ROYAL BANK OF CANADA
Form FWP
September 28, 2018

---

The information in this pricing supplement is not complete and may be changed.
This pricing supplement is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

| | |
|---|---|
| SUBJECT TO COMPLETION, DATED SEPTEMBER 28, 2018 | Filed Pursuant to Rule 433 |
| | Registration No. 333-227001 |

Preliminary Pricing Supplement No. WFC126 (to Prospectus and Prospectus Supplement each dated September 7, 2018)

Royal Bank of Canada
Market Linked Securities—Leveraged Upside Participation to a Cap and Contingent Downside Principal at Risk Securities Linked to the S&P 500® Index, due May 2, 2022
The securities described in this pricing supplement are issued by Royal Bank of Canada (Royal Bank of Canada or the Issuer), and are Senior Global Medium-Term Notes, Series H of the Issuer, as described in the prospectus supplement and prospectus each dated September 7, 2018.

| | |
|---|---|
| Agent: | Wells Fargo Securities, LLC. The agent may make sales through its affiliates or selling agents. |
| Principal Amount: | Each security will have a principal amount of $1,000. The securities are not principal-protected. You may lose up to 100% of the principal amount of the securities. |
| Pricing Date: | October 30, 2018* |
| Original Issue Date: | November 2, 2018* |
| Valuation Date: | April 25, 2022*, subject to postponement as described below. |
| Maturity Date: | May 2, 2022*, subject to postponement as described below. |
| Interest: | We will not pay you interest during the term of the securities. |
| Index: | The return on the securities is linked to the performance of the S&P 500® Index (Bloomberg symbol: SPX), which we refer to as the Index. |
| Payment at Maturity: | The amount you receive at maturity, for each security you own, will depend upon the change in the level of the Index based on the Final Index Level relative to the Initial Index Level, and whether or not the Final Index Level is below the Threshold Level.<br>(i) If the Final Index Level is greater than the Initial Index Level, the maturity payment amount per security will equal the lesser of:<br>(a) $\$1{,}000 + \left(\$1{,}000 \times \frac{\text{Final Index Level} - \text{Initial Index Level}}{\text{Initial Index Level}} \times \text{Participation Rate}\right)$; and<br>(b) the maximum maturity payment amount<br>(ii) If the Final Index Level is equal to or less than the Initial Index Level but greater than or equal to the Threshold Level, the maturity payment amount per security will equal $1,000. |

| | |
|---|---|
| | (iii) If the Final Index Level is less than the threshold Level, the maturity payment amount per security will equal: |
| | $$\$1{,}000 + \left(\$1{,}000 \times \frac{\text{Final Index Level} - \text{Initial Index Level}}{\text{Initial Index Level}}\right)$$ In such a case, if the percentage change of the Index is negative and less than -30%, you will lose up to 100% of your principal. |
| Maximum Maturity Payment Amount: | [$1,330.00 - $1,380.00] per security (to be determined on the pricing date) |
| Participation Rate: | 150% |
| Initial Index Level: | The closing level of the Index on the pricing date. |
| Final Index Level: | The closing level of the Index on the valuation date. |
| Threshold Level: | 70% of the Initial Index Level. |
| Listing: | The securities will not be listed on any securities exchange. |
| CUSIP Number: | 78013XJ90 |

* To the extent that the Issuer makes any change to the expected pricing date or expected original issue date, the valuation date and the maturity date may also be changed in the Issuer's discretion to ensure that the term of the securities remains the same.

Our initial estimated value of the securities as of the date of this document is $955.99 per $1,000 in principal amount, which is less than the public offering price. While the initial estimated value of the securities on the pricing date may differ from the estimated value set forth above, we do not expect it to differ significantly absent a material change in market conditions or other relevant factors. The final 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 less than $925.99 per $1,000 in principal amount. The market value of the securities at any time will reflect many factors, cannot be predicted with accuracy, and may be less than this amount. See "Risk Factors" and "Supplemental Plan of Distribution – Structuring the Securities" for further information.

The securities will be unsecured debt obligations of Royal Bank of Canada. Payments on the securities are subject to Royal Bank of Canada's credit risk. If Royal Bank of Canada defaults on its obligations, you could lose your entire investment. No other company or entity will be responsible for payments under the securities or liable to holders of the securities in the event Royal Bank of Canada defaults under the securities. The securities will not be issued by or guaranteed by Wells Fargo Securities, LLC or any of its affiliates.

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. The notes are not subject to conversion into our common shares under subsection 39.2(2.3) of the Canada Deposit Insurance Corporation Act.

For a detailed description of the terms of the securities, see "Summary Information" beginning on page PS-2 and "Specific Terms of the Securities" beginning on page PS-16. Defined terms used in this cover page are defined in "Summary Information" and "Specific Terms of the Securities."

