

ROYAL BANK OF CANADA
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 March 28, 2018

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 Registration Statement No. 333-208507

Pricing Supplement

Dated March 26, 2018
 To the Product \$1,496,000
 Prospectus Supplement Buffered Enhanced Return Notes
 ERN-ETF-1 Dated Linked to the iShares® U.S. Real Estate
 January 11, 2016, ETF, Due March 31, 2020
 Prospectus Supplement Royal Bank of Canada
 Dated January 8, 2016,
 and Prospectus Dated
 January 8, 2016

Royal Bank of Canada is offering the Buffered Enhanced Return Notes (the “Notes”) linked to the performance of the iShares® U.S. Real Estate ETF (the “Reference Asset”).

The CUSIP number for the Notes is 78013XHJ0. The Notes do not pay interest. The Notes provide a 200.00% leveraged positive return if the share price of the Reference Asset increases from the Initial Level to the Final Level, subject to the Maximum Redemption Amount of 120.00% of the principal amount of the Notes. Investors will lose 1% of the principal amount of the Notes for each 1% decrease from the Initial Level to the Final Level of more than 23.00%. Any payments on the Notes are subject to our credit risk.

Issue Date: March 29, 2018

Maturity Date: March 31, 2020

The Notes will not be listed on any securities exchange.

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, “Additional Risk Factors Specific to the Notes” beginning on page PS-6 of the product prospectus supplement dated January 11, 2016, and “Selected Risk Considerations” beginning on page P-6 of this pricing 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 pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.

	<u>Per Note</u>	<u>Total</u>
Price to public	100.00%	\$1,496,000
Underwriting discounts and commissions	0.00%	\$0.00
Proceeds to Royal Bank of Canada	100.00%	\$1,496,000

The initial estimated value of the Notes as of the date of this pricing supplement is \$978.75 per \$1,000 in principal amount, which is less than the price to public. 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.

RBC Capital Markets, LLC, which we refer to as RBCCM, acting as agent for Royal Bank of Canada, did not receive a commission in connection with the sale of the Notes. See “Supplemental Plan of Distribution (Conflicts of Interest)” below.

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 Estate ETF, Due March 31, 2020

SUMMARY

The information in this “Summary” section is qualified by the more detailed information set forth in this pricing 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”)
 Reference Asset: iShares® U.S. Real Estate ETF. The Reference Asset seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Dow Jones U.S. Real Estate Index (the “Underlying Index”). BlackRock Fund Advisors (the “Advisor”) serves as the investment advisor to the Reference Asset.

Bloomberg Ticker: IYR

Currency: U.S. Dollars

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

Pricing Date: March 26, 2018

Issue Date: March 29, 2018

CUSIP: 78013XHJ0

Valuation Date: March 26, 2020

If, on the Valuation Date, the Percentage Change is positive, then the investor will receive an amount per \$1,000 principal amount per Note equal to the lesser of:

1. Principal Amount + (Principal Amount x Percentage Change x Leverage Factor) and
2. Maximum Redemption Amount

Payment at Maturity (if held to maturity):

If, on the Valuation Date, the Percentage Change is less than or equal to 0%, but not by more than the Buffer Percentage (that is, the Percentage Change is between zero and – 23.00%), then the investor will receive the principal amount only.

If, on the Valuation Date, the Percentage Change is negative, by more than the Buffer Percentage (that is, the Percentage Change is between – 23.01% and -100%), then the investor will receive a cash payment equal to:

Principal Amount + [Principal Amount x (Percentage Change + Buffer Percentage)]

Percentage Change:

The Percentage Change, expressed as a percentage, is calculated using the following formula:

$$\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$$

Initial Level: \$73.82, which was the closing share price of the Reference Asset on the Pricing Date.

Final Level: The closing share price of the Reference Asset on the Valuation Date.

Leverage Factor: 200.00% (subject to the Maximum Redemption Amount)

Maximum Redemption Amount: 120.00% multiplied by the principal amount

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Buffer Percentage: 23.00%

Buffer Level: \$56.84 which is 77.00% of the Initial Level (rounded to two decimal places)

Maturity Date: March 31, 2020, subject to extension for market and other disruptions, as described in the product prospectus supplement dated January 11, 2016.

Term: Two (2) years

Principal at Risk: The Notes are NOT principal protected. You may lose a substantial portion of your principal amount at maturity if there is a percentage decrease from the Initial Level to the Final Level of more than 23.00%.

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 Notes as a pre-paid cash-settled derivative contract 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,” and the discussion (including the opinion of our counsel Morrison & Foerster LLP) in the product prospectus supplement dated January 11, 2016 under “Supplemental Discussion of U.S. Federal Income Tax Consequences,” which apply to the Notes.

Secondary Market: RBCCM (or one of its affiliates), though not obligated to do so, may 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).

Terms Incorporated in the Master Note: All of the terms appearing above the item captioned “Secondary Market” on pages P-2 and P-3 of this pricing supplement and the terms appearing under the caption “General Terms of the Notes” in the product prospectus supplement dated January 11, 2016, as modified by this pricing supplement.

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ADDITIONAL TERMS OF YOUR NOTES

You should read this pricing 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 11, 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 pricing supplement will have the meanings given to them in the product prospectus supplement. In the event of any conflict, this pricing supplement will control. The Notes vary from the terms described in the product prospectus supplement in several important ways. You should read this pricing supplement carefully.

This pricing 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 “Additional Risk Factors Specific to the Notes” in the product prospectus supplement dated January 11, 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-ETF-1 dated January 11, 2016:

<https://www.sec.gov/Archives/edgar/data/1000275/000114036116047385/form424b5.htm>

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

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HYPOTHETICAL RETURNS

The examples set out below are included for illustration purposes only. The hypothetical Percentage Changes of the Reference Asset used to illustrate the calculation of the Payment at Maturity (rounded to two decimal places) are not estimates or forecasts of the Final Level or the share price of the Reference Asset on any trading day prior to the Maturity Date. All examples are based on the Buffer Percentage of 23.00% (the Buffer Level is 77.00% of the Initial Level), the Leverage Factor of 200.00%, the Maximum Redemption Amount of 120.00% of the principal amount, and assume that a holder purchased Notes with an aggregate principal amount of \$1,000 and that no market disruption event occurs on the Valuation Date.

Example 1— Calculation of the Payment at Maturity where the Percentage Change is positive.

Percentage Change: 5%

Payment at Maturity: $\$1,000 + (\$1,000 \times 5\% \times 200.00\%) = \$1,000 + \$100.00 = \$1,100.00$

On a \$1,000 investment, a 5% Percentage Change results in a Payment at Maturity of \$1,100.00, a 10.00% return on the Notes.

Example 2— Calculation of the Payment at Maturity where the Percentage Change is positive (and the Payment at Maturity is subject to the Maximum Redemption Amount).

