

# ROYAL FIDELITY INTERNATIONAL INVESTMENT FUND LIMITED

*An Umbrella Fund  
Incorporated as a Bahamas Limited Liability Company governed  
by The Investment Funds Act 2003 of The Bahamas*

OFFERING MEMORANDUM  
Continuous Offering

SPONSOR  
ROYAL FIDELITY MERCHANT BANK & TRUST LIMITED

Initial Publication: September, 2008  
Revised: September, 2016 ~~Publication Date: October, 2011~~

## TABLE OF CONTENTS

Directory .....	3
Offering Memorandum Notice .....	4
Trinidad & Tobago .....	4
Agent in Barbados .....	4
USA .....	<del>4</del> 45
Investment Restrictions .....	7
Investment Fund Law Disclosure .....	8
Securities Industry Law Disclosure .....	8
Summary .....	9
Fund Structure .....	11
Offering of Participating Shares .....	11
Conversion of Participating Shares .....	12
Investment Objectives and Policies .....	<del>12</del> 13
Investment Strategy .....	13
Investment Restrictions .....	13
Risk Factors .....	13
Management .....	18
Board of Directors .....	18
Investment Manager .....	19
Administrator .....	21
Custodian .....	22
Auditors .....	<del>22</del> 23
Legal Advisor .....	<del>22</del> 23
Fees and Expenses .....	<del>22</del> 23
Organizational Costs .....	<del>23</del> 23
Fees of the Investment Manager .....	23
Fees of the Investment Advisor(s) .....	23
Fees of the Administrator .....	23
Fees of the Custodian .....	23
Remuneration of Directors .....	23
Other Operating Costs .....	<del>23</del> 24
Shares of the Fund .....	24
Share Capital .....	24
Eligible Investors .....	<del>24</del> 25
Subscriptions .....	<del>25</del> 26
Redemption of Shares .....	26
Redemption Fees .....	27
Payment of Redemption Proceeds .....	27
Redemption in Specie .....	27
Suspension of Net Asset Valuation .....	<del>28</del> 28
Net Asset Valuation .....	<del>28</del> 29
Registration and Transfer of Shares .....	29
Dividend Policy .....	<del>29</del> 30
Anti-Money Laundering .....	<del>29</del> 30
Termination of the Fund .....	30
Taxation .....	30
Additional Information .....	30
Material Contracts .....	32
<del>Subscription Form, Wire Instructions and Due Diligence Requirements .....</del>	<del>33</del>

## DIRECTORY

Registered & Principal Office:	<b>Royal Fidelity Merchant Bank &amp; Trust Limited</b> P. O. Box N-4853 51 Frederick Street, Nassau, Bahamas Telephone: 242-356-9801 Fax: 242-326-3000
Investment Manager:	<b>Royal Fidelity Merchant Bank &amp; Trust Limited</b> P. O. Box N-4853 51 Frederick Street, Nassau, Bahamas Telephone: 242-356-9801 Fax: 242-326-3000
Administrator:	<b>Royal Fidelity Merchant Bank &amp; Trust Limited</b> P. O. Box N-4853 51 Frederick Street, Nassau, Bahamas Telephone: 242-356-9801 Fax: 242-326-3000
Banker & Sponsor:	<b>Royal Fidelity Merchant Bank &amp; Trust Limited</b> P. O. Box N-4853 51 Frederick Street, Nassau, Bahamas Telephone: 242-356-9801 Fax: 242-326-3000
Custodian:	<b>Fidelity Bank &amp; Trust Limited</b> P. O. Box N-4853 51 Frederick Street, Nassau, Bahamas Telephone: 242-356-9801 Fax: 242-326-3000
Auditors:	<b>PriceWaterhouseCoopers</b> Providence House, East Hill Street P.O.Box N-3910 Nassau, Bahamas Telephone: 242-302-5300 Fax: 242-302-5350
Legal Advisor:	<b>Lennox Paton</b> P.O.Box N-4875 Bayside Executive Park, Building No. 3 West Bay Street & Blake Road P.O. Box N-4875 Nassau, The Bahamas Telephone: (242) 502.5000 Facsimile: (242) 322.1813

## NOTICE

This document (hereinafter referred to as this “Memorandum” or “Offering Memorandum”) has been prepared in connection with the offer and sale of shares (“Shares”) in the Royal Fidelity International Investment Fund Limited and its underlying sub funds (“Sub Fund”). The subscription proceeds of each Sub Fund are contributed to an associated, separately organised Bahamian company (each a “Trading Company”) each of which will invest in a specific investment program.

This Memorandum details the general framework applicable to all Sub Funds of the Fund and is to be read in conjunction with each individual Sub Fund’s Supplement, which forms an integral part of this Memorandum. This Memorandum contains information about the Fund that a prospective investor should consider before investing and should be retained for future reference.

The distribution of this Memorandum and the offering of Shares in certain jurisdictions may be restricted by law. It is the responsibility of any person in possession of this Memorandum and of any person wishing to make an application for Shares to inform himself of and to observe all applicable laws and regulations of any relevant jurisdiction.

This Memorandum may not be considered as either an offer or a solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

### Trinidad and Tobago

This distribution is being made by a foreign mutual fund pursuant to disclosure documents prepared in accordance with foreign securities laws. Purchasers should be aware that these requirements may differ from those of Trinidad and Tobago.

All of the directors and officers of the Fund, and all of the experts named in this Memorandum reside outside of Trinidad and Tobago. Substantially all of the assets of these persons and of the Fund may be located outside of Trinidad and Tobago. The Fund has appointed RBC Royal Bank, as its agent for Service of Process in Trinidad and Tobago. It may not be possible for investors to effect service of process within Trinidad and Tobago upon the directors and officers referred to above. It may also not be possible to enforce against the Fund, its directors and officers, named in this prospectus judgments obtained in Trinidad and Tobago.

Purchasers should be aware that the expert(s) responsible for any expertise statement, report or opinion in the Memorandum have not submitted to the jurisdiction of Trinidad and Tobago and therefore it may not be possible for an investor to take legal proceedings against the expert(s) in Trinidad and Tobago.

The Fund is incorporated or organized under the laws of a foreign jurisdiction and the rights and remedies available under Trinidad and Tobago law may not be available.

This document together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities being distributed by this Memorandum.

**Agent in Barbados:** Royal Fidelity Bank & Trust (Barbados) Limited, 27 Pine Road, St Michael, Barbados, 11113. 435 1955.

## USA

Shares of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act"), nor has the Company been registered as an investment company under the Investment Company Act of 1940, as amended (the "1940 Act"). Shares of the Company are not being offered to, nor will any subscriptions be accepted from, any person or entity who is a United States Person. For such purposes, "United States" means the United States, each state thereof, its territories, possessions and all areas subject to its jurisdiction and a "United States Person" means:

- (i) any natural person who is a citizen of or resident in the United States;
- (ii) any partnership or corporation organized or incorporated under the laws of the United States;
- (iii) any estate of which any executor or administrator is a U.S. person;
- (iv) any trust of which any trustee is a U.S. person;
- (v) any agency or branch of a foreign entity located in the United States;
- (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States;
- (viii) any employee benefit plan (within the meaning of section 3(3) of ERISA other than a plan described in section 4(b)(4) of ERISA; and
- (ix) any partnership or corporation if (A) organized or incorporated under the laws of any foreign jurisdiction; and (B) formed by a U.S. person principally for the purpose of investing in securities not registered under the 1933 Act unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.

Formatted: Font: Not Bold

The Fund is a licensed Standard Fund pursuant to the Investment Funds Act, 2003 of The Bahamas (the "Act"). In licensing the Fund the Securities Commission of The Bahamas (the "Securities Commission") does not take responsibility for the financial soundness of the Fund or for the correctness of any statements made or opinions expressed in this regard.

Prospective investors should not construe the contents of this Memorandum as legal or financial advice. Each prospective investor should consult his own professional advisers as to the legal, financial, tax or other matters relevant to the suitability of an investment in the Shares of the Fund.

This Memorandum is intended solely for the person to whom it has been delivered for the purpose of evaluating a possible investment by the recipient in the Shares described herein, and it is not to be reproduced or distributed to any other persons (other than professional advisers of the prospective investor receiving this document).

No money should be paid to any intermediary in The Bahamas or in any other jurisdiction who is not a licensed investment fund administrator or an approved representative of the Fund.

