



Mutual Funds

ROYAL FIDELITY
Money at Work



RBC Royal Bank

Working together to serve you better

RBC and Royal Fidelity have partnered to provide you with the ultimate in financial convenience: A one-stop-shop for everything from mutual funds, pension plans, and investment services from Royal Fidelity and private banking, business banking and wealth management services from RBC.

Successful financial planning for the future requires having partners you can trust. Why not find out how you can benefit from our partnership?

We're ready to serve you.



Mutual Funds



Pension Plans



Investment Services



Business Banking



Wealth Management



Private Banking

ROYAL FIDELITY



RBC Royal Bank

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About Us

Since inception in 1997, Royal Fidelity has been committed to helping clients create and manage wealth. We are a 50/50 joint venture between RBC Royal Bank and Fidelity Bank & Trust International Ltd, combining global knowledge and local intelligence. Offering a wide range of investment products and services in Barbados and The Bahamas, our financial solutions are designed to help you meet and achieve your investment goals. These include:

Mutual Funds

Personal Pension Plans

Educational Investment Accounts

Group Pension Plans

Investment Management

Corporate Finance

Trusts & Estate Planning

Stock Brokerage



Are you ready for the future?

- Is your financial house in order?
- Have you saved enough for your children's education?
- What about retirement?

If you're looking for a smart way to invest, take a look at our family of mutual funds, designed to help you reach your long-term financial goals. Royal Fidelity offers more mutual funds than any other company in The Bahamas, and these funds provide the widest range of investment choice to satisfy any type of investor.



The Keys to Successful Investing

- Formulate and stick to a plan
- Set aside a regular sum each month for investment
- Diversify your investments to minimize the overall impact of a decline
- Don't take more risk than you can handle
- Understand that lower-risk options generally mean lower returns



What you need to know...

Q: What is a mutual fund?

A: A mutual fund is a company that pools money from many different people to invest in a portfolio of stocks or bonds. Funds are managed by professionals who decide which stocks or bonds to buy, and investors benefit from the performance of the portfolio.

Q: How much can I expect to gain from a mutual fund investment?

A: That depends on the type of fund you invest in. As a rule of thumb, an equity fund (stocks) should provide a return of between 8-10% over the long term; a balanced fund (combination of stocks and bonds) should generate a return between 5-7%; and a fixed income fund (bonds, preference shares) should provide a return of between 4-5%. But remember: all investing involves risk, and the value of any investment can fluctuate.



Q: Are investments into mutual funds guaranteed?

A: No. Shares in a mutual fund may be worth more or less than you paid for them. Like all investments that offer the potential for better returns over time, they entail some level of risk.

Q: Who should consider investing in a mutual fund?