Percentage Change: 20.00%

Payment at Maturity: $\$1,000 + (\$1,000 \times 20.00\% \times 200.00\%) = \$1,000 + \$400.00 = \$1,400.00$

However, the Maximum Redemption Amount is \$1,200.00

On a \$1,000 investment, a 20.00% Percentage Change results in a Payment at Maturity of \$1,200.00, a 20.00% return on the Notes.

Example 3— Calculation of the Payment at Maturity where the Percentage Change is negative (but not by more than the Buffer Percentage).

Percentage Change: -8%

Payment at Maturity: At maturity, if the Percentage Change is negative BUT not by more than the Buffer Percentage, then the Payment at Maturity will equal the principal amount.

On a \$1,000 investment, a -8% Percentage Change results in a Payment at Maturity of \$1,000, a 0% return on the Notes.

Example 4— Calculation of the Payment at Maturity where the Percentage Change is negative (by more than the Buffer Percentage).

Percentage Change: -35%

Payment at Maturity: $\$1,000 + [\$1,000 \times (-35\% + 23.00\%)] = \$1,000 - \$120.00 = \880.00

On a \$1,000 investment, a -35% Percentage Change results in a Payment at Maturity of \$880.00, a -12.00% 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 Asset. These risks are explained in more detail in the section “Additional Risk Factors Specific to the Notes,” 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 a substantial portion of their principal amount if there is a decline in the share price of the Reference Asset. You will lose 1% of the principal amount of your Notes for each 1% that the Final Level is less than the Initial Level by more than 23.00%.

The Notes Do Not Pay Interest and Your Return May Be Lower than the Return on a Conventional Debt Security of Comparable Maturity – There will be no periodic interest payments on the Notes as there would be on a conventional fixed-rate or floating-rate debt security having the same maturity. The return that you will receive on the Notes, which could be negative, may be less than the return you could earn on other investments. Even if your return is positive, your return may be less than the return you would earn if you bought a conventional senior interest bearing debt security of Royal Bank.

Your Potential Payment at Maturity Is Limited – The Notes will provide less opportunity to participate in the appreciation of the Reference Asset than an investment in a security linked to the Reference Asset providing full participation in the appreciation, because the payment at maturity will not exceed the Maximum Redemption Amount. Accordingly, your return on the Notes may be less than your return would be if you made an investment in the Reference Asset or a security directly linked to the positive performance of the Reference Asset.

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 the amount due on the maturity date is dependent upon Royal Bank’s ability to repay its obligations at that time. This will be the case even if the share price of the Reference Asset increases after the Pricing Date. No assurance can be given as to what our financial condition will be at the maturity 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 Securities Included in the Reference Asset – As a holder of the Notes, you will not have voting rights or rights to receive cash dividends or other distributions or other rights that holders of securities included in the Reference Asset would have. The Final Level will not reflect any dividends paid on the securities included in the Reference Asset, and accordingly, any positive return on the Notes may be less than the potential positive return on those securities.

The Initial Estimated Value of the Notes Is Less than the Price to the Public – The initial estimated value set forth on the cover page of this pricing supplement 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 share price of the Reference Asset, the borrowing rate we pay to issue securities of this kind, and the inclusion in the price to the public of 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 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.

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The Initial Estimated Value of the Notes on the Cover Page of this Pricing Supplement is an Estimate Only, Calculated as of the Time the Terms of the Notes Were Set –The initial estimated value of the Notes is 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 estimate is 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 your Notes.

Market Disruption Events and Adjustments – The payment at maturity and the Valuation Date are subject to adjustment as described in 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.

The Securities Composing the Underlying Index Are Concentrated in One Sector – All of the securities included in the Underlying Index are issued by companies in the U.S. real estate industry. As a result, the securities that will determine the performance of the Reference Asset and the value of the Notes are concentrated in one sector.

Although an investment in the Notes will not give holders any ownership or other direct interests in the securities composing the Underlying Index, the return on an investment in the Notes will be subject to certain risks associated with a direct equity investment in companies in the market sector. Accordingly, by investing in the Notes, you will not benefit from the diversification which could result from an investment linked to companies that operate in multiple sectors.

An Investment in the Notes is Subject to the Risks Associated with the U.S. Real Estate Sector. All or substantially all of the stocks held by the Reference Asset are issued by companies that invest in real estate, such as REITs or real estate holding companies, which are subject to the risks of owning real estate directly, as well as to risks that relate specifically to the way in which these companies are organized and operated. Real estate is highly sensitive to general and local economic conditions and developments, and characterized by intense competition and periodic overbuilding. In addition, these companies, including REITs, utilize leverage (and some may be highly leveraged), which increases investment risk and the risk normally associated with debt financing, and could potentially magnify the Reference Asset’s losses. Although an investment in the Notes will not give holders any ownership or other direct interests in the stocks held by the Reference Asset, the return on the Notes will be subject to certain risks associated with a direct equity investment in U.S. real estate.

Adjustments to the Reference Asset Could Adversely Affect the Notes —The Advisor of the Reference Asset is responsible for calculating and maintaining the Reference Asset. The Advisor can add, delete or substitute the stocks comprising the Reference Asset. The Advisor may make other methodological changes that could change the share price of the Reference Asset at any time. If one or more of these events occurs, the calculation of the amount payable at maturity may be adjusted to reflect such event or events. Consequently, any of these actions could adversely affect the amount payable at maturity and/or the market value of the Notes.

We Have No Affiliation with the Index Sponsor and Will Not Be Responsible for Any Actions Taken by the Index Sponsor — The Index Sponsor is not an affiliate of ours and will not be involved in the offering of the Notes in any way. Consequently, we have no control over the actions of the Index Sponsor, including any actions of the type that would require the calculation agent to adjust the payment to you at maturity. The Index Sponsor has no obligation of any sort with respect to the Notes. Thus, the Index Sponsor has no obligation to take your interests into consideration

for any reason, including in taking any actions that might affect the value of the Notes. None of our proceeds from the issuance of the Notes will be delivered to the Index Sponsor.

We and Our Affiliates Do Not Have Any Affiliation with the Advisor and Are Not Responsible for its Public Disclosure of Information — We and our affiliates are not affiliated with Advisor in any way and have no ability to control or predict its actions, including any errors in or discontinuance of disclosure regarding its methods or policies relating to the Reference Asset. The Advisor is not involved in the offering of the Notes in any way and has no obligation to consider your interests as an owner of the Notes in taking any actions relating to the Reference Asset that might affect the value of the Notes. Neither we nor any of our affiliates has independently verified the adequacy or accuracy of the information about the Advisor or the Reference Asset contained in any public disclosure of information. You, as an investor in the Notes, should make your own investigation into the Reference Asset.

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The Correlation Between the Performance of the Reference Asset and the Performance of the Underlying Index May Be Imperfect — The performance of the Reference Asset is linked principally to the performance of the Underlying Index. However, because of the potential discrepancies identified in more detail in the product prospectus supplement, the return on the Reference Asset may correlate imperfectly with the return on the Underlying Index.