The securities have complex features and investing in the securities involves risks. See "Risk Factors" beginning on page PS-10 of this document and page S-1 of the accompanying prospectus supplement.

| | Per Security | Total |
|---|---|---|
| Public Offering Price | $1,000.00 | $• |
| Maximum Underwriting Discount and Commission (1) | $31.50 | $• |
| Minimum Proceeds to Royal Bank of Canada | $968.50 | $• |

(1) The agent will receive an underwriting discount and commission of up to $31.50 per security. Of that underwriting discount and commission, each dealer that sells securities will receive a selling concession of $20.00 for each security that such dealer sells. Such securities dealers may include Wells Fargo Advisors ("WFA") (the trade name of the retail brokerage business of Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC). In addition to the selling concession allowed to WFA, the agent will pay $0.75 per security of the underwriting discount and commission to WFA as a distribution expense fee for each security sold by WFA. See "Use of Proceeds and

Hedging" and "Supplemental Plan of Distribution" in this pricing supplement for information regarding how we may hedge our obligations under the securities.

None of the Securities and Exchange Commission, any state securities commission or any other regulatory body has approved or disapproved of the securities or passed upon the adequacy or accuracy of this pricing supplement. Any representation to the contrary is a criminal offense.

Wells Fargo Securities

The date of this pricing supplement is October [ ], 2018

## SUMMARY INFORMATION

This document is a pricing supplement. This pricing supplement provides specific pricing information in connection with this issuance of securities. This summary includes questions and answers that highlight selected information from this pricing supplement and the accompanying prospectus supplement and prospectus to help you understand the Market Linked Securities Leveraged Upside Participation to a Cap and Contingent Downside Principal at Risk Securities Linked to the S&P 500® Index, due May 2, 2022 (the securities). You should carefully read this pricing supplement and the accompanying prospectus supplement and prospectus to fully understand the terms of the securities and the tax and other considerations that are important to you in making a decision about whether to invest in the securities. You should carefully review the section "Risk Factors" in this pricing supplement and the accompanying prospectus supplement and prospectus, which highlight certain risks associated with an investment in the securities, to determine whether an investment in the securities is appropriate for you.

Unless otherwise mentioned or unless the context requires otherwise, all references in this pricing supplement to "Royal Bank of Canada", "we", "us" and "our" or similar references mean Royal Bank of Canada. Capitalized terms used in this pricing supplement without definition have the meanings given to them in the accompanying prospectus supplement and prospectus.

### What are the securities?

The securities offered by this pricing supplement will be issued by Royal Bank of Canada and will mature on May 2, 2022. The return on the securities, if any, will be linked to the performance of the S&P 500® Index, which we refer to as the Index. The securities will not bear interest and no other payments will be made until maturity. You may lose up to 100% of your investment in the securities.

As discussed in the accompanying prospectus supplement, the securities are debt securities and are part of a series of debt securities entitled "Senior Global Medium-Term Notes, Series H" that Royal Bank of Canada may issue from time to time. The securities will rank equally with all other unsecured and unsubordinated debt of Royal Bank of Canada. For more details, see "Specific Terms of the Securities" beginning on page PS-16.

Each security will have a principal amount of $1,000. Each security will be offered at an initial public offering price of $1,000. However, on the pricing date, our initial estimated value of the securities will be less than $1,000 per security as a result of certain costs that are included in the initial public offering price. See "Risk Factors—Our initial estimated value of the securities will be less than the initial public offering price" and "Supplemental Plan of Distribution—Structuring the Securities." To the extent a market for the securities exists, you may transfer only whole securities. Royal Bank of Canada will issue the securities in the form of a master global certificate, which is held by The Depository Trust Company, also known as DTC, or its nominee. Direct and indirect participants in DTC will record your ownership of the securities.

### Are the securities principal protected?

No, the securities do not guarantee any return of principal at maturity. If the Final Index Level is less than the Threshold Level, you will lose 1% of the principal amount for each 1% that the Final Index Level is less than the Initial Index Level. Accordingly, if the Final Index Level is below the Threshold Level, you will lose up to 100% of your principal.

### What will I receive upon maturity of the securities?

At maturity, for each security you own, you will receive a cash payment equal to the maturity payment amount. The maturity payment amount to which you will be entitled depends on the percentage change in the level of the Index calculated based on the Final Index Level (as defined below) relative to the Initial Index Level (as defined below), and whether or not the Final Index Level is below the Threshold Level (as defined below).

The maturity payment amount for each security will be determined by the calculation agent as described below:

- If the Final Index Level is greater than the Initial Index Level, the maturity payment amount per security will equal the lesser of:

(a) $\$1{,}000 + \left(\$1{,}000 \times \dfrac{\text{Final Index Level} - \text{Initial Index Level}}{\text{Initial Index Level}} \times \text{Participation Rate}\right)$; and

(b) the maximum maturity payment amount

The Participation Rate is 150%. The maximum maturity payment amount will be [$1,330.00 - $1,380.00] per security, to be determined on the pricing date.

