than the final determination date, the third business day after the related determination date. The payment of the contingent quarterly coupon, if any, with respect to the final determination date will be made on the maturity date.		
Payment at maturity:	<ul style="list-style-type: none"> <li>• If the final share price is greater than or equal to the downside threshold level:</li> <li>• If the final share price is less than the downside threshold level:</li> </ul>	<ul style="list-style-type: none"> <li>(i) the stated principal amount plus (ii) the contingent quarterly coupon with respect to the final determination date</li> <li>(i) the stated principal amount multiplied by (ii) the share performance factor</li> </ul>	
Share performance factor:	Final share price divided by the initial share price		
Adjustment factor:	1.0, subject to adjustment in the event of certain corporate events affecting the underlying stock		
Downside threshold level:	\$ , which is equal to 75.00% of the initial share price		
Initial share price:	\$ , which is equal to the closing price of the underlying stock on the pricing date		
Final share price:	The closing price of the underlying stock on the final determination date times the adjustment factor on that date		
CUSIP/ISIN:	78013F602 / US78013F6025		
Listing:	The securities will not be listed on any securities exchange.		
Agent:	RBC Capital Markets, LLC (“RBCCM”). See “Supplemental information regarding plan of distribution; conflicts of interest.”		
Commissions and issue price:	Price to public	Agent’s commissions	Proceeds to issuer
Per security	\$10.000	\$0.200 <sup>(1)</sup>	
		\$0.050 <sup>(2)</sup>	\$9.75
Total	\$	\$	\$

(1) RBCCM, acting as agent for Royal Bank of Canada, will receive a fee of \$0.25 per \$10 stated principal amount and will pay to Morgan Stanley Wealth Management (“MSWM”) a fixed sales commission of \$0.20 for each security

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

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

The pricing date, original issue date and other dates set forth above are subject to change, and will be set forth in the pricing supplement relating to the securities. The initial estimated value of the securities as of the date of this document is \$9.6215 per \$10 in principal amount, which is less than the price to public. The pricing supplement relating to the securities will set forth our estimate of the initial value of the securities as of the pricing date, which will not be more than \$0.30 less than this amount. The actual value of the securities at any time will reflect many factors, cannot be predicted with accuracy, and may be less than this amount.

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

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

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

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

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

[Prospectus dated January 8, 2016](#)

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Contingent Income Auto-Callable Securities due November 16, 2020

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

Principal at Risk Securities

Investment Summary

The Contingent Income Auto-Callable Securities due November 16, 2020 with the Coupon and Payment at Maturity Subject to the Performance of the Common Stock of Palo Alto Networks, Inc., which we refer to as the “securities,” provide an opportunity for investors to earn a contingent quarterly coupon, which is an amount equal to \$0.2625 (2.625% of the stated principal amount, or 10.50% per annum) per security, with respect to each quarterly determination date on which the determination closing price or the final share price, as applicable, is greater than or equal to 75.00% of the initial share price, which we refer to as the downside threshold level. The contingent quarterly coupon, if any, will be payable quarterly on the contingent payment date, which is the third business day after the related determination date. It is possible that the closing price of the underlying stock could remain below the downside threshold level for extended periods of time or even throughout the term of the securities so that you may receive few or no contingent quarterly coupons.

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

Contingent Income Auto-Callable Securities due November 16, 2020

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

Principal at Risk Securities

Key Investment Rationale

The securities offer investors an opportunity to earn a contingent quarterly coupon equal to 2.625% of the stated principal amount (10.50% per annum) with respect to each determination date on which the determination closing price or the final share price, as applicable, is greater than or equal to 75% of the initial share price, which we refer to as the downside threshold level. The securities may be redeemed prior to maturity for the stated principal amount per security plus the applicable contingent quarterly coupon, and the payment at maturity will vary depending on the final share price, as follows:

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

Contingent Income Auto-Callable Securities due November 16, 2020

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

Principal at Risk Securities

How the Securities Work

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

Diagram #1: First Eleven Determination Dates

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

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Principal at Risk Securities

Hypothetical Examples

The examples below are based on the following terms:

Hypothetical Initial Share Price: \$100.00

Hypothetical Downside Threshold Level: \$75.00, which is 75% of the hypothetical initial share price

Hypothetical Adjustment Factor: 1.0

Contingent Quarterly Coupon: \$0.2625 (2.625% of the stated principal amount, or 10.50% per annum)

Stated Principal Amount: \$10 per security

Redemption Threshold Level: \$100.00, which is equal to 100% of the hypothetical initial share price