The Reference Asset Is Subject to Management Risks — The Reference Asset is subject to management risk, which is the risk that the Advisor's investment strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. For example, the Advisor may invest a portion of the Reference Asset's assets in securities not included in the relevant industry or sector but which BlackRock believes will help the Reference Asset track the relevant industry or sector.

Our Business Activities May Create Conflicts of Interest — We and our affiliates expect to engage in trading activities related to the Reference Asset or the securities held by the Reference Asset 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 Asset, 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 securities held by the Reference Asset, 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. Moreover, we and our affiliates may have published, and in the future expect to publish, research reports with respect to the Reference Asset. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Any of these activities by us or one or more of our affiliates may affect the price of the Reference Asset, and, therefore, the market value of the Notes.

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INFORMATION REGARDING THE REFERENCE ASSET

We have derived the following information from publicly available documents. We have not independently verified the accuracy or completeness of the following information. We are not affiliated with the Reference Asset, and the Reference Asset will have no obligations with respect to the Notes.

The shares of the Reference Asset are issued by iShares, Inc., a registered investment company. The Reference Asset seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Dow Jones U.S. Real Estate Index. The Reference Asset trades on the NYSE Arca under the ticker symbol “IYR.” BlackRock Fund Advisors (“BFA”) serves as the investment advisor to the Reference Asset. The Reference Asset utilizes a “passive” or “indexing” investment approach in attempting to track the performance of the Underlying Index. The Reference Asset generally invests at least 90% of its assets in securities of the Underlying Index and in depositary receipts representing securities of the Underlying Index.

For additional information regarding iShares Inc., BFA, the Reference Asset and the risk factors attributable to the Reference Asset, please see the Prospectus, as amended to date, filed as part of the Registration Statement on Form N-1A with the SEC under the Securities Act of 1933, as amended, and under the Investment Company Act of 1940, as amended. Information provided to or filed with the SEC can be inspected and copied at the public reference facilities maintained by the SEC or through the SEC’s website at www.sec.gov. In addition, information regarding the Reference Asset, including its top portfolio holdings, may be obtained from other sources including, but not limited to, press releases, newspaper articles, other publicly available documents, and the iShares® website at www.ishares.com. We are not incorporating by reference the website or any material it includes in this document. Neither we nor the dealer makes any representation or warranty as to the accuracy or completeness of any such material.

Investment Objective and Strategy

The Reference Asset seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the Underlying Index. The Reference Asset’s investment objective and the Underlying Index may be changed at any time without shareholder approval. Notwithstanding the Reference Asset’s investment objective, the return on the Notes will not reflect any dividends paid on the Reference Asset shares, on the securities purchased by the Reference Asset or on the securities that comprise the Underlying Index.

The return on the Notes is linked to the performance of the iShares® U.S. Real Estate ETF, and not to the performance of the Dow Jones U.S. Real Estate IndexSM on which the Reference Asset is based. Although the Reference Asset seeks results that correspond generally to the performance of the Underlying Index, the Reference Asset follows a strategy of “representative sampling,” which means the Reference Asset’s holdings do not identically correspond to the holdings and weightings of the Underlying Index, and may significantly diverge from the Underlying Index. Although the Reference Asset generally invests at least 90% of its assets in some of the same securities as those contained in the Underlying Index and in depositary receipts representing the same securities as those contained in the Underlying Index, it does not hold all of the securities underlying the Underlying Index and may invest the remainder in securities that are not contained in the Underlying Index, or in other types of investments. Currently, the Reference Asset holds substantially fewer securities than the Underlying Index. Additionally, when the Reference Asset purchases securities not held by the Underlying Index, the Reference Asset may be exposed to additional risks, such as counterparty credit risk or liquidity risk, to which the Underlying Index components are not exposed. Therefore, the Reference Asset will not directly track the performance of the Underlying Index and there may be significant variation between the performance of the Reference Asset and the Underlying Index on which it is based.

Representative Sampling

BFA uses a representative sampling strategy to track the Underlying Index. Representative sampling is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to the Underlying Index. The securities selected are expected to have, in the aggregate, investment

characteristics (based on factors such as market capitalization and industry weightings), fundamental characteristics (such as return variability and yield) and liquidity measures similar to those of the Underlying Index. Funds may or may not hold all of the securities that are included in the Underlying Index.

The Underlying Index

The information below is included only to give insight to the Underlying Index, the performance of which the Reference Asset attempts to reflect. The Notes are linked to the performance of the Reference Asset and not to the Underlying Index.

The Dow Jones U.S. Real Estate Index is a float-adjusted market capitalization-weighted real-time index that provides a broad measure of the performance of the real estate sector of the U.S. securities market. Component companies consist of REITs, and other companies that invest directly or indirectly in real estate through development, management, or ownership, including property agencies. Because the Underlying Index is comprised primarily of REITs, the prices of the component stocks reflect changes in lease rates, vacancies, property development and other transactions. The Underlying Index was first calculated on February 14, 2000. The level of the Underlying Index was set to 100 on the base date of December 31, 1991.

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The Underlying Index is a subset of the Dow Jones U.S. IndexSM, a broad-based measure of the U.S. stock market, which aims to measure the performance of 95% of U.S. stocks by float-adjusted market capitalization. The Underlying Index universe is defined as all stocks traded on the major U.S. stock exchanges, minus any non-common issues and illiquid stocks. The Dow Jones U.S. IndexSM is part of the Dow Jones Global Indices®, which is a benchmark family of indices that currently follows stocks from a variety of countries.

Underlying Index Calculation

The Underlying Index level is calculated using a fraction, the numerator of which is the price of each stock in the Underlying Index multiplied by the number of shares used in the Underlying Index calculation (total shares outstanding times the IWF), and summed across all the stocks in the Underlying Index. The IWF is the investable weight factor, which is the available float shares (total shares outstanding less shares held by control holders) divided by the total shares outstanding. The denominator is the index divisor.

To assure that the Underlying Index's value, or level, does not change when stocks are added or deleted, the divisor is adjusted to offset the change in market value of the Underlying Index. Thus, the divisor plays a critical role in the Underlying Index's ability to provide a continuous measure of market valuation when faced with changes to the stocks included in the Underlying Index. In a similar manner, some corporate actions that cause changes in the market value of the stocks in an index should not be reflected in the Underlying Index level. Adjustments are made to the divisor to eliminate the impact of these corporate actions. Any change to the stocks in the Underlying Index that alters the total market value of the Underlying Index while holding stock prices constant will require a divisor adjustment. Corporate actions which require an adjustment to the divisor include: a company being added or deleted from the Underlying Index; a change in shares outstanding; stock splits; spin-offs where the spun off company is not added to the Underlying Index or where the spun off company is added but another company is removed; changes in IWF; special dividends; and rights offerings.

