

ROYAL FIDELITY
HEDGE STRATEGIES FUND
(CLASS D SHARES)

*A Sub Fund of the Royal Fidelity International Investment Fund Limited, an International Business Company
governed by The International Business Companies Act, 2000 and the Investment Funds Act, 2003*

A Supplement to the
OFFERING MEMORANDUM
Continuous Offering

SPONSOR

ROYAL FIDELITY MERCHANT BANK & TRUST LIMITED

Initial Publication: July, 2014
Revised: September, 2016

ROYAL FIDELITY HEDGE STRATEGIES FUND
(CLASS D SHARES)

This Supplemental Offering Memorandum sets out the details of the Royal Fidelity Hedge Strategies Fund (the “Fund”), which is a separate class of Shares constituting a Sub Fund of Royal Fidelity International Investment Fund Limited. This document is supplemental to the Offering Memorandum dated September, 2008, as amended, for the Royal Fidelity International Investment Fund Limited (the “Offering Memorandum”), which contains important information for investors and should be read in conjunction with this Supplemental Offering Memorandum. All capitalized terms used but not defined herein have the same meanings assigned to such terms in the Offering Memorandum.

SUMMARY

Accredited/Eligible Investor:	Investors eligible to invest in shares of the fund; (See “Accredited/Eligible Investors” for details)
Base Currency:	The base currency for the Fund is USD.
Benchmark:	As set by the Directors from time to time. It is currently set at the HFRI Fund Weighted Composite Index
Investment Objective:	The investment objective of the Fund is to provide access to alternative investment managers—generally employing long-short equity investment strategies—to provide upside growth potential with less volatility than the S&P 500 Index. See “Investment Objectives and Policies”.
Investment and Borrowing Restrictions:	<p>The Fund has broad powers as to the type of investments it may make and the investments methods it may adopt to achieve its investment objectives, however it may not:</p> <ul style="list-style-type: none">a) invest more than 25% of the Fund’s net assets in the securities of any one issuer although it may exceed this limit by no more than 10% on a temporary basis to take into account timing of offerings and liquidity limitations of the Bahamian securities marketb) invest in more than 20% of the outstanding voting securities of any issuer;c) make investments for the purpose of exercising control or management; ord) borrow an amount greater than 20% of the Fund’s total net asset value. <p>In addition to the foregoing, the Directors may from time to time impose such further investment and/or borrowing restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the relevant jurisdictions.</p>
Investment Manager:	Royal Fidelity Merchant Bank & Trust Limited (“Royal Fidelity”) has been appointed as Investment Manager for the Fund, and is responsible for the overall management of the

Fund's assets. Based in Nassau, Bahamas, Royal Fidelity is a joint venture between Royal Bank of Canada and Fidelity Bank & Trust International Limited and manages nearly \$600 million in assets for retail, institutional, and pension clients.

Royal Fidelity holds a Class 1 Broker-Dealer license and is regulated by the Securities Commission and the Central Bank of The Bahamas.

Royal Fidelity has been involved in Bahamian capital markets transactions, IPOs and other market-making activities since 1996, and in 2011 acted as advisor and lead placement agent for the largest Bahamian public share offering to date.

Royal Fidelity may appoint Investment Advisor(s) to assist with the management of the portfolio without notifying Shareholders. Any fees paid to Investment Advisor (s) will be paid from the Fund assets.

Class D Shares:	Non-voting, redeemable, participating shares representing rights to benefit in the capital and assets attributable to Class D Shares of the Royal Fidelity International Investment Fund Limited.
Series D1 Shares	Shares for retail distribution
Series D2 Shares	Shares for institutional distribution
Series D3 Shares	Shares for pension distribution
Sub Fund:	A separate sub fund that is managed separately and distinguished mainly by its specific asset classes or specific investment objectives and policies, which may differ from other sub funds within the overall umbrella fund.
Fees and Expenses:	The Fund will pay a proportionate share of the Royal Fidelity International Investment Fund Limited's management, legal, audit and other expenses, but will directly pay any fees related to the operation of the Fund.
Initial Subscription Period:	The period from 9:00 am on 1 Aug 2014 to 5:00 pm on 30 Aug, 2014.
Initial Subscription Price:	\$10.00 per Class D Share during the Initial Subscription Period and thereafter at the Net Asset Value per Share calculated on each Valuation Day.
Management Fee:	<p>The Investment Manager is entitled to receive monthly in arrears a management fee of 1% per annum of the Net Asset Value of the Series D1 Shares, 0.75% per annum of the Net Asset Value of the Series D2 Shares, and 0.50% for Series D3 Shares, calculated on each Valuation Day. The Directors of the fund have agreed to waive the management fee for all Shares, until such a time that the fund reaches \$5 million in assets or 2 years have elapsed, whichever comes first.</p> <p>From this fee, the Investment Manager will pay the Administrator and the Custodian.</p>
Administrator:	Royal Fidelity has been appointed as Administrator for the Fund

and is responsible for the calculation of the Net Asset Value.