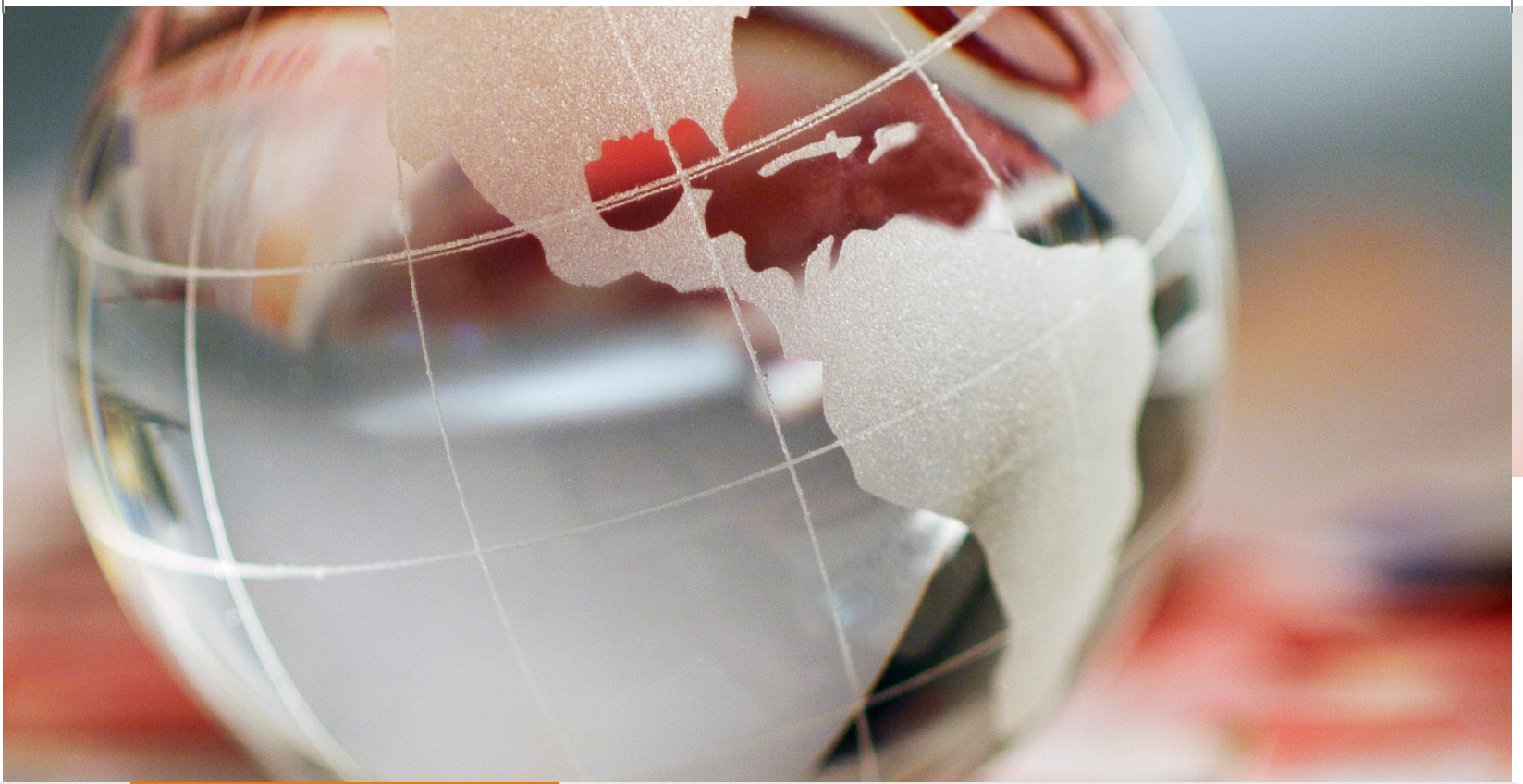
A: Anyone concerned about:

- Retirement
- Funding for Education
- The low rate of return on bank deposits

Q: Who should not invest in a mutual fund?

A: Mutual funds are appropriate for most investors. However, they are probably not the right vehicle for:

- Anyone who is unwilling or unable to withstand fluctuations in the value of the account, or a loss of principal;
- Anyone who will need their funds within a 5-year time frame;
- Anyone who is unwilling to assume investment risk of any kind;



The Royal Fidelity Funds

Tailored to suit your timeline and risk tolerance

Bahamian Dollar:

Prime Income Fund
Secure Balanced Fund
Targeted Equity Fund

Bahamian Dollar-to-USD:

Equities Sub Fund
High Yield Income Fund
Alternative Strategies Fund

USD*:

International Opportunities Fund
Global Balanced Fund
Targeted Income Fund
Hedge Strategies Fund

** Does not allow investment by US persons. Bahamian investors must have Central Bank approval to invest in USD.*

Our Family of Bahamian Dollar Mutual Funds

Prime Income Fund

The fund strives to achieve a rate of return in excess of the current Bahamian Prime Rate by allocating to a balanced portfolio of Bahamian fixed income securities, including Bahamas Government bonds, corporate bonds, and corporate preference shares.

Appropriate for: Investors looking for a higher rate of return than deposits, but with the safety and steady returns of fixed income.