Underlying Index Composition and Maintenance

Defining the Investable Universe: The Underlying Index component candidates must trade on a major U.S. stock exchange and must be common shares or other securities that have the characteristics of common equities. All classes of common shares, both fully and partially paid, are eligible. Fixed-dividend shares and securities such as convertible notes, warrants, rights, mutual funds, unit investment trusts, closed-end fund shares, and shares in limited partnerships are not eligible. Temporary issues arising from corporate actions, such as "when-issued shares," are considered on a case-by-case basis when necessary to maintain continuity in a company's index membership. REITs, listed property trusts (LPTs), and similar real-property-owning pass-through structures taxed as REITs by their domiciles are also eligible. If a company has more than one class of shares, only one class of shares will be included. Securities that have had more than ten non-trading days during the past quarter are excluded.

Stock Selection: The Underlying Index universe is sorted by float-adjusted market capitalization and the stocks in the top 95% are selected as components of the Underlying Index, excluding stocks that fall within the bottom 1% of the universe according to their free-float market capitalization and within the bottom .01% of the universe according to their turnover. To be included in the Underlying Index, the issuer of each component security must be classified in the Real Estate Supersector, as defined by the proprietary classification system used by S&P Dow Jones Indices LLC.

Review Process: The Underlying Index is reconstituted annually in September. All index components are reviewed to determine their eligibility, and the float factor for each component is reviewed and updated as needed. Changes are implemented at the opening of trading on the Monday following the third Friday of September.

The Underlying Index is also reviewed on a quarterly basis. Shares outstanding totals for component stocks are updated during each quarterly review. Changes in shares outstanding of less than 5% are accumulated and made quarterly in March, June, September and December. These changes, as well as any weight adjustments, are implemented at the opening of trading on the Monday following the third Friday of the quarterly update month. If the

number of outstanding shares for an index component changes by more than 5% due to a corporate action, the shares total will be adjusted. The timing of the adjustment will depend on the type of event that causes the change. If the impact of corporate actions during the period between quarterly share updates changes the number of a company's shares outstanding by 5% or more, and that change causes a company's float factor to change by 5% or more, then the company's float factor will be updated at the same time as the share change. If a component no longer meets the eligibility requirements, it will be removed from the Underlying Index. Whenever possible, any such change will be announced at least two business days prior to its implementation.

In addition to the scheduled quarterly reviews, the Underlying Index is reviewed on an ongoing basis. Changes in the Underlying Index's composition and related weight adjustments are necessary whenever there are extraordinary events such as delistings, bankruptcies, mergers, or takeovers involving index components. In these cases, each event will be taken into account as soon as it is effective. Whenever possible, the changes in the Underlying Index components will be announced at least two business days prior to their implementation date.

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Buffered Enhanced Return Notes
 Linked to the iShares® U.S. Real
 Estate ETF, Due March 31, 2020

Historical Information

The graph below sets forth the information relating to the historical performance of the Reference Asset. In addition, below the graph is a table setting forth the intra-day high, intra-day low and period-end closing share prices of the Reference Asset. The information provided in this table is for the period from January 1, 2014 through March 26, 2018.

We obtained the information regarding the historical performance of the Reference Asset in the chart below from Bloomberg Financial Markets.

We have not independently verified the accuracy or completeness of the information obtained from Bloomberg Financial Markets. The historical performance of the Reference Asset should not be taken as an indication of its future performance, and no assurance can be given as to the Final Level of the Reference Asset. We cannot give you assurance that the performance of the Reference Asset will result in any positive return on your initial investment. iShares® U.S. Real Estate ETF (“IYR”)

Period-Start Date	Period-End Date	High Intra-Day Share Price of the Reference Asset (in \$)	Low Intra-Day Share Price of the Reference Asset (in \$)	Period-End Closing Share Price of the Reference Asset (in \$)
1/1/2014	3/31/2014	69.33	62.61	67.67
4/1/2014	6/30/2014	73.13	67.33	71.79
7/1/2014	9/30/2014	74.95	68.59	69.20
10/1/2014	12/31/2014	79.12	68.66	76.84
1/1/2015	3/31/2015	83.54	76.33	79.32
4/1/2015	6/30/2015	80.89	71.25	71.30
7/1/2015	9/30/2015	76.69	68.28	70.95
10/1/2015	12/31/2015	77.04	70.55	75.11
1/1/2016	3/31/2016	77.96	65.88	77.86
4/1/2016	6/30/2016	82.35	75.63	82.30
7/1/2016	9/30/2016	85.80	78.67	80.64
10/1/2016	12/31/2016	80.34	72.11	76.94
1/1/2017	3/31/2017	81.01	76.12	78.49
4/1/2017	6/30/2017	81.93	77.19	79.77
7/1/2017	9/30/2017	82.42	77.53	79.88
10/1/2017	12/31/2017	83.26	78.77	81.01
1/1/2018	3/26/2018	81.19	71.27	73.82

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

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Advertising and Promotion 542,439 542,439

Administrative

44,132 32,000 3,724,936

Commissions

98,901 98,901

Wages and Benefits

24,461 24,461

Amortization of web site

1,789,800

Stock and options - compensation expense

6,959,293 954,283 32,000 13,384,180

NET OPERATING LOSS FROM OPERATIONS

(954,283) (32,000) (13,306,812)

OTHER INCOME (LOSSES)

Interest income (expense)

185 (2,727) (327,224)

Depreciation

(5,066) (5,066)

Gain on transfer of assets and liabilities

252,008

NET LOSS BEFORE MINORITY INTEREST

\$(959,164) \$(34,727) \$(13,387,094)

Less Minority Interest

39,892 39,892

NET LOSS

\$(919,272) \$(34,727) \$(13,347,202)

NET LOSS PER COMMON SHARE

Basic and diluted

\$(0.05) \$(0.00)

AVERAGE OUTSTANDING SHARES - stated in 1,000 s

Basic

18,534 30,081

The accompanying notes are an integral part of these financial statements.

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CAPITAL MARKETS TECHNOLOGIES, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY

(Development Stage Company)

Period June 29, 1995 (date of inception) to December 31, 2007

	Common Stock		Capital in	Accumulated
	Shares	Amount	Excess of Par Value	Deficit
Balance June 29, 1995		\$	\$	\$
Issuance of common stock for services	6,000	6	4,994	
Net loss for period ended December 31, 1995				(5,000)
Net loss for year ended December 31, 1996				
Net loss for year ended December 31, 1997				
Net loss for year ended December 31, 1998				(900)
Issuance of common stock for cash	72,163	72	308,928	
Issuance of common stock for services	133		288,000	
Options granted for services			6,466,293	
Contributions to capital - expenses			174,000	
Net loss for year ended December 31, 1999				(6,819,904)
Issuance of common stock for services	100		200,000	
Amortize deferred compensation discount on note payable - related party			1,980,939	
Net loss for year ended December 31, 2000				(3,323,139)
Issuance of common stock for cash	2,174	2	1,937,386	
Issuance of common stock for expenses	173		132,000	
Issuance of common stock for cash	374	1	279,999	
Net loss for year ended December 31, 2001				(2,074,543)
Net loss for year ended December 31, 2002				(106,444)
Net loss for year ended December 31, 2003				(57,597)
Net loss for year ended December 31, 2004				(2,838)
Net loss for year ended December 31, 2005				(2,838)
Issuance of common stock for services	30,000,000	30,000		
Issuance of common stock for debt	2,160,000	2,160	19,440	
Net loss for year ended December 31, 2006				(34,727)
Issuance of common stock for debt	4,516,500	4,517	40,649	
Common Stock cancelled	(20,000,000)	(20,000)	20,000	
Issuance of Common Stock for cash	1,776,036	1,776	1,244,474	
Net loss for year ended December 31, 2007				(919,272)
Balance December 31, 2007	18,533,653	\$ 18,534	\$ 13,097,102	\$ (13,347,202)

The accompanying notes are an integral part of these financial statements.