Pursuant to Section 14 of the International Business Companies Act, 2000 of The Bahamas, every investor shall be bound by the provisions of the Articles of Association of the Fund as if such investor had subscribed his name and affixed his seal thereto and as if there were contained in the Articles of Association on the part of the investor a covenant to observe the provisions of the Articles of Association.

Any statement contained in this Offering Memorandum, or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded, for purposes of this

Offering Memorandum, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

This Offering Memorandum provides a general description of the Shares the Fund may offer. Each time the Fund offers Shares, the Fund will provide an "Offering Memorandum Supplement" containing specific information about the terms of the Shares being offered. An Offering Memorandum Supplement may include a discussion of any risk factors or other special considerations applicable to those Shares or to the Fund. An Offering Memorandum Supplement may also add, update or change information in this Offering Memorandum. If there is any inconsistency between the information in this Offering Memorandum and the applicable Offering Memorandum Supplement, a prospective investor should rely on the information in the Offering Memorandum Supplement.

The Fund is offering non-voting participating shares ("Participating Shares"), pursuant to this Offering Memorandum, in separate classes. The Fund may only be invested in by investors who meet the suitability requirements as further discussed in this Offering Memorandum, who do not require immediate liquidity for their investments, for whom an investment in the Fund does not constitute a complete investment program, and who fully understand and are willing to assume the risks involved in the Fund's investment program. The Board of Directors of the Fund, in its sole discretion, may decline to accept all or any part of the subscription of any prospective shareholder (See "Eligible Investors").

There is no public market for the Participating Shares. The Participating Shares in the Fund can normally be transferred. The Directors reserve the right to reject any transfer at their sole discretion. Generally, Participating Shares may be redeemed as of the last day of each month.

The Fund may be deemed to be a speculative investment and is not intended as a complete investment program. It is designed only for investors who are able to bear the risk of an investment in the Fund.

*Important - if you are in any doubt about the contents of this offering document, you should consult your stockbroker, bank manager, counsel and attorney, accountant or other professional financial advisor.*

There can be no assurance that the investment objectives of the Fund will be achieved. In fact, many of the practices ~~utilised~~-utilized by funds and the segregated accounts in which the Fund may invest--such as short selling, leverage and limited diversification--can, in certain circumstances, exacerbate the adverse impact of particular transactions or conditions on the Fund's investment program. Hence, the value of Participating Shares and any related return from the Fund may be adversely affected.

**Important – the price of shares in the Fund may go down as well as up.**

**Formatted:** Font: 12 pt, Bold

No person has been authorised in connection with this Memorandum to give any information or make any representations other than as contained in this Memorandum.

## INVESTMENT RESTRICTIONS

THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFERING OF PARTICIPATING SHARES OF THE SEVERAL SUB FUNDS OF THE FUND MAY BE RESTRICTED IN CERTAIN JURISDICTIONS. NO OFFER TO SELL (OR SOLICITATION OF AN OFFER TO BUY) WILL BE MADE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL. ANY PERSON IN POSSESSION OF THIS MEMORANDUM AND ANY PERSONS WISHING TO PURCHASE PARTICIPATING SHARES MUST INFORM THEMSELVES OF, AND OBSERVE ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTIONS. PROSPECTIVE PURCHASERS OF PARTICIPATING SHARES SHOULD ALSO INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS GOVERNING ANY APPLICABLE EXCHANGE CONTROL REGULATIONS AND TAXES IN THE COUNTRIES OF THEIR RESPECTIVE CITIZENSHIP, RESIDENCE OR DOMICILE.

THE FUND HAS NOT BEEN REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED. IN ADDITION, THE PARTICIPATING SHARES OF THE FUND HAVE NOT BEEN REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED. PARTICIPATING SHARES OF THE FUND MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO US PERSONS. PARTICIPATING SHARES THAT ARE ACQUIRED BY US PERSONS MAY BE MANDATORILY REDEEMED BY THE FUND.

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE INFORMATION OF THE PERSON TO WHOM IT HAS BEEN DELIVERED BY OR ON BEHALF OF THE FUND, AND SHOULD NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE.

TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE FUND (WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE) THE INFORMATION CONTAINED IN THIS MEMORANDUM IS ACCURATE AS OF THE DATE OF ITS PUBLICATION AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION AND THE DIRECTORS ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED HEREIN.

INVESTING IN THE FUND INVOLVES CERTAIN RISKS AND SPECIAL CONSIDERATIONS THAT ARE MORE FULLY DESCRIBED IN THIS MEMORANDUM. SEE "RISK FACTORS".

## INVESTMENT FUND LAW DISCLOSURE

The Fund falls within the definition of an “Investment Fund” as defined in the Act and accordingly is regulated under the terms of that Act. The Fund is licensed as a Standard Fund under the Act by the Securities Commission of The Bahamas. Accordingly, the principal regulatory obligations of the Fund are:

- (a) to be licensed in the prescribed manner;
- (b) to renew its license annually submitting to the Securities Commission on or before 31st January of each year a written declaration that all of the information filed with the Securities Commission is current and applicable;
- (c) to pay the prescribed annual license fee in respect of the Fund;
- (d) to have its accounts audited annually by an approved auditor; and
- (e) to file its audited accounts in respect of each financial year of the Fund with the Securities Commission within six (6) months of the end of that financial year (or within such extension of that period as the Securities Commission may allow).

As a Standard Fund, the Fund will be subject to the supervision of the Securities Commission of the Bahamas and the Securities Commission may at any time instruct the Fund to have its accounts audited and to submit them to the Commission within such time as specified. In addition, the Securities Commission may ask the Directors to provide such information or such explanation in respect of the Fund as it may reasonably require to enable it to carry out its duties under the Act.

The Fund shall give the Securities Commission or any agent appointed by the Securities Commission such information or explanation in respect of the Fund as the Securities Commission may require and access to all records relating to the Fund. Failure to comply with these requests by the Securities Commission may result in a fine, imprisonment or both.

The Securities Commission and any agent appointed by the Securities Commission are prohibited by the Act from disclosing any information relating to the affairs of the Fund, other than disclosure necessary for the effective regulation of the Fund or when lawfully required or permitted to make such disclosure by a court or pursuant to the provisions of any other act of The Bahamas.

The Securities Commission may take certain actions if it is satisfied that the Fund is, or is likely to become, unable to meet its obligations as they fall due or is carrying on or attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Securities Commission include, inter alia, the power to require the substitution of Directors of the Fund (or any sponsor of the Fund); the power to appoint a person to advise the Fund on the proper conduct of its affairs; and the power to appoint a person to assume control of the affairs of the Fund. The Securities Commission may also apply to the court for an order to take such other action as it considers necessary to protect the interests of Shareholders and creditors of the Fund.

## SECURITIES INDUSTRY LAW DISCLOSURE

The Fund is exempt from the offering memorandum requirements of Part VI of the Securities Industry Act as the Fund's Shares are “exempt securities” pursuant to Sections 54 (7) (b) and (8) (a) of the Securities Industry Act. Accordingly, the issue of the Fund's Shares is not regulated under the Securities Industry Act.



## SUMMARY

The following Summary is intended to highlight certain basic information, some of which is set forth more fully elsewhere in this Memorandum and, accordingly, should be read in conjunction with such detailed information.

Administrator & Custodian:	Royal Fidelity Merchant Bank & Trust Limited has been appointed as Administrator for the Fund and is responsible for the calculation of the Net Asset Value and custody of the assets.
Dollars and \$:	US Dollar.
The Bahamas:	Commonwealth of The Bahamas.
Benchmark:	Target return set by the Directors from time to time. This will vary in relation to the investment objectives set for each Sub Fund.
Business Day:	Any day on which the clearing banks in The Bahamas are open for business or such other date as specified in the relevant Sub Fund Supplement.
Continuous Offering:	This Memorandum is intended to be used for the continued and future offerings of the Fund's Shares. The Fund may offer additional Shares in the future as the Directors in their sole discretion deem fit.
Dealing Day:	The First Business Day on each month or such other date as specified in the relevant Sub Fund's Supplement or as the Directors may determine.
Directors:	The Directors of the Fund.
Dividend Policy:	Although there are no restrictions on the payment of dividends, the Fund does not anticipate that any dividends will be paid to the holders of Shares, unless otherwise stated in the relevant Sub Fund Supplement. Any such income will be reinvested in the Fund.
Fees and Expenses:	The company management, custodian, legal, audit and all other expenses of the Fund.
Fund:	Royal Fidelity International Investment Fund Limited.
Initial Subscription Period:	See information in the relevant Sub Fund's Supplement.
Initial Subscription Price:	See information in the relevant Sub Fund's Supplement.
Investment Manager:	Royal Fidelity Merchant Bank & Trust Limited or such other investment manager as may be provided in the applicable Sub Fund Supplement.