Administration Fee: The Administrator will be paid a fee as consideration for administering the Fund and expenses incurred in maintaining the Fund's office (the "Administration Fee"). This fee will be paid by the Investment Manager out of the Management Fee.

The Registrar and Transfer costs shall be paid by the Investment Manager out of the Management Fee. Disbursements related to Registrar and Transfer activities are charged separately.

Custodian: The Fund has appointed Fidelity Bank (Bahamas) Limited as custodian for Fund assets. The Custodian will hold the investments of the Fund in safe custody.

Custody Fee: The Custodian will receive quarterly in advance an amount equal to 0.10 % per annum of the Net Asset Value of the Fund calculated on the last Valuation Day of the relevant month and subject to a minimum of \$5,000.00 per annum and a maximum amount of \$15,000.00 per annum.

Minimum Initial Investment: USD\$10,000.00 (Series D1 Shares)
USD \$500,000.00 (Series D2 Shares)
USD \$10,000.00 (Series D3 Shares)

Additional Investment Minimum: Series D1 USD\$5,000
Series D2 USD\$5,000
Series D3 USD\$5,000

Redemption Day: The last Business Day of each month, with notice by no later than the 15th of the previous month.

Redemption Fees: Redemptions that occur within 6 months of the initial subscription date will incur a redemption charge, which constitutes a percentage of the investment value at the next Redemption Day, according to the following schedule:

Redemption within	Class D1 & 2	Class D3
0-6 months	2.0%	n/a
Thereafter	0	n/a

Sales Commission: The Fund may apply an initial Sales Commission of up to 2% on subscriptions to Series D1 Shares and 1% on subscriptions to Series D2 Shares. No Sales Commission will apply to Series D3 Shares. The Sales Commission may be changed by agreement between the Manager and the relevant Sales Agent(s).

Series: The Class D Shares of the Fund are divided into three series of shares: Series D1 for retail distribution, Series D2 for institutional distribution, and Series D3 for pension distribution.

Share(s): Class D Shares of the Fund.

Valuation Day: The last Business Day of each month.

INVESTMENT OBJECTIVES AND POLICIES

The Fund seeks to provide investors with equity-like growth potential with less volatility than the S&P 500 Index by allocating to a portfolio of institutional Alternative Investment managers, largely pursuing a Long-Short Equity investment strategy. The Investment Manager will be responsible for managing the Fund on a regular basis.

The underlying investment managers may use various investment techniques to hedge a portion of the risks, but there is no guarantee that these strategies will work as intended. As an investment fund, the Fund seeks to spread investment risk by diversifying its holdings among a number of different managers, however, there is no guarantee that the managers will achieve their stated investment objectives.

Long-Short Equity Strategy. Long/short equity managers seek opportunities across global equity markets with the objective of outperforming traditional markets over a given cycle.

The concept behind the long/short equity strategy is to use investment research to uncover expected winners and losers and enhancing its potential return capabilities by taking a position in both. Accordingly, one of the major advantages of the long/short equity strategy is that the managers have the flexibility to express their views in opposite directions.

The long/short equity fund manager buys long positions in stocks they believe will increase in value (“the long book”) and shorts positions they feel will decrease or offer a suitable hedge against certain market or sector risk (“the short book”).

The combined portfolio creates enhanced opportunities for idiosyncratic (i.e. stock-specific) gains and reduces market risk as the short holdings offset the long market exposure.

Long/short equity managers largely target equity-like returns without the high volatility typically associated with long-only strategies in order to provide a higher compounded rate of return over time.

ACCREDITED/ELIGIBLE INVESTORS

The fund restricts investment to Accredited/Eligible investors. Accredited Investors carries the same meaning as provided in Part VIII Exempt Offerings under Regulation 90 of the Bahamas Securities Industry Regulations, 2000.