Investment Manager: Royal Fidelity Merchant Bank & Trust

Inception: Nov 2012

Fund Type: Bahamian Fixed Income

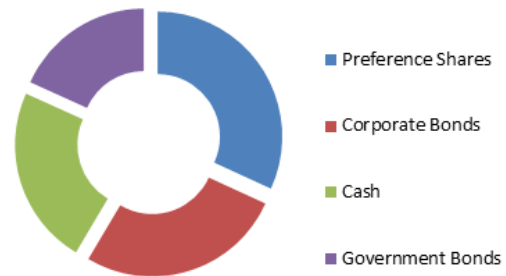
Min Investment: \$1,000; Min additional: \$500

Management Fee: 1.00%

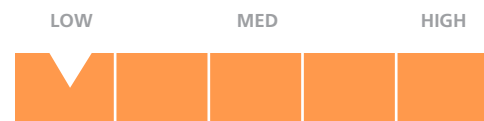
Dealing Frequency: Monthly

Redemption Notice: By the 15th of each month

Redemption Fee: Declining Surrender Charge (DSC).
0-24 months 2% of redemption amount;
25-36 months 1.5%;
37-48 months 1.0%;
49-60 months 0.5%,



Risk Profile



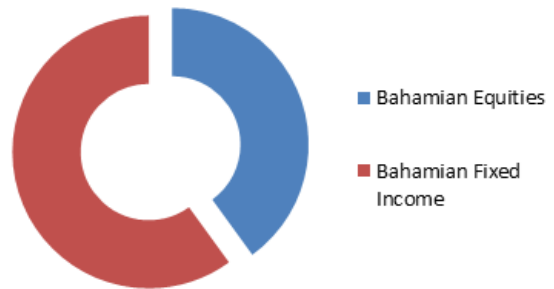
Long Term Return Target: 4%-5%

Our Family of Bahamian Dollar Mutual Funds
Secure Balanced Fund

The primary objective of the fund is to provide balanced, long-term growth through an asset allocation policy that combines the long-term capital appreciation potential of equities (40%) with short-to-medium-term income features of fixed income (60%).

Appropriate for: Investors looking for the higher potential return of equities but with the security of a fixed income base.

Investment Manager: Royal Fidelity Merchant Bank & Trust
Inception: Nov 2012
Fund Type: Bahamian Balanced
Min Investment: \$1,000; Min Additional: \$500
Management Fee: 1.25%
Dealing Frequency: Monthly
Redemption Notice: By the 15th of each month
Redemption Fee: Declining Surrender Charge (DSC). 0-24 months 2% of redemption amount; 25-36 months, 1.5%; 37-48 months 1.0%; 49-60 months, 0.5%



Risk Profile



Long Term Return Target: 5%-7%

Our Family of Bahamian Dollar Mutual Funds

Targeted Equity Fund

The fund buys and holds nearly all the listed equities on the Bahamas International Securities Exchange (BISX) and seeks additional diversification and return from unlisted securities, private placements, equity mutual funds, and fixed income instruments.

Appropriate for: Investors who are willing to assume a higher level of risk and volatility in exchange for the potential for higher returns.

Investment Manager: Royal Fidelity Merchant Bank & Trust

Inception: Nov 2012

Fund Type: Bahamian Equity

Min Investment: \$500; Min additional: \$100

Management Fee: 2.00%

Dealing Frequency: Monthly

Redemption Notice: By the 15th of each month

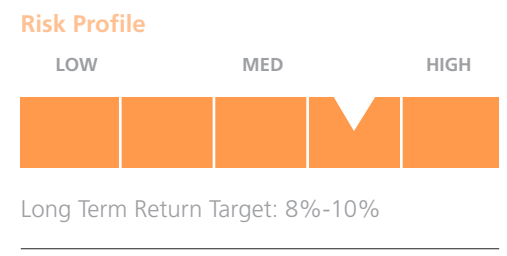
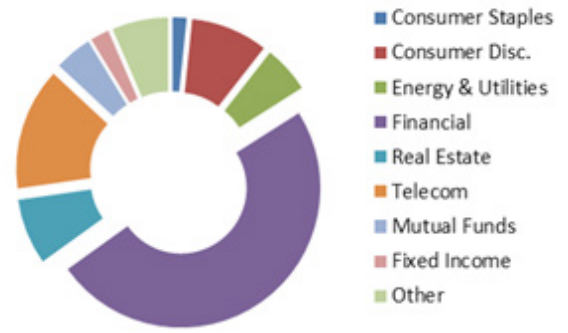
Redemption Fee: Declining Surrender Charge (DSC).