Table of Contents**CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARY****(Development Stage Company)****CONSOLIDATED STATEMENT OF CASH FLOWS****For the Years Ended December 31, 2007 and 2006 and the period****June 29, 1995 (date of inception) to December 31, 2007**

	Dec 31, 2007	Dec 31, 2006	Jun 29, 1995 to Dec. 31, 2007
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	\$ (919,272)	\$ (34,727)	\$ (13,347,202)
Adjustments to reconcile net loss to net cash provided by operating activities			
Amortization of web site			1,789,800
Depreciation of office equipment	5,066		5,066
Change in accounts receivable	(9,005)		(9,005)
Change in accounts payable	247,677	4,727	(916,813)
Issuance stock and options for services and expenses		30,000	9,102,232
Contributions to capital - expenses			174,000
Net Cash Used in Operations	(675,534)		(3,201,922)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Office Equipment	(25,331)		(25,331)
Advances to Strike IT	(202,180)		(202,180)
Net Cash Used in Investing Activities	(227,511)		(227,511)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from sale of common stock	1,246,250		3,772,638
Net Cash From Financing	1,246,250		3,772,638
Comprehensive loss/translation adjustment and minority interest	(50,237)		(50,237)
Net Increase in Cash	292,968		292,968
Cash at Beginning of Period			
Cash at End of Period	\$ 292,698	\$	\$ 292,968
NON CASH FLOWS FROM OPERATING AND FINANCING ACTIVITIES			
Issuance of 6,000 common shares for services 1995			\$ 5,000
Issuance of 133 common shares for services 1999			288,000
Issuance of 100 common shares for services 2000			200,000
Contributions to capital expenses - 1999			174,000

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Issuance of 173 common shares for expenses -2001			132,000
Issuance of 30,000,000 common shares for services 2006		30,000	30,000
Issuance of 2,160,000 common shares for payment of debt		21,600	21,600
Issuance of 4,516,500 common shares for payment of debt	45,165		45,165
OTHER DISCLOSURES			
Interest income (expense)	185	(2,727)	(327,409)

The accompanying notes are an integral part of these financial statements

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CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

1. ORGANIZATION

The Company was incorporated under the laws of the State of Florida on June 29, 1995 with the name ARLN Realty Associates, Inc @ with authorized common shares of 7,500 with a par value of \$1.00. The Company had several name changes and authorized common share changes and on September 14, 2006 changed its name to AFintech Group, Inc.@ and changed its authorized common shares to 250,000,000 at a par value of \$.001 and added authorized preferred shares of 10,000,000 at par value of \$.001. On February 7, 2007 the name was changed to ACapital Markets Technologies, Inc.@

The terms of the preferred shares were determined by the Board of Directors in April 2007. The shares were designated as Series A Convertible Preferred Stock at 1 for 2.5 Common shares. Each preferred share issued has 2.5 votes on all matters presented to be voted by the holders of common stock. The shares are convertible at the option of the Holder at any time from and after the Original Issue Date. As of the date of the financial statement there have been no preferred shares issued.

The principal business activity of the corporation was the development of an e-commerce web site and an e-commerce virtual department store. During 2001 the activity was discontinued and its remaining assets and related liabilities were transferred and the Company has remained inactive since that date.

The Company is a development stage company.

After 2001 the Company has been engaged in seeking viable business opportunities in the financial services sector.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Methods

The Company recognizes income and expenses based on the accrual method of accounting.

Dividend Policy

The Company has not adopted a policy regarding payment of dividends.

Income Taxes

The Company utilizes the liability method of accounting for income taxes. Under the liability method deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities and are measured using the enacted tax rates and laws that will be in effect, when the differences are expected to reverse. An allowance against deferred tax assets is recognized, when it is more likely than not, that such tax benefits will not be realized.

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CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On December 31, 2007, the Company had a net operating loss for carry forward of approximately \$13,347,202.

Any income tax benefit has not been determined as there has been a substantial change in stockholders. The net operating loss will expire in 2028.

Financial Instruments

The carrying amounts of financial instruments are considered by management to be their estimated fair values due to their short term maturities.

Basic and Diluted Net Income (Loss) Per Share

Basic net income (loss) per share amounts are computed based on the weighted average number of shares actually outstanding. Diluted net income (loss) per share amounts are computed using the weighted average number of common shares and common equivalent shares outstanding as if shares had been issued on the exercise of any preferred share rights unless the exercise becomes antidilutive and then only the basic per share amounts are shown in the report.

Concentration of Credit Risk

There are no financial instruments that potentially subject the Company to significant concentration of credit risks.

Revenue Recognition

Revenue will be recognized on the sale and delivery of a product or the completion of services provided.

Advertising and Market Development

The company expenses advertising and market development costs as incurred.

Estimates and Assumptions

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing these financial statements.

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CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Recent Accounting Pronouncements

The Company does not expect that the adoption of other recent accounting pronouncements will have a material impact on its financial statements.

3. ACCOUNTS PAYABLE

The Statute of Limitations has run on a substantial part of the accounts payable.

4. SUBSIDIARY

On September 28, 2007 the Company acquired 55% of iBase Solutions Limited, a private company incorporated in England. The Company paid \$2,268 for the common shares. The minority shareholders are individuals residing in England.

iBase's principal product is software which provides a pay-as-you-go service which automates interest and dividend claims between financial institutions and their counter parties. Principal target markets are key financial centres. The Company will pursuing global custodian banks and their asset management and hedge fund clients. The service is asp-enabled and sits on top of a swift service bureau belonging to a prospective acquisition target of Capital Markets Technologies, Inc.

5. CAPITAL STOCK

During 2007 the Company issued 4,516,500 common shares as full payment on a note payable.

During 2007 the Company issued 1,776,036 units in a private placement for \$1,246,250. Each unit consists of one share of common stock, par value \$.001 per share, and one Common Stock Purchase Warrant. The Common Stock Purchase Warrants may be redeemed for one additional share of common stock at a price of \$1.50 per share, beginning two years from date of purchase. The warrants have been determined to have no value at the issuance date.