These Shares may be offered to and subscribed for only by Accredited Investors who are Eligible Investors. Accredited Investors are persons who come within any of the following categories:

- (i) Any bank licensed under the Bahamas Bank and Trust Companies Regulation Act (Ch. 316), or equivalent legislation within another jurisdiction, whether acting in its individual or fiduciary capacity;
- (ii) Any registered firm or company registered to conduct securities business acting for its own account;
- (iii) Any insurance company registered under the Bahamas Insurance Act (Ch. 347), or equivalent legislation within another jurisdiction;
- (iv) Any investment fund licensed or registered under the Bahamas Investment Funds Act (Ch. 369A) or equivalent legislation within another jurisdiction;
- (v) Any employee benefit plan if the investment decision is made by a plan fiduciary, which is a Resort or trust company licensed under the Bahamas Bank and Trust Companies Regulation Act (Ch. 316), or equivalent legislation within another jurisdiction; an insurance company registered under the Bahamas Insurance Act (Ch. 347) or equivalent legislation within another jurisdiction; or a registered firm, or if the employee benefit plan has total assets in excess of five million dollars;
- (vi) Any director, senior officer or general partner of the Issuer, or any director, senior officer or general partner of a general partner of the Issuer;

- (vii) Any individual whose individual net worth or joint net worth with that person's spouse, at the time of the purchase exceeds one million dollars;
- (viii) Any individual who had an individual income in excess of two hundred thousand dollars in each of the two most recent years or joint income with that person's spouse in excess of three hundred thousand dollars in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- (ix) Any person, other than an individual, with total assets in excess of five million dollars not formed for the specific purpose of acquiring the securities offered;
- (x) Any entity in which all of the equity owners are accredited investors;
- (xi) The government of The Bahamas or any public authority established in The Bahamas;
- (xii) Any person purchasing on behalf of an account that is managed on a fully discretionary basis by that person, if that person is registered or authorised to carry on business as an adviser managing securities on a discretionary basis under the laws of the Bahamas or under equivalent legislation within another jurisdiction; and
- (xiii) Any person that is recognised or designated by the Securities Commission of the Bahamas or equivalent regulatory body in another jurisdiction, as an accredited investor.

No Participating Shares may be acquired or held by any person other than an Eligible Investor and the Directors shall have power to determine and impose such restrictions (other than a restriction on transfer) as they may think necessary for the purpose of ensuring the same.

An "Eligible Investor" is any person or entity other than:

- (i) any US person, as defined on Page 5 of the Royal Fidelity International Investment Fund OM;
- (ii) any person in breach of any law or any applicable money laundering regulations; or
- (iii) any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Participating Shares; or
- (iv) any person or persons in circumstances which (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Directors to be relevant), as determined by the Directors, might cause or be likely to cause the Fund or shareholders some legal, regulatory, pecuniary, tax or material administrative disadvantage which the Fund or shareholders might not otherwise have incurred or suffered; or
- (v) any person under the age of 18; or
- (vi) any person deemed resident in The Bahamas for exchange control purposes by the Central Bank of The Bahamas, and without prior approval from the Central Bank to hold such Participating Shares.

An "affiliate" of, or person "affiliated" with, a specified person means a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

INVESTMENT MANAGER

Under an investment management agreement, dated September 2008 the Fund has appointed Royal Fidelity Merchant Bank & Trust Limited to serve as the Fund's Investment Manager. The Investment Manager is the parent company of the Royal Fidelity Group.

The Investment Manager currently provides investment advice to a range of pension funds, institutional and high net worth clients in identifying and analysing investment opportunities. It is experienced in developing investment strategies and optimal investment allocations that are consistent with the client's risk profile.

The Investment Manager will perform the following functions, subject to overall supervision of the

Directors, for the Fund:

- implement the investment objectives and policies to be employed for the Fund's portfolio;
- monitor the performance of the underlying managers in respect to the Fund's investments as well as adherence to stated risk parameters;
- review regularly the performance and movements within the Fund's portfolio;
- maintain appropriate records and sell investments held by the Fund when deemed appropriate.

SUBSCRIPTIONS AND REDEMPTIONS

The initial subscription price per Share shall be \$10.00.

Following the expiry of the Initial Subscription Period, Shares will be issued and redeemed at the Net Asset Value per Share calculated on each Valuation Day. .

RISK FACTORS

Potential investors in the Fund should carefully read the provisions of the Offering Memorandum entitled "Risk Factors" which detail the Risk Factors associated with investing in the Fund generally as well as the following risks particular to the Fund:

Reliance on Third Party Due Diligence: As a fund of hedge funds, the fund does not conduct direct due diligence on the underlying managers in the portfolio. Instead, it relies on the reports and research conducted by a third party, who, nonetheless, is considered to be reliable and accurate. As a result, the fund may not have any legal recourse to recover any losses in the event the information it relies on proved inaccurate or misleading.