0-24 months 2% of redemption amount;

25-36 months 1.5%;

37-48 months 1.0%;

49-60 months 0.5%



Our Family of Bahamian Dollar-to-USD Mutual Funds

International Equities Sub Fund

The fund maintains broad investment exposure to US, European and Asian equities, through a diversified portfolio of major and Emerging Markets Exchange Traded Funds (ETFs). The fund also maintains core positions in European and Asian value funds.

Appropriate for: Investors who are willing to assume a higher level of risk and volatility that typically accompanies international equity markets.

Investment Manager: Royal Fidelity Merchant Bank & Trust

Inception: Nov 2007

Fund Type: International Equity

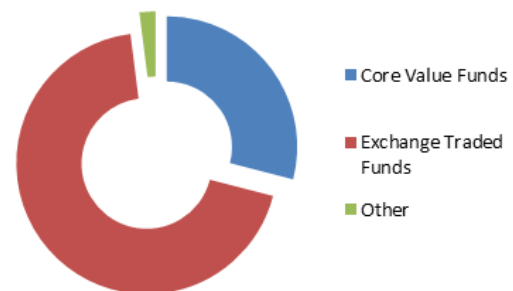
Min Investment: \$2,000; Min Additional: \$500

Management Fee: 0.50%

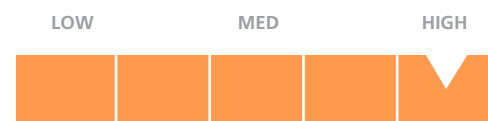
Dealing Frequency: Monthly

Redemption Notice: By the 15th of each month

Redemption Fee: Declining Surrender Charge (DSC).
 0-24 months 2% of redemption amount;
 25-36 months, 1.5%;
 37-48 months 1.0%;
 49-60 months, 0.5%



Risk Profile



Long Term Return Target: 8%-12%

Our Family of Bahamian Dollar-to-USD Mutual Funds

High Yield Income Fund

The primary objective of the fund is to provide USD fixed income exposure and a higher overall yield than the USD Prime Rate, with an average underlying bond duration of 10 years or less. The fund includes corporate fixed income securities, government bonds, and USD fixed income Exchange Traded Funds (ETFs).

Appropriate for: Investors who want USD fixed income exposure, and are looking for a higher rate of return than the USD Prime Rate.

Investment Manager: Royal Fidelity Merchant Bank & Trust

Inception: Nov 2013

Fund Type: USD Fixed Income

Min Investment: \$2,000; Min Additional: \$500

Management Fee: 0.50%

Dealing Frequency: Monthly

Redemption Notice: By the 15th of each month

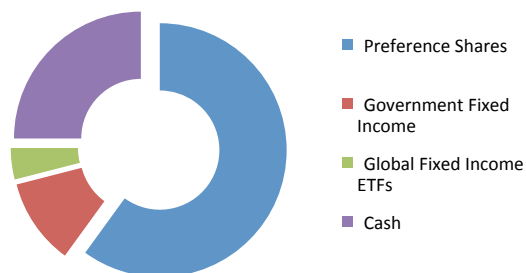
Redemption Fee: Declining Surrender Charge (DSC).

0-24 months 2%;

25-36 months 1.5%;

37-48 months 1.0%;

49-60 months 0.5%



Risk Profile

LOW MED HIGH



Long Term Return Target: 4%-6%

Our Family of Bahamian Dollar-to-USD Mutual Funds

Alternative Strategies Fund

The primary objective of the fund is to provide protection from downside volatility, with the ability to profit from both positive and negative market movements through a long/short equity hedged investment strategy.

Appropriate for: Investors who want exposure to potentially higher returns of USD-denominated securities, but also want some protection from a decline in markets, with considerably less overall volatility than major equity market indices.