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CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

6. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

An officer controls a company that owns the property which the Company leases its office space from. The terms of the lease are \$6,500 per month and the lease is month to month with no deposit paid.

The Company has incurred promotional expenses of \$155,475 with an affiliate company of which \$79,220 is still due and payable at December 31, 2007.

7. GOING CONCERN

The Company does not have the necessary working capital to service its debt and for its planned activity, which raises substantial doubt about its ability to continue as a going concern. Continuation of the Company as a going concern is dependent upon obtaining additional working capital and the management of the Company has developed a strategy, which it believes will accomplish this objective through settlement of its debt by the issuance of common shares, loans from related parties, and equity funding which will enable the Company to conduct operations for the coming year.

8. SUBSEQUENT EVENTS

Subsequent to December 31, 2007 the Company has issued 1,766,668 units in a private placement for \$1,725,000. Each unit consists of one share of common stock, par value \$.001 per share, and one Common Stock Purchase Warrant. The Common Stock Purchase Warrants may be redeemed for one additional share of common stock at a price of \$1.50 per share, beginning two years from date of purchase. The warrants have been determined to have no value at the issuance.

On December 17, 2007 the Company entered into a Letter of Intent with Strike IT Services Limited, a private company incorporated and registered in England and Wales, to purchase 100% of their outstanding common shares. Strike IT will become a 100% wholly owned subsidiary of the Company. The terms are as follows: \$202,180 (£100,000) payable immediately, the balance of \$202,180 (£100,000) pounds to be paid on closing of the transaction. The Company, in addition, will issue the principal shareholders of Strike IT 450,000 common shares. The Company has satisfied the first payment of \$202,180 (£100,000) on December 20, 2007 and has also issued the 450,000 common shares on March 12, 2008. The final payment of \$204,186 (£100,000) was paid on March 18, 2008 and upon completion of Strike IT audits this transaction will be finalized.

Strike IT Services is an IT consultancy and recruitment company which has a number of corporate customers for whom it provides resources around SAP (SAP is the world's largest business software company) and the treasury operations. The company has offices which it leases in Weybridge, Surrey on a month to month tenancy. They currently employ 5 full-time employees.

Table of Contents**CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARY****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****December 31, 2007****8. SUBSEQUENT EVENTS (continued)**

As Capital Markets Technologies, Inc. is anticipating the closing of the acquisition of Strike IT in May 2008, the following unaudited proforma balance sheets are provided. The statement includes the following assumptions:

The goodwill arising from the purchase of Strike IT is assumed to not be impaired nor has it been amortized

The acquisition was finalized on January 1, 2007

	Capital Markets Technologies, Inc. Dec. 31, 2007	Strike IT Services Ltd. Dec. 31, 2007	Adjustments		Ref	Consolidated Dec. 31, 2007
			Debit	Credit		
ASSETS						
Cash (Bank Overdraft)	\$ 292,968	\$ (668,783)	\$ 1,725,000	\$ 198,430	1 & 3	\$ 1,150,755
Accounts Receivable	9,005	1,110,764				1,119,769
Office equipment-net of depreciation	20,265	29,868				50,133
Goodwill			642,986		4	642,986
Investment in Strike IT	202,180		396,860		2	
			198,430	797,470	3 & 4	
TOTAL ASSETS	\$ 524,418	\$ 471,849				\$ 2,963,643
LIABILITIES & STOCKHOLDERS DEFICIENCY						
Accounts Payable	\$ 806,222	\$ 317,365				1,123,587
Minority Interest	(38,037)					(38,037)
Stockholders' equity & comprehensive Income (loss)	(243,767)	154,484	154,484	1,725,000	1 & 4	
				396,860	2	1,878,093
	\$ 524,418	\$ 471,849				\$ 2,963,643

Table of Contents**CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARY****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2007

8. SUBSEQUENT EVENTS (continued)

Adjustments explained:	Debit	Credit
1. Record sale of shares in private placement.		
Cash	1,725,000	
Share Capital		1,725,000
2. Record issuance of shares for Strike IT acquisition		
Investment in Strike IT	396,860	
Share capital		396,860
3. Record final cash payment to Strike IT for acquisition.		
Investment in Strike IT	198,430	
Cash		198,430
4. Consolidation entry		
Goodwill calculated as follows:		
Total Cash and Common shares paid to Shareholders of Strike IT		\$ 797,470
Net assets of Strike IT		154,484
Good will on Purchase		\$ 642,986

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CAPITAL MARKETS TECHNOLOGIES, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2007

8. SUBSEQUENT EVENTS (continued)

In January 2008, Capital Markets Technologies Inc. acquired 100% of the shares of a private company, CMT Europe Limited, incorporated in England for \$248 (£125). The company has neither operations nor assets. The purpose of the company is to function as a holding company for all UK acquisitions.

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ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

We retained Madsen & Associates, CPA's Inc. as our independent accountants to audit our financial statements effective as of November 5, 2006. Subsequent to that date, in connection with their audits of our financial statements, there were no disagreements with the predecessor auditor, Rachlin Cohen & Holtz, LLP, on any matters of accounting principles or practices, financial statement disclosure, or auditing scope and procedures.

ITEM 8A. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures

Based upon an evaluation of the effectiveness of the Company's disclosure controls and procedures performed by the Company's management, with participation of the Company's Chief Executive Officer, Chief Operating Officer, and its Chief Accounting Officer as of the end of the period covered by this report, the Company's Chief Executive Officer, Chief Operating Officer, and its Chief Accounting Officer concluded that the Company's disclosure controls and procedures have been effective in ensuring that material information relating to the Company, including its consolidated subsidiary, is made known to the certifying officers by others within the Company and the Bank during the period covered by this report.

As used herein, disclosure controls and procedures mean controls and other procedures of the Company that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) under the Securities Exchange Act of 1934. Under the supervision and with the participation of the Chief Executive Officer, the Chief Operating Officer and the Chief Accounting Officer, we conducted an evaluation of the effectiveness of our control over financial reporting based on the framework in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our evaluation under the framework, management has concluded that our internal control over financial reporting was effective as of December 31, 2007.

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This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

(c) Changes in Internal Control over Financial Reporting

There have not been any changes in the Company's internal controls or in other factors that occurred during the Company's last fiscal quarter ended December 31, 2007 that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

ITEM 8B. OTHER INFORMATION

None

Table of Contents**PART III****ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT; COMPLIANCE WITH SECTION 16(A) OF THE SECURITIES EXCHANGE ACT OF 1934**

Set forth below is information regarding the Company's current directors and executive officers. The directors are elected annually by stockholders. The executive officers serve at the pleasure of the Board of Directors.