Investment Advisors:	Third-party Investment professionals, as outlined in the applicable Sub Fund Supplement, that manage a Sub Fund's assets according to the Sub Fund's investment objective.
Management Shares:	Voting, non-participating, non-redeemable shares of the Fund.
Manager:	Investment Manager of the Fund.
Net Asset Value:	The amount calculated as the total assets of the Sub Fund at their fair market value less the Sub Fund's liabilities also at fair value in accordance with International Financial Reporting Standards.
Net Asset Value per Share:	The amount realized when the total value of all assets owned by a particular Sub Fund minus the total liabilities owed by such Sub Fund is divided by the number of Shares in that Sub Fund which are outstanding. The Net Asset Value per Share will be rounded to three (3) decimal places.
Participating Share(s):	Non-voting, redeemable, participating shares representing rights to the benefits of the classes of shares representing the relevant Sub Fund(s) offered pursuant to this Offering Memorandum and the Sub Fund Supplements.
Redemption Day:	The last Business Day of each month or such other date as specified in the relevant Sub Fund's Supplement.
Royal Fidelity:	Royal Fidelity Merchant Bank & Trust Limited and its subsidiaries and affiliates, collectively referred to as "Royal Fidelity".
Share(s):	Participating Share(s).
Shareholder:	The owner of Shares.
Sub Fund:	A fund organized under the Royal Fidelity International Investment Fund, distinguished mainly by its specific investment objectives and policies and managed accordingly. In turn, each Sub Fund may offer different underlying share classes from each other.
Sub Fund Supplement:	A Supplement prepared in respect to each of the Sub Funds offered, pursuant to this Offering Memorandum, which outlines specific terms and conditions of each Sub Fund.
Trading Companies	Associated, separately-organised Bahamian companies established as the direct investment vehicles for the Funds.
Valuation Day:	The last Business Day of each month or such other date as specified in the relevant Sub Fund's Supplement.

Words denoting the singular shall include the plural and vice versa; words denoting gender shall include all genders; and words denoting persons shall include bodies corporate and vice versa.

## THE FUND STRUCTURE

The Fund is a multi-portfolio investment company incorporated under the laws of The Commonwealth of The Bahamas on July 1, 2008 under the provisions of the International Business Companies Act, 2000 (as amended) with limited liability and unlimited duration. The Fund's registered office is located in Nassau, Bahamas.

The Fund is an investment fund classified as a Standard Fund by the Securities Commission of The Bahamas ("the Securities Commission") and authorized to carry on business in or from within The Commonwealth of The Bahamas subject to terms and conditions specified in the Investment Funds Act and Regulations of The Bahamas. In licensing the Fund, the Securities Commission does not take responsibility for the financial soundness of the Fund or for the correctness of any statements or opinions expressed in this regard.

As a multi-portfolio umbrella structure, the Fund is designed to enable investors to pursue their financial goals and diversify their investments among different investment programmes that offer different risk and reward parameters, as described in each Sub Fund Supplement. All, or substantially all, assets of Classes A, B, and C are invested in the Trading Companies, which act as the direct investment vehicle for those share classes and which hold the securities. The Trading Companies were incorporated in the Commonwealth of The Bahamas.

The Trading Companies are not authorized and are not available to investors other than the Fund. The Trading Companies are not licensed or registered as investment funds in The Bahamas with the Securities Commission as they are not investment funds under the definition of the Investment Funds Act of The Bahamas, 2003. The Fund is the only investor in the Trading Companies.

The financial year-end of the Fund and the Trading Companies is June 30th.

## OFFERING OF PARTICIPATING SHARES

Participating Shares of each Sub Fund of the Fund are offered as of the first Business Day of each month at the prior month-end NAV. Participating Shares of the same Sub Fund rank *pari passu* with each other and entitle the Shareholder to participate in the assets and income of the Sub Fund in proportion to their investment. Each Participating Share of a Sub Fund is entitled to participate equally in the profits of the Sub Fund and in its assets on liquidation.

Participating Shares in the Fund will be issued in separate Sub Funds, with each Sub Fund having a defined investment objective. Details pertaining to the strategy, investment conditions and, potential risks associated with investment in each Sub Fund are described in "Sub Fund Particulars" and in the Sub Fund Supplement issued in respect to each Sub Fund.

Unless otherwise determined by the Directors, the minimum initial subscription and additional subscription for Participating Shares in each Sub Fund shall be as follows, as outlined in more detail in the relevant Supplement for each Sub Fund:

	<u>Minimum Initial Investment</u>	<u>Minimum Additional</u>
International Opportunities Fund, Class A shares		
Series A1 Retail	\$5,000	\$1,000
Series A2 Institutional	\$500,000	\$1,000
Series A3 Pension	\$5,000	\$1,000

**Global Balanced Fund, Class B shares**

Series B1 Retail	\$5,000	\$1,000
Series B2 Institutional	<del>\$4</del> 00,000	\$1,000
Series B3 Pension	\$5,000	\$1,000

**Targeted Income Fund, Class C shares**

Series C1 Retail	\$5,000	\$1,000
Series C2 Institutional	<del>\$4</del> 00,000	\$1,000
Series C3 Pension	\$5,000	\$1,000

**Hedge Strategies Fund, Class D shares**

Series D1 Retail	<del>\$10</del> 0,000	<del>\$12</del> 0,000
<u>Series D2 Institutional</u>	<u>\$500,000</u>	<u>\$1,000</u>
Series D3 Pension	\$5,000	\$1,000

The Directors have sole discretion to reject subscriptions in whole or in part. The open-ended share classes are open for subscriptions on the first Business Day of each month, which will normally be filled at the prior month's Valuation Date. Initial subscription forms should be sent via fax or e-mail, provided the original of the form follows immediately. For subsequent subscriptions, only a faxed form is required.

Subscription documentation must be received and payment must be made to the Fund by 5:00 pm Nassau, Bahamas time, no less than three Business Days prior to the month-end Valuation Date. A Valuation Date means the last Business Day of the month with the dealing day (herein referred to as "Dealing Day") to occur on the first Business Day of the month. If the amount subscribed is not sufficient to purchase a whole number of shares, fractions of shares (to six decimal places adjusted downwards) will be issued.

Once received, a subscription is irrevocable by an applicant for Participating Shares unless the Directors determine otherwise in their sole discretion. The Directors may, in their sole discretion, accept or reject any subscriptions for Participating Shares in whole or in part, and will do so promptly. Any monies paid in respect of such rejected applications (whether in whole or in part) shall be returned to applicants without interest, at their risk, and at the cost of the applicant.

Shares will be kept in book entry form and share certificates will not normally be issued but shareholders may request a share certificate in respect of their holding for a fee. An entry in the Register of Members will be conclusive evidence of ownership of shares in the Fund.

**CONVERSION OF PARTICIPATING SHARES BETWEEN SUB FUNDS**

There is no fee for conversion between Sub Funds, but other restrictions may apply.

Participating Shares in any Sub Fund may be converted to shares in another Sub Fund at a shareholder's request, by providing a request for a conversion in a form acceptable to the Manager in writing, or by facsimile to the Manager (together with any share certificates if issued) before 5:00 p.m. on the Business Day prior to the relevant Dealing Day. Shareholders must provide a request for conversion in accordance with this section (and meet the minimum threshold requirements) in order to convert between Sub Funds as outlined herein.

Participating Shares will be converted on the basis of the redemption price of the Sub Fund being converted out of, to the subscription price of the Sub Fund or Sub Funds being converted into.

If a request for conversion shall have been received by facsimile, the Manager reserves the right not to convert until an original written request is received by the Manager. Once received, a request for conversion is irrevocable by a shareholder unless the Directors determine otherwise. The Directors may refuse a request for conversion where the value of the shares to be converted does not meet the minimum initial subscription amount for the Sub Fund being converted into.

#### **INVESTMENT OBJECTIVES AND POLICIES**

The overriding investment objective of the Fund is to permit investors to invest in securities in different areas and asset classes through a single investment vehicle. These securities may be equities, bonds, preferred shares, exchange-traded funds, mutual funds and other securities that the Investment Manager may choose from time to time, but always subject to the restrictions outlined in each Sub Fund Supplement. The specific investment objectives, policies and asset classes of each of the Sub Funds are more fully disclosed in the investment objective section of the relevant Sub Fund's Supplement.