Investment Manager: Royal Fidelity Merchant Bank & Trust

Inception: Aug 2014

Fund Type: Long/Short Portfolio

Min Investment: \$2,000; Min Additional: \$500

Management Fee: 0.50%

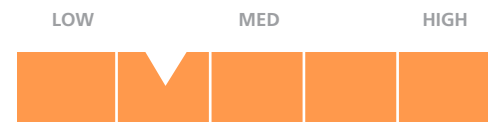
Dealing Frequency: Monthly

Redemption Notice: By the 15th of each month

Redemption Fee: Declining Surrender Charge (DSC).
 0-24 months 2% of redemption amount;
 25-36 months 1.5%;
 37-48 months 1.0%;
 49-60 months 0.5%



Risk Profile



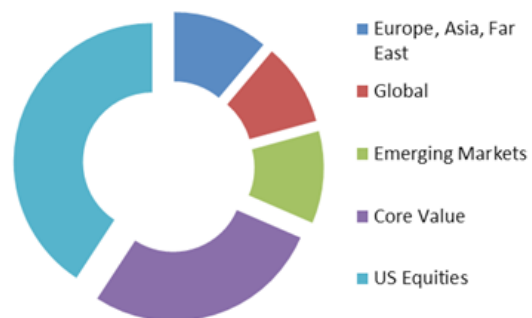
Long Term Return Target: 6%-9%

Our Family of US Dollar Mutual Funds
International Opportunities Fund

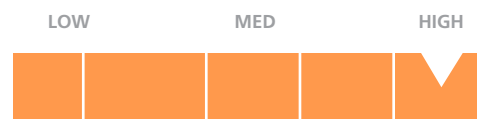
The primary objective of the fund is to provide long-term capital appreciation through broadly diversified exposure to global equity markets in the US, Europe, Asia and Emerging Markets. The fund also maintains core positions in European and Asian value funds.

Appropriate for: Investors willing to tolerate the volatility of USD-denominated global equities in exchange for potentially higher returns over time.

Investment Manager:	Royal Fidelity Merchant Bank & Trust
Inception:	Oct 2011
Fund Type:	USD International Equity
Min Investment:	\$5,000; Min Additional: \$1,000
Management Fee:	2.00%
Dealing Frequency:	Monthly
Front End Fee:	Up to 5% (optional)
Redemption Notice:	By the 15th of each month
Redemption Fee:	2% of redemption amount; if within 6 months of initial investment



Risk Profile



Long Term Return Target: 8%-10%

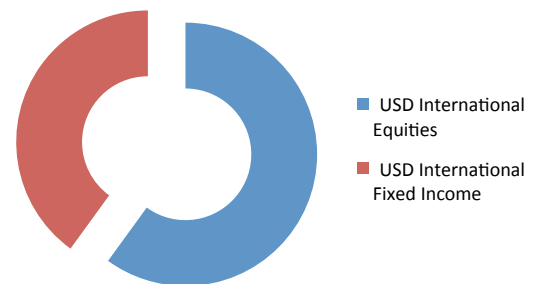
Our Family of US Dollar Mutual Funds

Global Balanced Fund

The primary objective of the fund is to provide balanced, long-term growth through a USD-denominated asset allocation policy that combines the long-term capital appreciation potential of global equities with the income potential of short-to-medium term duration global fixed income.

Appropriate for: USD investors who want a balanced approach that combines long-term potential capital gains of global equities with the income potential of global fixed income.

Investment Manager:	Royal Fidelity Merchant Bank & Trust
Inception:	Oct 2011
Fund Type:	USD International Balanced
Min Investment:	\$5,000; Min additional: \$1,000
Management Fee:	1.25%
Dealing Frequency:	Monthly
Front End Fee:	Up to 5% (optional)
Redemption Notice:	By the 15th of each month
Redemption Fee:	2% of redemption amount; if within 6 months of initial investment



Risk Profile



Long Term Return Target: 5%-7%

Our Family of US Dollar Mutual Funds

Targeted Income Fund

The primary objective of the fund is to provide a steady rate of return and preservation of capital through allocation to global USD-denominated fixed income securities. The portfolio is diversified between USD-denominated corporate and government bonds, Exchange Traded Funds (ETFs) and higher-yielding preference shares.

Appropriate for: USD Investors looking for a higher rate of overall fixed income return than the USD Prime Rate, with an underlying portfolio duration of short-to-medium term.