Name	Age	Position
Hagop Bouroudjian	46	Chairman of the Board, Chief Executive Officer
Pasquale Ceci	38	President, Secretary, and Director
Andy Aziz	45	Director
Peter Feit	47	Director
Edward Arana	44	Director, Chief Financial Officer

Mr. Bouroudjian is serving as our Chairman of the Board since March 9, 2007 and has an extensive banking and markets background. From July 2003 to the present, Mr. Bouroudjian has been a Principal at Brewer Investment Group in Chicago, Illinois. From May 2002 to July 2003 Mr. Bouroudjian was an independent trader at the Chicago Mercantile Exchange. From 1999 to 2002 Mr. Bouroudjian was president of Commerze Futures (a subsidiary of Commerz Bank, the 4th largest bank in Germany). Mr Bouroudjian has been Senior Vice President of Equity Futures for Nikko Securities, the 2nd largest securities firm in Japan and Credit Agricole Futures (a wholly owned subsidiary of Credit Agricole, the 17th largest bank in the world). At each of these firms, Hagop built the entire futures operations and they flourished into thriving subsidiaries under his supervision.

Mr. Bouroudjian has been a member of the Chicago Mercantile Exchange (CME) since 1987. Hagop was a member of the Board of Directors of the CME from 1996-2002. During that time he was Chairman of the Equity Indices Committee when the E-mini concept was successfully introduced to the CME membership. He was also chairman or co-chairman of over a dozen educational, product, and regulatory committees during his term.

Aside from Industry experience, Hagop has had an extensive amount of Media experience. He has done over 1000 international and domestic live TV shots over the last several years including CNBC, CNN, CNNFN, Bloomberg, PBS and countless local and regional broadcasts. He has been interviewed by numerous CEOs and CFOs of major corporations. He currently is a Friday regular on the CNBC Squawk Box segment. He appears daily on Bloomberg TV at various timeslots during the trading session, and has his own radio show "The Jack Bouroudjian Show" with BizRadio.

Mr. Pasquale Ceci is serving as our President and Secretary as well as a member of the Board of Directors since September 11, 2006. Mr. Ceci has been involved as an independent consultant in the start up of many successful ventures throughout his 15 year business career. To date he has operated many of these successfully while focusing in the entertainment field until recently when he entered into the financial transaction based business world.

Mr. Andy Aziz is a Director of our Company since June 26, 2007. Mr Aziz is currently the President of Payzone LLC since 2000 and is also VP of Global Banking with Broker Processing Service since 2004. Mr. Aziz is former Treasurer at Chase Manhattan Bank and has over 26 years of experience in corporate banking operations and management. His presence as a member of NACHA (National

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Automated Clearing House Association) combined with his background as a banking expert is expected to add significantly to CMT's plans around cross-border payments and SEPA. Mr. Aziz served as Director of Banking at American Payment Systems, ACH/Billing Manager at Engyro Inc., Processing Team Leader at Heller Financial Inc., Operations Officer at Chemical Bank and Union Trust Company and other managerial and supervisory roles for back office banking operations. Most recently, Mr. Aziz was Director of Banking for a walk-in bill payment company named CheckFree formerly American Payment Systems where he consulted for the development of an electronic transaction system that processes 1.2 million transactions and moves over \$12 billion annually through retail locations worldwide.

Mr. Peter Feit is a Director of our Company since June 26, 2007. From 2002 until the present Mr. Feit currently is Managing Member of KC-CO, a privately held options market maker firm on the Chicago Board Options, Chicago Board of Trade and the Chicago Mercantile Exchange. Mr. Feit is the former Managing Director of derivatives trading for SG Warburg and has extensive experience with international trade and settlements. Mr. Feit is an Organizer and Director of Town Center Bank in Frankfort, Illinois. He is a graduate of Loyola University where he earned a Bachelor of Science degree in Computer Science.

Mr. Edward Anthony Arana is a Director of our Company since June 26, 2007. Mr. Arana has been employed as Chief Financial Officer of Brewer Investment Group since 2002. He is a graduate of DePaul University and has been a Certified Public Accountant since 1986. Mr. Arana spent 7 years as senior auditor of the Chicago Mercantile Exchange maintaining the financial integrity of members of the CME. In addition, Mr. Arana was the Head of Accounting and Controller for Gerald Commodities, Index Futures Group, R.J. O'Brien & Associates and has held the role of Chief Financial Officer of Commerz Futures LLC.

Significant Employees

The Company has no present employees who are expected to make a significant contribution to the Company's business other than the Company's current officers and directors. It is expected that current members of management will be the only persons whose activities will be material to the Company's operations. Members of management are the only persons who may be deemed to be promoters of the Company.

Family Relationships

There are no family relationships between any directors or executive officers of the company either by blood or by marriage.

Involvement in Certain Legal Proceedings

During the past five years, no present or former director, person nominated to become a director, executive officer, promoter or control person of the Company:

1. was a general partner or executive officer of any business which filed a petition in bankruptcy or against which any bankruptcy petition was filed, either at the time of the bankruptcy or two years prior to that time;
2. was convicted in a criminal proceeding or named subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. was subject to any order, judgment or decree not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
4. was found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or State securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Table of Contents**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers and directors and persons who own more than 10% of the Company's Common Stock (collectively, the Reporting Persons) to file reports of ownership and changes in ownership with the Securities and Exchange Commission and to furnish the Company with copies of these reports.

The company is aware that all filings of form 4 and 5 required of Section 16(a) of the Securities and Exchange Act of 1934 Directors, Officers, or holders of 5% of the Company's shares have not been timely and the Company has instituted procedures to ensure compliance in the future.

ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth certain compensation information for: (i) the person who served as the Chief Executive Officer of CMT during the year ended December 31, 2007, regardless of the compensation level, and (ii) each of our other executive officers, serving as an executive officer at any time during 2007. The foregoing persons are collectively referred to in this Form 10-KSB as the Named Executive Officers. Compensation information is shown for the year ended December 31, 2007:

Name/Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Incentive Plan Option Awards (\$)	Securities Underlying Options/SARs (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Hagop Bouroudjian	2007				1		2		
Pasquale Ceci	2007				1		2		
Edward Arana	2007				1		2		

There are no employment agreements between CMT and any executive officer. In our 55% owned subsidiary, iBase Solutions, the Company has an Executive Service Contract with our Technical Director, who is also a Director and a shareholder of iBase Solutions. His salary is \$130,130 (£65,000) per year.

- (1) Incentive Plan options granted to executive officers in 2007 for deferred salaries due to cash flow constraints.
- (2) Nonqualified deferred compensation earnings to executive officers have been accrued for 2007 as a result of missed salaries due to cash flow constraints.

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No compensation, whether in cash or securities, was paid in any form to any of the executive officers of CMT during the fiscal years 2007, 2006, 2005, 2004, 2003, 2002 and 2001.

None of the directors or executive officers received a bonus or deferred compensation.

Outstanding Equity Awards At Fiscal Year-End Table

None.

Option Exercises And Stock Vested Table

None.

PENSION BENEFITS TABLE

None.

Nonqualified Deferred Compensation Table

None.

All Other Compensation Table

None.

Perquisites Table

None.

There are no existing or planned option/SAR grants.