- If the Final Index Level is equal to or less than the Initial Index Level, but greater than or equal to the Threshold Level, the maturity payment amount per security will equal $1,000.
- If the Final Index Level is less than the Threshold Level, the maturity payment amount per security will equal:

$$\$1{,}000 + \left(\$1{,}000 \times \frac{\text{Final Index Level} - \text{Initial Index Level}}{\text{Initial Index Level}}\right)$$

If the Final Index Level is less than the Threshold Level, the amount you will receive at maturity will be less than the principal amount of the securities, and you will lose up to 100% of your principal. If the Final Index Level is zero, the maturity payment amount will be $0.00 per security, and you will lose 100% of your principal.

The Initial Index Level will be equal to the closing level of the Index on the pricing date and disclosed in the final pricing supplement for the securities.

The Threshold Level will equal 70% of the Initial Index Level.

The Final Index Level will be determined by the calculation agent and will be the closing level of the Index on the valuation date.

The valuation date is April 25, 2022. However, if that day occurs on a day that is not a trading day (as defined on page PS-20) or on a day on which the calculation agent has determined that a market disruption event (as defined under "Specific Terms of the Securities—Market Disruption Event" below) has occurred or is continuing, then the valuation date will be postponed until the next succeeding trading day on which the calculation agent determines that a market disruption event does not occur or is not continuing; provided that in no event will the valuation date be postponed by more than five trading days. If the valuation date is postponed, then the maturity date of the securities will be postponed by an equal number of business days. The maturity date will be a business day. In the event the maturity date would otherwise be a date that is not a business day, the maturity date will be postponed to the next succeeding date that is a business day and no interest shall accrue or be payable as a result of the postponement.

The closing level on any trading day will equal the official closing level of the Index or any successor Index (as defined under "Specific Terms of the Securities—Discontinuation of the Index; Adjustments to the Index" below) published by the Index Sponsor (as defined below) or any successor index sponsor at the regular weekday close of trading on that trading day. In certain circumstances, the closing level will be based on the alternate calculation of the Index described under "Specific Terms of the Securities—Discontinuation of the Index; Adjustments to the Index" below.

You should understand that the opportunity to benefit from the possible increase in the level of the Index through an investment in the securities is limited because the amount that you receive at maturity will never exceed the maximum maturity payment amount. The maximum maturity payment amount represents a maximum appreciation on the securities of [33% - 38%] over the principal amount of the securities. If the Final Index Level is less than the Threshold Level, you will lose 1% of the principal amount for each 1% that the Final Index Level is less than the Initial Index Level. Accordingly, if the level of the Index decreases below the Threshold Level, you will lose up to 100% of your principal.

Hypothetical Examples

Set forth below are four hypothetical examples of the calculation of the maturity payment amount based on the following hypothetical values (the numbers appearing in the examples below have been rounded for ease of analysis):

Hypothetical Initial Index Level: 3,000.00

Hypothetical Threshold Level: 2,100.00

Hypothetical maximum maturity payment amount: $1,355.00 (the mid-point of the range of maximum maturity payment amounts set forth in this pricing supplement)

Example 1—The hypothetical Final Index Level is 40.00% of the hypothetical Initial Index Level, which is below the Threshold Level:

Hypothetical Final Index Level: 1,200.00

Maturity payment amount (per security) $= \$1{,}000 + (\$1{,}000 \times \frac{1{,}200.00 - 3{,}000.00}{3{,}000.00}) = \$400.00$

Since the hypothetical Final Index Level is less than the hypothetical Initial Index Level and below the hypothetical Threshold Level, the amount you will receive at maturity will be equal to the issue price of $1,000 per security minus $1,000 times the difference between the hypothetical Initial Index Level and the hypothetical Final Index Level, divided by the hypothetical Initial Index Level, and you would lose some of your principal. Since the hypothetical Final Index level declined by 60.00% from the hypothetical Initial Index Level to the hypothetical Final Index Level, your total cash payment at maturity would be $400.00 per security, representing a 60.00% loss of the principal amount of your securities.

Example 2—The hypothetical Final Index Level is 95.00% of the hypothetical Initial Index Level, which is below the Initial Index Level, but above the Threshold Level:

Since the hypothetical Final Index Level is less than the hypothetical Initial Index Level but greater than the hypothetical Threshold Level, the maturity payment amount per security will equal the principal amount of $1,000.