Investment Manager: Royal Fidelity Merchant Bank & Trust

Inception: Oct 2011

Fund Type: USD International Fixed Income

Min Investment: \$5,000; Min Additional: \$1,000

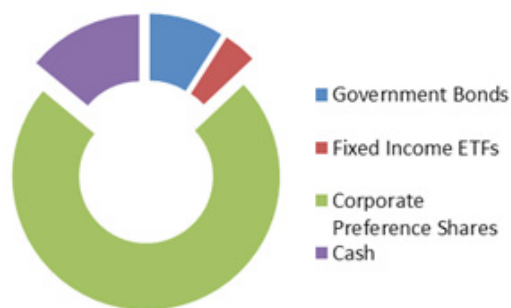
Management Fee: 1.00%

Dealing Frequency: Monthly

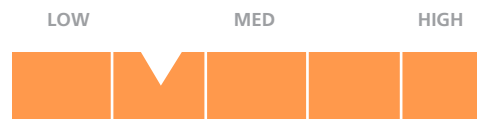
Front End Fee: Up to 5% (optional)

Redemption Notice: By the 15th of each month

Redemption Fee: 2% of redemption amount; if within 6 months of initial investment



Risk Profile



Long Term Return Target: 4%-6%

Our Family of US Dollar Mutual Funds
Hedge Strategies Fund

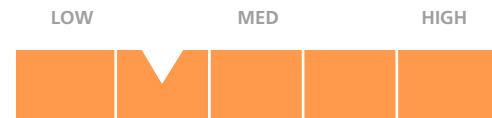
The primary objective of the fund is to provide downside protection with the opportunity to profit from both advances and declines in the International Equities market, through a long/short equity hedge investment strategy.

Appropriate for: Investors who want to benefit from advances in the USD equity market, but who also want protection from equity declines.

Investment Manager: Royal Fidelity Merchant Bank & Trust
Inception: Aug 2014
Fund Type: Long/Short Portfolio
Min Investment: \$2,000; Min additional: \$500
Management Fee: 1.00%
Dealing Frequency: Monthly
Redemption Notice: By the 15th of each month
Redemption Fee: 2% of redemption amount; if within 6 months of initial investment



Risk Profile



Long Term Return Target: 6% - 9%



Saver or Investor?

Rates of return do matter. If your money isn't working hard enough for you, inflation can actually **cost** you purchasing power. It's important to save, but it's more important to get a higher return on your savings by investing. The table below shows how much you would earn over 10 years by making monthly contributions of \$200 at different annual rates of return. Regular investing over time can make a huge difference to your financial future.

	The Saver		The Investors	
Rate of Return*	2.5%	4%	6%	8%
Total	\$ 27 291	\$ 29 548	\$ 32 940	\$36 833

**Assumed rate of return based on historical performance of different investments. Actual returns may vary.*



Benefits of Mutual Funds:

Affordability

getting started is easy...

You can get started investing in Royal Fidelity's Mutual Funds with a small initial investment, as little as \$500 in some funds.

Diversification

your eggs are placed in many baskets. . .

Mutual Funds hold a wide range of investments and provide access to markets that you may be unable to buy or reach on your own, ultimately lowering your overall risk.

Choice

no matter what your risk tolerance. . .

Royal Fidelity offers more mutual fund choices than any other provider in the Bahamas, making it easy to find something that fits your personal long-term risk and return goals.

Flexibility

you have easy access to your money...

You can redeem your funds during any month of the year. And, your investment choice is not locked in: you can switch your money between any of the funds at no additional charge.

Expert Money Management

a team of professionals . . .

You may not have the time or expertise to choose and monitor investments on a regular basis. Royal Fidelity's team of experts are specifically trained to evaluate investment opportunities based on the potential to generate returns while controlling for risk.

The Next Step

It's not complicated at all...

Your mutual fund investments can be made in lump sums from time to time, or on a scheduled periodic basis. After discussing your preference with a Royal Fidelity advisor, you may set up your investment in any of the following ways:

- Deliver or Mail your cheque to the Royal Fidelity office
- Transfer funds via RBC Royal Bank internet banking
- Arrange a standing order with your financial institution



Mutual Funds



Royal Fidelity Merchant Bank & Trust Limited is a 50/50 joint venture between the Royal Bank of Canada and Fidelity Bank & Trust International Limited



www.royalfidelity.com

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