#### **INVESTMENT STRATEGY**

The investment strategy for each Sub Fund is outlined in detail in the relevant Supplement for each Sub Fund. Generally, the funds will invest in an appropriate combination of global fixed income and equity securities, equity mutual funds, and Exchange Traded Funds (ETFs) to achieve the specific investment strategy outlined in the Sub Fund Supplement, and according to the specific investment parameters of each Sub Fund. Each Sub Fund will maintain a different allocation, investment approach, and security selection than the others, and can hold different positions from the other Sub Funds.

#### **INVESTMENT RESTRICTIONS**

The investment restrictions for each Sub Fund are outlined in more detail in the relevant Supplement for each Sub Fund.

#### **RISK FACTORS**

Potential investors in the Fund should carefully consider the following general risk factors, however specific risk factors for each Sub Fund are found in the relevant Supplements for each such Sub Fund:

- a) A Sub Fund's Net Asset Value will be subject to market fluctuations attributable to the values of the securities it holds, as well as fluctuations in the markets affecting the services provided by the entities whose securities are purchased by the Fund. Consequently, the value of a Shareholder's investment in the Fund may decrease as well as increase.
- b) While the Fund and the Investment Manager shall seek to attain the applicable Sub Fund's Investment Objective neither the Investment Manager nor the Fund, or any other party, can guarantee the extent to which the Investment Objective can or will be achieved.
- c) When Shareholders elect to redeem their Shares, their decision may be based on the price of the Sub Fund on the most recent Valuation Day. There can be no assurance that adverse market conditions or other factors arising during the period between the previous Valuation Day and the Redemption Day will not result in material changes in the Net Asset Value of the Sub Fund on the date the redemptions are affected.
- d) The Shares have no voting rights and hence Shareholders cannot elect the Directors of the Fund or take other corporate action to further their interests.

**General Economic and Market Conditions:** The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the extent and

timing of investor participation in the futures markets. Unexpected volatility or illiquidity in the markets in which the Fund (directly or indirectly) holds positions could impair the Fund's ability to carry out its business or cause it to incur losses.

**Redemption Risks:** If there are substantial redemptions within a limited period of time, it may be difficult for the Fund to provide sufficient funds to meet such redemptions without liquidating positions prematurely or on unfavorable terms at a substantial loss to the Fund. The Fund reserves the right to honour redemption requests in such a manner as to minimize the negative effects of large numbers of redemption requests, including establishing a time-table for their execution.

In such cases, redemption requests will be accepted on a first-come, first-served basis. In addition, in times of extreme market volatility, the Directors may, at their discretion and upon advice received from the Investment Manager, suspend redemptions of Shares for such periods of time as it deems appropriate.

**Performance Risks:** The payment of an incentive fee may create incentives for an underlying investment manager to take riskier or more speculative positions than would be the case if it were only paid a fixed fee. In addition, since the incentive fee is calculated on a basis which includes unrealized appreciation of assets, such fee may be greater than if it were based solely on realized gains.

**Activities of the Investment Manager:** The Investment Manager engages in other activities in connection with its investment management business. The Investment Manager may engage in other activities whether or not they compete with the business of the Fund, although the Investment Manager intends to devote such time and effort to the business of the Fund as it considers necessary or appropriate.

**Currency Risk:** Prospective Shareholders whose assets and liabilities are primarily denominated in currencies other than the currency of investment (i.e. the base currency of the Shares in which they invest) should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the currency of investment and such other currency.

**Exchange Rate Risks:** The Fund holds assets which may be managed in a currency or currencies other than the base currency in which the Net Asset Value of the Fund is denominated. Moreover, some markets, such as the foreign exchange market, are often subject to governmental interventions that may directly or indirectly affect the market.

**Multi-Class Structure:** The Fund is incorporated as a company under the laws of The Bahamas with multiple classes of shares. Under such laws, the Sub Funds are not subject to legal segregation. As a result, the assets of each class may be used to meet or guarantee the liabilities of the other classes in respect of the Fund's dealings with third party creditors. In addition, the Fund is a single legal entity and may operate or have assets held, and liabilities incurred, on its behalf without regard to a particular class. In this case, the assets of the Sub Fund will not be segregated.

**Fees and Expenses:** Whether or not the Fund is profitable and whether or not Shares of any given Sub Fund experience appreciation in value or not, the Fund directly or through its related Sub Funds, is required to pay fees and expenses as detailed in this Offering Memorandum. These expenses and fees will affect the performance of the Shares.

**Early Termination:** In the event of the early termination of the Fund, such an early termination would have the effect of accelerating the unamortized portion of any fees borne by the Fund thereby decreasing amounts otherwise available for distribution. Certain financial instruments held by the Fund may be highly illiquid and might have little or no marketable value. It is possible that at the time of such sale or

distribution, certain securities held by the Fund would be worth less than the initial cost of such securities, or that, due to their illiquidity, they be liquidated under conditions less favourable than the ones that prevailed at the time of their valuation, and consequently resulting in a loss to investors.

**Conflicts of Interest:** There may be potential conflicts 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.

Formatted: Font: 11 pt

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.

By executing a Subscription Agreement, each investor acknowledges that such conflicts of interest exist and agrees that both Royal Fidelity and the Fund will have no liability to the investor as a result of these conflicts. The investor agrees not to assert any claim against Royal Fidelity or the Fund arising in connection with any conflict of interest experienced by Royal Fidelity, whether or not specifically set forth above.

**Derivatives risk:** A derivative is a financial instrument whose value is derived from the value of an underlying variable, usually in the form of a security or asset. Derivatives can be traded on exchanges or over-the-counter with other financial institutions, known as counterparties. There are many different kinds of derivatives, but derivatives usually take the form of an agreement between two parties to buy or sell an asset, such as a basket of stocks or a bond, at a future time for an agreed upon price. Funds may use derivatives for two purposes: hedging and effective exposure (non-hedging).

**Hedging:** Hedging means protecting against changes in the level of security prices, currency exchange rates, or interest rates that negatively affect the price of securities held in a fund. There are costs associated with hedging as well as risks, such as:

- (a) there is no guarantee the hedging strategy will offset the price movement of a security;
- (b) it is not always easy to unwind a derivatives position quickly. Sometimes futures exchanges or government authorities put trading limits on derivatives. So, even if a hedging strategy works, there is no assurance that a liquid market will always exist to permit a fund to realize the benefits of the hedging strategy;
- (c) it is not always possible to buy or sell the derivative at the desired price if everybody else in the market is expecting the same changes; and
- (d) the change in value of derivatives does not always perfectly correspond to the change in value of the underlying investment.

**Effective exposure (non-hedging)**

Effective exposure (non-hedging) investment funds may use derivatives, such as futures, forward contracts, options, swaps, or similar instruments instead of investing in the actual underlying investment. An investment fund might do this because the derivative may be cheaper, it may be sold

more quickly and easily, it may have lower transaction and custodial costs, or because it can make the portfolio more diversified.

However, effective exposure does not guarantee that a fund will make money. There are risks involved. For example:

- (a) derivatives can drop in value just as other investments can drop in value;
- (b) derivative prices can be affected by factors other than the price of the underlying security. For example, some investors may speculate in the derivative, driving the price up or down;
- (c) the price of derivatives may change more than the price of the underlying investment;
- (d) if trading in a substantial number of stocks in an index is interrupted or stopped, or if the composition of the index changes, it could adversely affect derivatives based on that index;
- (e) it may be difficult to unwind a futures, forward, or option position, because the futures or options exchange has imposed a temporary trading limit, or because a government authority has imposed restrictions on certain transactions; and
- (f) the other party in a derivative contract may not be able to fulfill a promise to buy or sell the derivative, or settle the transaction, which could result in a loss to the fund.

**Emerging markets risk:** The risks of foreign investments are usually greater in emerging markets. The risks of investing in an emerging market are greater because emerging markets tend to be less developed. Many emerging markets have histories of, and continue to present the risk of, hyperinflation and currency devaluations versus the US dollar (which adversely affect returns to investors). In addition, the securities markets in many of these countries have far lower trading volumes and less liquidity than developed markets. Because these markets are so small, investments in them may suffer sharper and more frequent price changes or long-term price depression due to adverse publicity, investor perceptions, or the actions of a few large investors. In addition, traditional measures of investment value used in the developed world, such as price-to-earnings ratios, may not apply to certain small markets.