Example 3—The hypothetical Final Index Level is 120.00% of the hypothetical Initial Index Level:

Hypothetical Final Index Level: 3,600.00

Maturity payment amount (per security) $= \$1{,}000 + (\$1{,}000 \times \frac{3{,}600.00 - 3{,}000.00}{3{,}000.00} \times 150\%)$

$= \$1{,}000 + \$300.00 = \$1{,}300.00$

Since the hypothetical Final Index Level is greater than the hypothetical Initial Index Level, you would receive the principal amount of $1,000 plus 150% times the amount of the percentage change in the level of the Index times $1,000, subject to the hypothetical maximum maturity payment amount of $1,355.00 (the mid-point of the range of maximum maturity payment amounts set forth in this pricing supplement). As the calculation of the maturity payment amount without taking into account the hypothetical maximum maturity payment amount would generate a result of $1,300.00 per security, your maturity payment amount would not be subject to the hypothetical maximum maturity payment amount of $1,355.00 per security. Your total cash payment at maturity would be $1,300.00 per security, representing a 30.00% total return.

Example 4—The hypothetical Final Index Level is 230.00% of the hypothetical Initial Index Level:
Hypothetical Final Index Level: 6,900.00

Maturity payment amount (per security) = $\$1,000 + \left(\$1,000 \text{ x } \frac{6,900.00 - 3,000.00}{3,000.00} \text{ x } 150\%\right)$

= $1,000 + $1,950.00 = $2,950.00 > $1,355.00

Since the hypothetical Final Index Level is greater than the hypothetical Initial Index Level, you would receive the principal amount of $1,000 plus 150% times the amount of the percentage change in the level of the Index times $1,000, subject to the hypothetical maximum maturity payment amount of $1,355.00 (the mid-point of the range of maximum maturity payment amounts set forth in this pricing supplement). Although the calculation of the maturity payment amount without taking into account the hypothetical maximum maturity payment amount would generate a result of $2,950.00 per security, your maturity payment amount would be limited to $1,355.00 per security, representing a 135.50% total return, because the payment on the securities at maturity may not exceed the hypothetical maximum maturity payment amount.

Hypothetical Returns

The following table assumes a hypothetical maximum maturity payment amount of $1,355.00, the mid-point of the maximum maturity payment amount range set forth in this pricing supplement, a hypothetical Initial Index Level of 3,000.00 and a range of hypothetical Final Index Levels and illustrates:

- the percentage change from the hypothetical Initial Index Level to the hypothetical Final Index Level;
- the hypothetical maturity payment amount per security; and
- the hypothetical pre-tax total rate of return to beneficial owners of the securities.

The figures below are rounded for ease of analysis and are for purposes of illustration only. The actual maturity payment amount will depend on the actual maximum maturity payment amount and the Final Index Level as determined by the calculation agent as described in this pricing supplement.

| Hypothetical Final Index Level | | Percentage Change from the Hypothetical Initial Index Level to the Hypothetical Final Index Level | Hypothetical Maturity Payment Amount per Security | | Hypothetical Pre-Tax Total Rate of Return on the Securities |
|---|---|---|---|---|---|
| 0.00 | | -100.00% | $0.00 | | -100.00% |
| 300.00 | | -90.00% | $100.00 | | -90.00% |
| 600.00 | | -80.00% | $200.00 | | -80.00% |
| 900.00 | | -70.00% | $300.00 | | -70.00% |
| 1,200.00 | | -60.00% | $400.00 | | -60.00% |
| 1,350.00 | | -55.00% | $450.00 | | -55.00% |
| 1,500.00 | | -50.00% | $500.00 | | -50.00% |
| 1,650.00 | | -45.00% | $550.00 | | -45.00% |
| 1,800.00 | | -40.00% | $600.00 | | -40.00% |
| 2,100.00 | (1) | -30.00% | $1,000.00 | | 0.00% |
| 2,400.00 | | -20.00% | $1,000.00 | | 0.00% |
| 2,550.00 | | -15.00% | $1,000.00 | | 0.00% |
| 2,700.00 | | -10.00% | $1,000.00 | | 0.00% |
| 3,000.00 | (2) | 0.00% | $1,000.00 | | 0.00% |
| 3,300.00 | | 10.00% | $1,150.00 | | 15.00% |
| 3,600.00 | | 20.00% | $1,300.00 | | 30.00% |
| 3,710.00 | | 23.6667% | $1,355.00 | (3) | 35.50% |
| 3,900.00 | | 30.00% | $1,355.00 | | 35.50% |
| 3,950.00 | | 31.66% | $1,355.00 | | 35.50% |
| 4,200.00 | | 40.00% | $1,355.00 | | 35.50% |
| 4,500.00 | | 50.00% | $1,355.00 | | 35.50% |
| 4,800.00 | | 60.00% | $1,355.00 | | 35.50% |
| 5,100.00 | | 70.00% | $1,355.00 | | 35.50% |
| 5,400.00 | | 80.00% | $1,355.00 | | 35.50% |
| 5,700.00 | | | | | |