Employment Agreements

We are not a party to any employment agreements.

Options/SAR Grants in Last Fiscal Year

None.

Aggregated Option Exercises and Fiscal Year-End Option Value Table

None.

Other Director Compensation

All directors receive no cash compensation for their services as directors.

Employment Contracts and Termination of Employment and Change in Control Arrangements

There are no employment contracts, compensatory plans or arrangements, including payments to be received from the Company with respect to any executive officer of the Company which would in any way result in payments to any such person because of his or her resignation, retirement or other termination of employment with the Company or its subsidiaries, any change in control of the Company or a change in the person's responsibilities following a change in control of the Company.

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Nor are there any agreements or understandings for any director or executive officer to resign at the request of another person. None of the Company's directors or executive officers is acting on behalf of or will act at the direction of any other person.

The Company presently has no employment agreements with any of its executive officers.

Compensation Pursuant to Plans; Pension Table

There were no stock awards, restricted stock awards, stock options, stock appreciation rights, long-term incentive plan compensation or similar rights granted to any of our officers or directors. None of our officers or directors presently holds directly any stock options or stock purchase rights. We have no retirement, pension, profit sharing, or other plan covering any of our officers and directors.

We have adopted no formal stock option plans for our officers, directors and/or employees. We reserve the right to adopt one or more stock options plans in the future. Presently we have no plans to issue additional shares of our common or preferred stock or options to acquire the same to our officers, directors or their affiliates or associates.

Table of Contents**ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS****Share Ownership of Certain Beneficial Owners**

The following table sets forth certain information as of December 31, 2007, with respect to the shares of common stock beneficially owned by: (i) each director; (ii) each executive officer; (iii) all current executive officers (regardless of salary and bonus level) and directors as a group; and (iv) each person known by us to beneficially own more than 5% of our outstanding common stock. The address for each shareholder is 340 E. Randolph, Suite 2701, Chicago, IL 60610. Unless otherwise indicated, the shareholders listed in the table below have sole voting and investment powers with respect to the shares indicated:

This table is based upon information obtained from our stock records.

NAME OF BENEFICIAL OWNER	AMOUNT OF OWNERSHIP(1)	PERCENTAGE OF CLASS(2)
Hagop Bouroudjian	NIL	
Pasquale Ceci	NIL	
Andy Aziz	NIL	
Peter Feit	NIL	
Edward Arana	NIL	
(all executive officers and directors as a group (5 persons)	NIL	

(1) A person is deemed to be the beneficial owner of securities that can be acquired by such person within 60 days from the date hereof.

(2) Based on 18,533,653 shares of common stock outstanding as of December 31, 2007

Change in Control

As of December 31, 2007, there are no arrangements or pledges of the Company's securities, known to management, which could result in a change in control of the Company.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE**Transactions with Management and Others**

During the two years ended December 31, 2007 there have been no material transactions or series of similar transactions to which the Company were or are to be a party, in which the amount involved exceeds \$50,000 and in which any promoter, founder, director or executive officer, or any security holder who known to us to own of record or beneficially more than five percent of our common stock, or any member of the immediate family of any other foregoing persons, had a material interest, and none is presently proposed, other than as follows:

As stated above, since December 2007, the Company's corporate office is currently located at 340 E. Randolph Street, Suite 2701, Chicago, IL 60610. We have a month-to-month lease for office space, which is owned by R&E Management, which is owned by our chairman, Hagop Bouroudjian. The lease is payable monthly, at \$6,500 per month. Upon completion of our proposed acquisition with Simplex Consulting, we will acquire their existing office space in London, England as well.

Table of Contents**ITEM 13 EXHIBITS**

Exhibit Number	Description
* 3.1	Articles of Incorporation of RLN Realty Associates, Inc. Effective June 29, 1995
* 3.2	Articles of Amendment to RLN Realty Associates, Inc. filed on June 9, 1998
* 3.3	Articles of Amendment to RLN Realty Associations, Inc. filed on March 1, 1999
* 3.4	Bylaws of Netmaximizer.com, Inc.
** 3.5	Articles of Amendment of Gentech Pharma, Inc. filed on October 27, 2005
** 3.6	Articles of Amendment of Gentech Pharma, Inc. filed on December 19, 2005
** 3.7	Articles of Amendment of Fintech Group, Inc. filed on September 1, 2006
** 3.8	Articles of Amendment of Capital Markets Technologies, Inc. filed on February 9, 2007
*** 21	Subsidiaries
*** 31.1	Rule 13a-14(a)/15d-14(a) Certifications of the Chief Executive Officer and Chief Financial Officer
*** 31.2	Rule 13a-14(a)/15d-14(a) Certifications of the Chief Executive Officer and Chief Financial Officer
*** 32.1	Section 1350 Certification of the Chief Executive Officer
*** 32.2	Section 1350 Certification of the Chief Financial Officer
* 32.3	Previously filed as an exhibit to the Company's Registration Statement on Form 10KSB, the fiscal year ended December 31, 2001 and incorporated by reference.
** 32.4	Previously filed as an exhibit to the Company's 10KSB filing for the fiscal year ended December 31, 2001 and incorporated by reference
*** 32.5	Filed herein.

Table of Contents**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

The following table shows the audit fees incurred for fiscal year 2007 and 2006.

	2007	2006
Audit fees	\$ 15,000	\$ 15,000
Audit related fees		
Tax fees		
 Total	 \$ 15,000	 \$ 15,000

Audit fees were for the audit of our annual financial statements, review of financial statements included in our Form 10-QSB quarterly reports, and services that are normally provided by independent auditors in connection with our other filings with the SEC. This category also includes advice on accounting matters that arose during, or as a result of, the audit or review of our interim financial statements.

As part of its duties, our Board of Directors pre-approves audit and non-audit services performed by our independent auditors in order to assure that the provision of such services does not impair the auditors' independence. Our Board of Directors does not delegate to management its responsibilities to pre-approve services performed by our independent auditors.

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SIGNATURES.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CAPITAL MARKETS TECHNOLOGIES, INC.

By /s/ Hagop Bouroudjian
Chairman of the Board, Chief Executive Officer
Date: April 15, 2008

By /s/ Pasquale Ceci
President and Secretary
Date: April 15, 2008

By /s/ Andy Aziz
Director
Date: April 15, 2008

By /s/ Peter Feit
Director
Date: April 15, 2008

By /s/ Edward Anthony Arana
Director and Chief Financial Officer

Date: April 15, 2008

In accordance with the requirements of the Exchange Act, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

By /s/ Hagop Bouroudjian
Chairman of the Board, Chief Executive Officer
Date: April 15, 2008

By /s/ Pasquale Ceci
President and Secretary,
Date: April 15, 2008

By /s/ Andy Aziz
Director
Date: April 15, 2008

By /s/ Peter Feit
Director
Date: April 15, 2008

By /s/ Edward Anthony Arana
Chief Financial Officer and Director
Date: April 15, 2008

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Exhibit Index

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