A number of emerging markets have histories of instability and upheaval in internal politics that could increase the chances that their governments would take actions that are hostile or detrimental to private enterprise or foreign investment. Certain emerging markets may also face other significant internal or external risks, including the risk of war or ethnic, religious, and racial conflicts. Governments in many emerging market countries participate to a significant degree in their economies and securities markets, which may impair investment and economic growth.

**Equity risk:** Equity securities (such as common stock) and equity-related securities (such as convertible securities and warrants) rise and fall with the financial well-being of the companies that issue them. The price of a share in any company is also influenced by general economic, industry, and market trends. When the economy is strong, the outlook for many companies will be positive, and share prices will generally rise, as will the value of the investment funds that own these shares. On the other hand, share prices usually decline with a general economic or industry downturn. There is the chance that a fund may select stocks that underperform the markets or that underperform other investment products with similar investment objectives and investment strategies.

Because there are generally fewer investors and a smaller number of shares traded each day on some foreign exchanges, it may be difficult for an investment fund to buy and sell securities on those exchanges. In addition, prices of foreign securities may fluctuate more than prices of securities traded in first world nations.



**Fixed income risk:** One risk of investing in fixed income securities, such as bonds, is the risk that the issuer of the security will be unable to pay the interest or principal when due. This is generally referred to as "credit risk". The degree of credit risk will depend not only on the financial condition of the issuer, but also on the terms of the bonds in question.

An investment fund may reduce credit risk by investing in senior bonds, those that have a claim prior to junior obligations and equity on the issuer's assets in the event of bankruptcy. Credit risk may also be minimized by investing in bonds that have specific assets pledged to the lender during the term of the debt. Prices of fixed income securities generally increase when interest rates decline, and decrease when interest rates rise. This risk is known as "interest rate risk". Prices of longer-term fixed income securities generally fluctuate more in response to interest rate changes than do shorter-term securities.

Investment funds that invest in convertible securities also carry interest rate risk. These securities provide a fixed income stream, so their value varies inversely with interest rates, just like bond prices. However, because they can be converted into common shares, convertible securities are generally less affected by interest rate fluctuations than are bonds.

**Foreign market risk:** Investments in foreign markets may be adversely affected by governmental actions, such as the imposition of capital controls, nationalization of companies or industries, expropriation of assets, or the imposition of punitive taxes.

The governments of certain countries may prohibit or impose substantial restrictions on foreign investment in their capital markets or in certain industries. Any of these actions could severely affect security prices, impair an investment fund's ability to purchase or sell foreign securities or transfer an investment fund's assets or income, or otherwise adversely affect an investment fund's operations.

Other foreign market risks include foreign exchange controls, difficulties in pricing securities, default on foreign government securities, difficulties in enforcing favourable legal judgments in foreign courts, different accounting standards, and political and social instability. Legal remedies available to investors in certain foreign countries may be less extensive than those available to investors in first world nations or other foreign countries.

**General market risk:** General market risk is the risk that markets will go down in value, including the possibility that markets will go down sharply and unpredictably. Several factors can influence market trends, such as economic developments, changes in interest rates, political changes, and catastrophic events. All investments are subject to general market risk.

**Liquidity risk:** Liquidity is the ability to sell an asset for cash easily and at a fair price. Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of the fund to sell such securities quickly or at a fair price. Difficulty in selling securities could result in a loss or lower return for an investment fund.

**THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE LIST OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUND. PROSPECTIVE INVESTORS SHOULD READ THIS MEMORANDUM, THE RELEVANT SUB FUND SUPPLEMENT AND RELEVANT PRICING SUPPLEMENT AND CONSULT WITH**

THEIR OWN FINANCIAL ADVISORS OR ATTORNEY-AT-LAW BEFORE DECIDING TO INVEST.

## MANAGEMENT

### BOARD OF DIRECTORS

The Directors have overall management responsibility for the Fund, including establishing its investment, dividend and distribution policy, and have the authority to select and replace the Fund's service providers and any officers of the Fund.

The Directors will normally meet twice a year, and at least once a year, to review the investment and administrative affairs of the Fund.

The Directors may amend the constitutive documents of the Fund without consulting the Management Shareholders and the Shareholders if the Directors certify in writing that, in their opinion, the proposed alteration:

- (a) is necessary to make possible compliance with fiscal, or statutory requirement or requirements of any overseas regulatory authority;
- (b) does not materially prejudice Shareholder's interests;
- (c) does not to any material extent release the Custodian, Administrator, Investment Manager or any other person or persons from any liability to the Shareholders; or
- (d) does not materially increase the costs and charges payable from the Fund property.

The Directors may adopt changes to the Fund's investment policies, investment restrictions, operating and valuation policies as long as the Directors provide Shareholders prior written notice.

The Directors are elected by the Management Shareholders of the Fund. The Directors will serve until their resignation, death or removal.

The Board of Directors is comprised of the following:

**Mr. Michael Anderson**  
President  
Royal Fidelity Merchant Bank & Trust

**Mr. Ross McDonald**  
Director  
Royal Fidelity Merchant Bank & Trust

**Mr. Anwer J. Sunderji**  
Chief Executive Officer  
Royal Fidelity Merchant Bank & Trust

**Mr. Thomas Hackett**  
Chief Financial Officer  
Royal Fidelity Merchant Bank & Trust

**Mr. Tim Rider**  
Senior Vice President, Sales - Caribbean  
RBC Royal Bank (Bahamas) Limited

**Mrs. Karen N. Chang**  
Senior Mgr Sales-Commercial & Capital Mkts  
RBC Financial (Caribbean) Ltd.

The Directors shall be entitled to be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Fund. If additional Directors are elected, the Fund may compensate such Directors (other than the Fund's Investment Manager, Administrator or any persons affiliated with the Investment Manager or Administrator) with respect to services rendered in such capacity. Such members of the Board of Directors shall be entitled to an annual fee of not more than \$5,000 per annum.

The Fund's Articles of Association provide that the Fund shall indemnify its officers and directors against losses, including expenses, provided that the indemnified person acted honestly and in good faith with a view to the best interests of the Fund and such losses were not caused as a result of their negligence or willful default. The Fund may advance expenses to any director or officer who may be entitled to indemnification. Directors and officers receiving advances are obligated to reimburse the Fund for them if it is later determined that such persons were not entitled to such indemnification.

Every Director, Alternate Director, Officer or Liquidator of the Fund and their respective personal representative, successors in title and estate (together "Indemnatee") shall be indemnified and held harmless by the Fund against all liability, loss, damage, claims, actions, accounts, proceedings, and demands and any costs and expenses whatsoever which may be incurred or suffered by the Indemnatee arising out of its appointment provided the Indemnatee acted honestly, in good faith and with a view to the best interests of the Fund and did not act negligently or with willful default.

No Director, Alternate Director or Officer shall be liable for the acts, receipts, neglects, or defaults of any other Director, Alternate Director or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense incurred by the Fund as a result of insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Fund, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Fund shall be advanced or invested, or for any loss or damage arising out of the bankruptcy, insolvency of any person with whom any money, securities or effects shall be deposited, or for any loss occasioned by an error of judgment, omission, default, or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of his office or in relation thereto, provided that he has acted honestly in good faith and with a view to the best interests of the Fund and did not act negligently or with willful default.

The Board of Directors may from time to time and at any time by agreement under hand or seal appoint any one or more company, firm or person or any body of persons, whether nominated directly or indirectly by the Board of Directors to be an investment manager ("Investment Manager") or investment adviser for the Fund upon such terms and conditions as the Board of Directors in its absolute discretion determines.

The Board of Directors may delegate to the Investment Manager, without being liable for any consequential loss, discretion to manage the Fund's investments or any part thereof pursuant to the terms of the appointment provided the Directors acted honestly, in good faith and with a view to the best interests of the Fund and provided they did not act negligently or in willful default in such delegation.

#### INVESTMENT MANAGER

The Fund has entered into an investment management agreement with Royal Fidelity Merchant Bank & Trust Limited which has been appointed as the Investment Manager on behalf of each Sub Fund.