Debt securities: Issuers, in order to borrow money from investors, use bonds and other debt instruments. The issuer generally pays the investor a fixed or floating rate of interest, and must repay the amount borrowed at maturity. Debt securities have varying levels of sensitivity to changes in interest rates and degrees of credit quality. In general, prices of these securities rise when market interest rates fall and fall when market interest rates rise.

Asset-backed securities: Asset-backed securities include interests in pools of debt securities, commercial or consumer loans and mortgages, or other receivables. The value of these securities depends on many factors, including changes in interest rates, the availability of information concerning the pool and its structure, the credit quality of the underlying assets, the market's perception of the securities of the pool, and any credit enhancement provided.

Other instruments: Other instruments may include securities of closed-end investment companies and real estate related instruments, which could be subject to varying levels of illiquidity depending on market circumstances.

Cash management: The Fund may invest in money market securities, in repurchase agreements, and in money market funds available only to funds and accounts managed by the Investment Manager or affiliates, whose goal is to seek a high level of current income while maintaining a stable share price. A major change in interest rates or a default on the money market fund's investments could cause its share price to change.

Diversification: Diversifying a mutual fund's investment portfolio may reduce the risks of investing. This may include limiting the amount of money invested in any single issuer or, on a broader scale, in any single industry.

Borrowing: The Fund may borrow from banks or from other entities advised by the Investment Manager, or through reverse repurchase agreements. If the Fund borrows money, its Share price may be subject to greater fluctuation until the borrowing is paid off. If the Fund makes additional investments while borrowings are outstanding, this may be considered a form of leverage.

Interest Rate Sensitivity: Fixed income securities have varying levels of sensitivity to changes in interest rates. In general, the price of a fixed income security will fall when interest rates rise and will rise when interest rates fall. Securities with longer maturities may be more sensitive to interest rate changes. Short-term securities tend to react less to changes in short-term interest rates.

Illiquid investments: The Fund may hold investments, which, due to their particular characteristics, are substantially less liquid and more difficult to value than other investments. As a consequence, the Fund may encounter significant delays when attempting to realise such assets during which the price of such assets may move materially.

International Investments: The Fund will invest in international securities. Investment on an international basis involves fluctuations in the price of assets, taxes, exchange controls and other economic and political developments. Availability of information, standards of accounting, auditing and financial reporting and the size, expense and liquidity of markets may vary widely from country to country and may limit the diversification of the Fund.

OTC Derivatives Instrument Transactions: The Fund may hold a portion of its assets in investments which are not traded on organised exchanges and as such are not standardised. Such transactions are known as OTC transactions and may include forward contracts or options. Transactions in OTC derivatives may involve greater risk than investing in exchange traded derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction, or to assess the exposure to risk. In respect of such investments, the Fund is subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respects to such contracts. Market illiquidity or disruption could result in major losses to the Fund. OTC transactions also involve counterparty solvency risk.

Suspensions of Trading: Securities exchanges typically have the right to suspend or limit trading in any security traded on the exchange. A suspension would render it impossible to liquidate positions and could thereby expose the Fund to losses.

Conflicts of Interest. There may be a potential conflict of interest between the interests of the shareholders and the business interests and activities of Royal Fidelity. Among other reasons, these potential conflicts may result from Royal Fidelity's investment activities on behalf of its other clients. Additionally, securities syndicated by Royal Fidelity's corporate finance team, and securities of affiliates, may be purchased for mutual fund portfolios.

Notwithstanding the foregoing, the Investment Manager shall not enter into any such transaction on behalf of the Fund that is not at least as favorable to the Fund as could have been obtained in a transaction between the Fund and an unrelated third party freely negotiating a purchase or sale.

The Fund and Royal Fidelity have common officers and directors.

Prospective investors should assume that Royal Fidelity may have a conflict of interest, and upon submission of a duly completed subscription form, such investors agree not to assert any claim against Royal Fidelity nor the Fund arising in connection with any conflict of interest experienced by Royal Fidelity, whether or not specifically set forth above.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUND. PROSPECTIVE INVESTORS SHOULD READ THE OFFERING MEMORANDUM AND THIS SUPPLEMENTAL OFFERING MEMORANDUM AND CONSULT WITH THEIR OWN ADVISORS BEFORE DECIDING TO INVEST.