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

Determination Dates	Example 1			Example 2		
	Hypothetical Determination Closing Price (or Final Share Price)	Contingent Quarterly Coupon	Early Redemption Payment*	Hypothetical Determination Closing Price (or Final Share Price)	Contingent Quarterly Coupon	Early Redemption Payment
#1	\$105.00	-*	\$10.2625	\$90.00	\$0.2625	N/A
#2	N/A	N/A	N/A	\$91.00	\$0.2625	N/A
#3	N/A	N/A	N/A	\$92.00	\$0.2625	N/A
#4	N/A	N/A	N/A	\$93.00	\$0.2625	N/A
#5	N/A	N/A	N/A	\$94.00	\$0.2625	N/A
#6	N/A	N/A	N/A	\$95.00	\$0.2625	N/A
#7	N/A	N/A	N/A	\$96.00	\$0.2625	N/A
#8	N/A	N/A	N/A	\$97.00	\$0.2625	N/A
#9	N/A	N/A	N/A	\$98.00	\$0.2625	N/A
#10	N/A	N/A	N/A	\$99.00	\$0.2625	N/A
#11	N/A	N/A	N/A	\$110.00	-*	\$10.2625
Final Determination Date	N/A	N/A	N/A	N/A	N/A	N/A

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

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

$$\text{stated principal amount} + \text{contingent quarterly coupon} = \$10 + \$0.2625 = \$10.2625$$

In this example, the early redemption feature limits the term of your investment to approximately 3 months and you may not be able to reinvest at comparable terms or returns. If the securities are redeemed early, you will stop receiving contingent payments.

§ In Example 2, the securities are automatically redeemed following the eleventh determination date as the determination closing price on the eleventh determination date is greater than the redemption threshold level. As the determination closing prices on the first ten determination dates are greater than the downside threshold level, you

will receive the contingent payment of \$0.2625 with respect to each such determination date. Following the eleventh determination date, you receive an early redemption payment of \$10.2625, which includes the contingent quarterly coupon with respect to the eleventh determination date.

In this example, the early redemption feature limits the term of your investment to approximately 33 months and you may not be able to reinvest at comparable terms or returns. If the securities are redeemed early, you will stop receiving contingent payments. Further, although the underlying stock has appreciated by 10.00% from its initial share price on the eleventh determination date, you receive only an early redemption payment of \$10.2625 per security and do not benefit from such appreciation.



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Principal at Risk Securities

Determination Dates	Example 3			Example 4		
	Hypothetical Determination Closing Price (or Final Share Price)	Contingent Quarterly Coupon	Early Redemption Payment	Hypothetical Determination Closing Price (or Final Share Price)	Contingent Quarterly Coupon	Early Redemption Payment
#1	\$62.00	\$0	N/A	\$62.00	\$0	N/A
#2	\$60.00	\$0	N/A	\$60.00	\$0	N/A
#3	\$58.00	\$0	N/A	\$58.00	\$0	N/A
#4	\$56.00	\$0	N/A	\$56.00	\$0	N/A
#5	\$54.00	\$0	N/A	\$54.00	\$0	N/A
#6	\$52.00	\$0	N/A	\$52.00	\$0	N/A
#7	\$50.00	\$0	N/A	\$50.00	\$0	N/A
#8	\$48.00	\$0	N/A	\$48.00	\$0	N/A
#9	\$46.00	\$0	N/A	\$46.00	\$0	N/A
#10	\$44.00	\$0	N/A	\$44.00	\$0	N/A
#11	\$42.00	\$0	N/A	\$42.00	\$0	N/A
Final Determination Date	\$40.00	\$0	N/A	\$81.00	-*	N/A
Payment at Maturity	\$4.00			\$10.2625		

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

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

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

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

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

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

$\$10 + \$0.2625 = \$10.2625$

In this example, although the final share price represents a 19.00% decline from the initial share price, you receive the stated principal amount per security plus the final contingent quarterly coupon, equal to a total payment of \$10.2625 per security at maturity, because the final share price is not less than the downside threshold level.

Contingent Income Auto-Callable Securities due November 16, 2020

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

Principal at Risk Securities

Risk Factors

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

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

The potential contingent repayment of principal represented by the downside threshold level applies only at § maturity. You should be willing to hold the securities until maturity. Additionally, if the securities are not redeemed, at maturity, you will receive the stated principal amount (plus the contingent quarterly coupon with respect to the final determination date) only if the final share price is gr