The Investment Manager will perform the following functions, subject to overall supervision of the Directors, for each Sub Fund:

- implement the investment objectives and policies to be employed for the Sub Fund's portfolio;
- identify and appoint suitable investment advisors from time to time to manage the assets for each Sub Fund, according to the respective investment objectives;
- identify and analyse potential investments on a continuing basis;
- select and purchase investments for the Sub Fund;
- monitor the performance of each investment and maintain appropriate records; and
- sell investments held by the Sub Fund when deemed appropriate.

The Fund may change or sub contract the Investment Management functions without notice to the Shareholders.

Under the Investment Management Agreement, the Fund will indemnify the Investment Manager out of the assets of the Fund against all liabilities, actions, proceedings, claims, costs, demands and expenses (other than out-of-pocket expenses) arising out of its proper performance of its obligations under the Investment Management Agreement provided the Investment Manager acted honestly, in good faith and with a view to the best interests of the Fund.

The Investment Manager will not be indemnified against any liability to which it would otherwise be subject by reason of wilful default, wilful misfeasance, bad faith or gross negligence in the performance of its duties, or reckless disregard of its obligations and duties under the agreement. The Investment Manager will also be indemnified against expenses, including legal fees, and all judgements, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings.

The Investment Manager will not be liable for the acts or omissions of any person to whom any of its functions, powers and duties under the Investment Management Agreement may be delegated from time to time, except to the extent caused by the Investment Manager's negligence, willful default or fraud or that of any of its employees or where they did not act honestly, in good faith and with a view to the best interests of the Fund.

The Investment Manager will not be responsible for any loss of opportunity whereby the value of the Fund's investments could have been increased or for any decline in the value of the Fund's investments howsoever arising, except to the extent that such loss or decline is due to the Investment Manager's negligence, willful default or fraud or that of any of its employees or where they did not act honestly, in good faith and with a view to the best interests of the Fund.

In addition, the Investment Manager will not be liable for any loss arising from errors of fact or judgment or any action taken (or omitted to be taken) by it howsoever arising except to the extent that any such error or action (or the omission thereof) is due to the Investment Manager's negligence, willful default or fraud or that of any of its employees or where they did not act honestly, in good faith and with a view to the best interests of the Fund. No warranty is given by the Investment Manager in the Investment Management Agreement as to the performance or profitability of the Fund's investments or any of them.

In consideration of its services, the Investment Manager shall be paid a percentage fee from the relevant Sub Fund(s), as detailed in the relevant Supplement for each Sub Fund.

Generally, the share classes will be divided according to their intended distribution:

**Class A – International Opportunities Sub Fund – Open End**

A1 Shares	Retail Distribution
A2 Shares	Institutional Distribution
A3 Shares	Pension Distribution

**Class B – Global Balanced Sub Fund – Open End**

B1 Shares	Retail Distribution
B2 Shares	Institutional Distribution
B3 Shares	Pension Distribution

**Class C – Targeted Income Fund – Open End**

C1 Shares	Retail Distribution
C2 Shares	Institutional Distribution
C3 Shares	Pension Distribution

**Class D- Hedge Strategies Fund – Open End**

D1 Shares	Retail Distribution
<del>D2 Shares</del>	<del>Institutional Distribution</del>
D3 Shares	Pension Distribution

**ADMINISTRATOR**

Under an agreement dated September, 2008 the Fund appointed Royal Fidelity Merchant Bank & Trust Limited as the Administrator.

The Administrator will be responsible for, *inter alia*, the following matters under the general supervision of the Directors of the Fund:

- communicating with Shareholders;
- processing subscriptions and redemptions;
- preparing and maintaining the Fund's financial and accounting records and statements;
- determining the Net Asset Value of the Shares;
- preparing financial statements;
- arranging for the provision of accounting, clerical and administrative services;
- maintaining corporate records;
- disbursing payments of fees, expenses and salaries, if any;
- maintenance of the register of Shareholders;
- administration of the issue, redemption and transfer of the Shares on behalf of the Fund; and
- acting as paying agent in respect of any dividends payable by the Fund.

The Fund may change the Administrator without notice to the Shareholders.

Under the Administration Agreement, the Fund will indemnify the Administrator out of the assets of the Fund against all liabilities, actions, proceedings, claims, costs, demands and expenses (other than out-of-pocket expenses) arising out of its proper performance of its obligations under the Administrative Services Agreement provided that the Administrator acted honestly, in good faith and with a view to the best interests of the Fund.

The Administrator will not be indemnified against any liability to which it would otherwise be subject by reason of wilful default, wilful misfeasance, bad faith or gross negligence in the performance of its duties, or reckless disregard of its obligations and duties under the agreement. The Administrator will also be indemnified against expenses, including legal fees, and all judgement, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings.

The Administrator is not liable for damage, loss, claims, proceedings, demands, liabilities, costs or expenses suffered or incurred by any person at any time from any cause whatsoever unless arising directly as a result of the Administrator's actual fraud, gross negligence or wilful default, or that of any of its directors, officers, employees, delegates or agents, as the case may be. The Administrator is not liable in any case in tort, statutory duty, pre-contract or misrepresentation (other than fraudulent misrepresentation) or otherwise for: (i) any consequential, indirect or special loss or damage, or (ii) any economic loss.

The Administrator is a limited liability company incorporated in The Bahamas. It is a holder of both an unrestricted Investment Fund Administrator's License and an unrestricted Bank and Trust License in The Bahamas.

Pursuant to the Administration Agreement, the Administrator will receive monthly and in arrears an amount equal to a specific percent per annum of the Net Asset Value of the Sub Fund calculated on the last Valuation Day of the relevant month or as determined by the Directors from time to time as consideration for administering the Sub Fund and expenses in maintaining the Fund's office (the "Administration Fee").

The fees of the Administrator shall be the sole responsibility of the Investment Manager.

#### **CUSTODIAN**

Under an agreement dated September, 2008 the Fund has appointed Fidelity Bank & Trust Limited. The Custodian will hold the investments of the Fund in safe custody. The Custodian may delegate or sub contract the custodial functions without notice to the Shareholders.

The Fund may change the Custodian without notice to the Shareholders.

The Custodian will be indemnified out of the assets of the Fund against all liabilities, actions, proceedings, claims, costs, demands and expenses (other than out-of-pocket expenses) arising out of its proper performance of its obligations under the Custodian Agreement except as such may result from negligence or willful default. The Custodian will also be indemnified against expenses, including legal fees, and all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings.

The Custodian receives an annual fee from the Fund, calculated by reference to the Net Asset Value of the Fund, accrued weekly and paid monthly. All out-of-pocket expenses and costs of the Custodian incurred in relation to acting as custodian of the Fund are reimbursed monthly to the Custodian. The fees of the Custodian shall be the sole responsibility of the Investment Manager.

The Custodian is not liable for damage, loss, claims, proceedings, demands, liabilities, costs or expenses suffered or incurred by any person at any time from any cause whatsoever unless arising directly as a result of the Custodian's actual fraud, gross negligence or willful default, or that of any of its directors, officers, employees, delegates or agents, as the case may be. The Custodian is not liable in any case in tort, statutory duty, pre-contract or misrepresentation (other than fraudulent misrepresentation) or otherwise for: (i) any consequential, indirect or special loss or damage, or (ii) any economic loss.

#### **AUDITORS**

The year-end financial statements of the Fund will be audited by PriceWaterhouseCoopers.

#### **LEGAL ADVISOR**

Legal matters in connection with this offering in The Bahamas have been passed upon for the Fund by Lennox Paton. However, in providing such legal advice, Lennox Paton does not take any responsibility for the financial soundness of the Fund or for the correctness of any statements made or opinions expressed in this regard.

### **FEES AND EXPENSES**

#### ORGANISATION COSTS

Costs and expenses associated with the organisation of the Fund, including governmental fees, incorporation charges and professional fees and expenses in connection with the preparation of the Fund's information documents and the preparation of their corporate documents and contracts, will be paid by the Fund. Costs and expenses solely attributable to a particular Sub Fund shall be paid from the assets of that Sub Fund. Total organizational costs for the Fund are expected to be no more than \$20,000, which will be amortized over a 12-month period.

#### FEES OF THE INVESTMENT MANAGER

The Investment Manager will receive a percentage fee from the relevant Sub Fund(s), based on assets under management and payable monthly in arrears, as detailed in the relevant Supplement for each Sub Fund.

The Investment Manager may apply a front-end charge of up to 5% on Class A1 and B1 Shares, up to 2% on Class A2, B2, D1 and C1 Shares, and up to 1% on Class C2 and D2 shares. No front-end charges will apply to investments into Class A3, B3, C3 or D3 Shares. Such Front End Fee will either be payable by an investor in addition to the subscription price, or it will be deducted from subscription moniceys, in which case the number of Participating Shares allotted shall thereby be reduced accordingly. The Manager may pay commission to sales agents, brokers, banks, and other recognised agents.

#### FEES OF THE INVESTMENT ADVISOR(S)

Investment Advisor(s), if applicable, will receive a separate fee apart from the Investment Management, Administration, or Custodian fee, based on the assets that they manage on behalf of the fund, as detailed in the relevant Supplement for each Sub Fund.

#### FEES OF THE ADMINISTRATOR

The Administrator receives an annual fee from the Fund, calculated by reference to the Net Asset Value of the Fund, accrued weekly and paid monthly. The Investment Manager is solely responsible for the fees of the Administrator.

#### FEES OF THE CUSTODIAN

The Custodian receives an annual fee from the Fund, calculated by reference to the Net Asset Value of the Fund, accrued weekly and paid monthly. The fees of the Custodian will be charged directly to the Fund.

#### REMUNERATION OF DIRECTORS

The Directors shall be entitled to be paid, *inter alia*, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Fund. The Fund may compensate Directors other than the Fund's Investment Manager, Administrator or any persons affiliated with the Investment Manager or Administrator with respect to services rendered in such capacity. Such Directors shall be entitled to an annual fee of not more than \$5,000 per annum

#### OTHER OPERATING COSTS

The Investment Manager, the Administrator, and the Custodian will be responsible for providing all office personnel, office space and office facilities required for the performance of their services.

The Fund will bear all other expenses incidental to its operations and business, including:

- banking charges;
- brokerage commissions;
- fees of the Fund's legal advisers and independent auditors;

- any taxes, transfer taxes and other governmental charges and duties occurring for the Fund;
- the costs of distributing the Offering Memoranda, reports, statements and other notices to the Shareholders; and
- advertising and marketing costs.

Certain of the above noted expenses may be paid to Royal Fidelity for services rendered. All such fees and expenses charged by Royal Fidelity will be billed at standard rates charged for similar services to unrelated parties. Fees and expenses that will be borne by each Sub Fund shall be set out in the relevant Supplement of each such Sub Fund.

## SHARES OF THE FUND

The Fund has an authorized share capital of \$100,000.00 consisting of shares of the following classes (each, a "Class" and, collectively, "Classes"):

1,000 voting, non-participating, non-redeemable Class M Shares (the "Management Shares") of no par value; and

100,000,000 non-voting participating redeemable shares with a par value of \$0.001 per share further divided into:

5,000,000 Class A non-voting participating redeemable shares (the "Class A Shares"),  
 5,000,000 Class B non-voting participating redeemable shares (the "Class B Shares"),  
 5,000,000 Class C non-voting participating redeemable shares (the "Class C Shares"),  
 5,000,000 Class D non-voting participating redeemable shares (the "Class D Shares"),

And 80,000,000 non-voting participating redeemable undesignated shares (the "Undesignated Shares" and, collectively with the Class A Shares, Class B, Class C, and Class D Shares, the "Shares").

The Participating Shares of each Sub Fund, upon issue, will only be entitled to participate equally with the other issued shares of such class in the assets attributable to such Sub Fund. Participating Shares of one Sub Fund have no right to participate in the assets attributable to Participating Shares of any other Sub Fund. No Participating Share is entitled to vote at any meeting of the Fund or on any matter affecting its business. Details of each Sub Fund will be set out in the relevant Sub Fund Supplement for such Sub Fund.

All Participating Shares of the Fund are, when issued, fully paid and non-assessable, and Shareholders have no personal liability for the debts of the Fund. Otherwise than as indicated herein and as set out in the Articles of Association of the Fund the Shares have no pre-emptive, conversion, exchange or other rights or privileges.

The authorized capital of each Trading Company is as follows:

International Opportunities Trading Company: \$10,000 of 10,000,000 ordinary, voting, participating redeemable shares with a par value of \$0.001 per share

Targeted Income Trading Company: \$10,000 of 10,000,000 ordinary, voting, participating redeemable shares with a par value of \$0.001 per share.



The Management Shares entitle the holder to one vote per share. Holders of Management Shares do not participate in profits or dividends of the Fund. The Investment Manager has purchased at par value all the Management Shares. Upon liquidation of the Fund, the Management Shareholders will be entitled to an amount equal to the par value thereof but shall not be entitled to any further or other amount, provided the Fund shall have sufficient assets after the payment of its obligations to creditors and to other shareholders.

#### ELIGIBLE INVESTORS

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;
- (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.

The Directors of the Fund, as a condition to the acknowledgement and acceptance of any subscription, purchase or transfer of Shares, may require satisfactory evidence of compliance with the above as well as any restrictions that may be imposed in the future or that may be required by any current or future law, rule, regulation or interpretation by any applicable jurisdiction.

The Directors reserve the exclusive right to determine conclusively whether any person or entity is an Eligible Investor and any such determination may be made after an investment has been made.

If at any time it comes to the attention of the Directors that Participating Shares are beneficially owned by a person who is not an Eligible Investor, either alone or in conjunction with any other person, the Fund may redeem the Shares at the last calculated Net Asset Value per Share. Once notice is given of such compulsory redemption, as outlined below under "Redemption of Shares", the Shareholder concerned shall cease to be the owner beneficially or otherwise, of such Participating Shares.

#### SUBSCRIPTIONS

Subscription information is detailed in the relevant Sub Fund Supplement.

Applications for subscriptions shall be made on the form attached to this Offering Memorandum or the Sub Fund's Supplement to this Offering Memorandum or such other form as the Directors may, in their absolute discretion, from time to time direct.

The Directors reserve the right to reject subscriptions in their absolute discretion, without assigning any

reason therefor.

See the relevant Sub Fund's Supplement for additional subscription information.

## REDEMPTION OF SHARES

### Shareholder Redemption

Subject to 15 days written notice, any Shareholder may redeem Participating Shares on any Redemption Day. The Directors may permit redemptions at such other times as determined in their sole discretion. The total amount of the redemption proceeds will be available as soon as reasonably practicable but within seven (7) Business Days of the relevant Redemption Day.

The redemption price per Share will be equal to the Net Asset Value per Share as of the Redemption Day on which such Shares are redeemed less any applicable Redemption Fee, or as otherwise determined in the relevant supplement for each Sub Fund.

To the extent that a Shareholder authorizes the Fund to redeem Shares on the basis of instructions provided by facsimile, the Fund may retain and not distribute any redemption proceeds until it has received an original signed confirmation of the redemption instructions.

Payment of the redemption proceeds will be made only to registered Shareholders.

Partial redemptions shall be permitted so long as the remaining Net Asset Value of the Shareholder's holdings in the applicable Sub Fund after such redemption is at least equal to the minimum initial investment for the particular Sub Fund, as stated in the applicable Sub Fund Supplement. If a Shareholder's investment in the applicable Sub Fund would be less than an amount equal to the minimum initial investment for the particular Sub Fund, as stated in the applicable Sub Fund Supplement as the result of a requested partial redemption, the Fund may require the Shareholder to redeem his entire investment in the Fund, unless stated otherwise in the relevant Sub Fund Supplement.

Except in the case of a suspension of calculation of the Net Asset Value, all requests for the redemption of Shares are irrevocable.

In the event of unusual circumstances and the Fund receives redemption requests within any 30 consecutive days, representing more than 33% of a relevant Sub Fund's Shareholders for more than 40% of each Sub Fund's assets, the Directors of the Fund reserve the right to limit the redemptions to 20% of the net assets held by each Sub Fund Shareholder and to hold a special meeting to determine the future of the relevant Sub Fund, including the liquidation of the Sub Fund's assets.

The Directors may suspend the determination of Net Asset Value and of redemptions in the circumstances described under "Suspension of Net Asset Valuation" below.

The Fund may withhold payment to any person whose Shares have been tendered for redemption until after such suspension has been lifted. If a redemption request is not withdrawn by a Shareholder following notification of a suspension, the redemption will be completed on the basis of the Net Asset Value per Share on the Redemption Day immediately following the end of the suspension.

The Fund reserves the right to withhold payment with respect to any redemption proceeds until it has satisfied itself with respect to (i) the due authorization and execution of the redemption request and (ii) the identity of the recipient of any redemption proceeds.

### **Compulsory Redemption**

The Directors of the Fund have the right to require the compulsory redemption of all Participating Shares held by a Shareholder who is not an Eligible Investor, or for any other reason at their sole discretion. Compulsory redemptions shall be made at the Net Asset Value per share at the Redemption Day immediately preceding the issuance of a notice of redemption to the Shareholders.

Furthermore, compulsory redemptions may also be made where the Shareholder is in breach of any of the representations, warranties, agreements or certifications contained in the Subscription Agreement or otherwise. Such redemptions shall be made at the Net Asset Value per share at the Redemption Day immediately preceding the date upon which the Shareholder becomes in breach of any of the representations, warranties, agreements or certifications contained in the Subscription Agreement. A shareholder whose shares are redeemed will have no shareholder rights after the close of business on the date on which the redemption price was fixed.

### **REDEMPTION FEES**

Redemption Fees may be charged upon the redemption of Shares at the rate specified in the applicable Sub Fund Supplement, and in order to facilitate the long-term investment objective of the fund. Relevant redemption fees are outlined in the applicable sub fund Supplement.

### **PAYMENT OF REDEMPTION PROCEEDS**

Payment of the redemption proceeds normally will not exceed 7 calendar days after the applicable Dealing Day provided that the Administrator receives the original Redemption Request Form. Investors will incur any applicable charges associated with redemption payments made via wire transfer.

No third party payments will be made.

### **REDEMPTION IN SPECIE**

The Directors may (at their absolute discretion) redeem Participating Shares of any Sub Fund of the Fund by way of exchange for investments maintained by the relevant Sub Fund ("Investments") provided that:

- (a) a form of redemption is completed and delivered to the Administrator as required by this Memorandum and the redemption request otherwise satisfies all the requirements of the Administrator as to such request; and
- (b) the Directors are satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to the remaining Shareholders and elects that instead of the Participating Shares being redeemed in cash, the redemption shall be satisfied in specie by the transfer to the Shareholder of Investments provided that the value thereof shall not exceed the amount which otherwise would have been payable on a cash redemption. Such value may be reduced by such amount as the Directors may consider represents any duties and charges to be paid to the Fund as a result of the direct transfer by the Fund of the Investments or increased by such amount as the Directors may consider represents any appropriate provision for duties and charges which would have been incurred by the Fund in the disposition of the Investments to be transferred. The shortfall (if any) between the value of the Investments transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption shall be satisfied in cash.

If the discretion conferred upon the Directors by paragraph (b) is exercised, the Directors shall notify the Custodian and shall supply to the Custodian particulars of the Investments to be transferred and any amount of cash to be paid to the Shareholder. All stamp duties, transfer and registration fees in respect of such transfers shall be payable by the Shareholder.

## SUSPENSION OF NET ASSET VALUATION

The Directors may suspend the calculation of the Net Asset Value of a Sub Fund in any of the following events:

- 1) When as a result of political, economic, military, terrorist or monetary events or any circumstances outside the control, responsibility and power of the Fund, disposal of the assets of the Fund is not reasonable or normally practicable without being seriously detrimental to Shareholders' interests;
- 2) If it is not reasonably practicable for any reason to determine the Net Asset Value of the Shares on an accurate and timely basis;
- 3) Upon the decision to liquidate and dissolve the Fund;
- 4) if any Investment in which such Sub Fund is invested suspends the right of the Fund to redeem such investments;
- 5) closure of any exchange on which any Investment of such Sub Fund is normally dealt in or traded or exchanged, other than customary holidays;
- 6) restriction of trading on the market on which any Investment of such Sub Fund is normally dealt in or traded.

Where the calculation of the Net Asset Value of Participating Shares is suspended, subscriptions and redemptions of shares will be suspended also.

If redemptions are suspended, a shareholder may withdraw his request for redemption during the period of suspension, provided such withdrawal is submitted in writing and is actually received by the Fund, or its duly ~~authorized~~ agent, before termination of the suspension period. If the request is not so withdrawn, the redemption of the Participating Shares shall be made on the Dealing Day next following the end of the suspension or on such earlier day as the Directors may determine.

## NET ASSET VALUATION

The Fund will determine the Net Asset Value of each Sub Fund on each Valuation Day.

The determination of the Net Asset Value of a Sub Fund will be calculated on the basis of the value of the portfolio of securities and other assets of the Sub Fund, less liabilities and accruals for the Sub Fund fees and expenses calculated in accordance with International Financial Reporting Standards.

For the purpose of determining the Net Asset Value of each Sub Fund, the Administrator will value assets at fair market value. The valuation guidelines as determined by the Directors will provide in part that:

- Marketable securities listed on one or more securities exchanges will be valued at the average closing price on the Valuation Day.
- Securities traded in other markets other than on a regulated securities exchange will be valued at the average closing bid price on the Valuation Day as quoted by established sources.
- All other securities will be valued at cost or at a valuation based on contemporaneous third party transactions in the private market or at fair market value, taking into consideration the cost of the securities, restrictions on the sale of the securities, the quoted price of securities of comparable publicly traded companies, market conditions, the underlying collateral, financial data and such other factors as may be considered relevant.

- If a particular market value is not easily ascertainable or if the Directors consider that some other method of valuation better reflects the fair market value of a particular investment, the Directors may substitute what is in their opinion fair market value in the content of a particular valuation.

The Net Asset Value per Participating Share of a Sub Fund is equivalent to the Net Asset Value of a Sub Fund on the Valuation Day divided by the number of Sub Fund Participating Shares issued and outstanding as at that date. All costs directly attributable to a particular Sub Fund of Participating Shares will be borne by such Sub Fund. The Sub Funds will pay a proportionate share of the parent fund's management, legal, audit and other expenses or on such other basis as the Directors may consider an equitable apportionment between the Sub Funds.

In calculating the Net Asset Value, the Administrator shall not be liable for any loss suffered by the Fund by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by any pricing service. The Administrator shall use reasonable endeavours to verify any pricing information. However, in certain circumstances it may not be possible or practicable for the Administrator to verify such information and, in such circumstances the Administrator shall not be liable for any loss suffered by the Fund by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided.

The Administrator shall only not be liable where the Administrator acted honestly, in good faith and with a view to the best interests of the Fund and did not act negligently or with willful default.

#### **REGISTRATION AND TRANSFER OF SHARES**

Participating Shares of the Fund will be issued in book entry form.

The Fund will maintain a current list of the registered names and addresses of the Fund's Shareholders at the registered office of the Fund.

Transfer of Shares can only take effect either a) by serving upon the Fund in the manner prescribed by law, an instrument of transfer signed by or on behalf of the transferor and the transferee or b) by written acknowledgment by the Fund of the transfer, which acknowledgment shall be signed by a member of the Directors or another person designated thereto by the Directors, in accordance with the Memorandum and Articles of Association of the Fund.

The Fund has designated the Administrator under the terms of the Administration Agreement to perform the above-mentioned duties in connection with the registration and transfer of Participating Shares.

Any transferee will have to furnish the same information which would be required in connection with a direct subscription in order for a transfer application to be considered by the Administrator. Violation of applicable ownership and transfer restrictions may at the discretion of the Directors of the Fund result in compulsory redemption.

#### **DIVIDEND POLICY**

The Directors may declare and pay dividends out of the income and capital gains of the Fund to the Shareholders. The Directors do not anticipate that any dividends will be paid.

See particulars of each Sub Fund in their respective Supplements.

#### **ANTI-MONEY LAUNDERING**

To ensure compliance with the Financial Transaction Reporting Act, 2000 and the Proceeds of Crime

Act, 2000 of the Commonwealth of The Bahamas and other generally accepted principles relating to anti-money-laundering, the Fund may require a detailed verification of a prospective shareholder's identity. Depending on the circumstances of each application, a detailed source of funds may not be required if:

- (a) the applicant makes the payment from an account held in the applicant's name at a recognized financial institution;
- (b) the application is made through a recognized intermediary.

| An individual will be required to produce a copy of a passport, voter's card, driver's license or identification card certified by a notary public or bank officer. Corporate applicants or other legal entities may be required to produce a certified copy of their Certificate of Incorporation (and any change of name), Memorandum and Articles of Association (or other document evidencing the existence of the legal entity), the register of directors or an excerpt from the trade register held at the relevant Chamber of Commerce and the signatory card verifying the authority of officers to sign on behalf of the corporate entity. Trusts, or similar organisational units without specific beneficial owners, which subscribe to the Fund must produce organisational documents that verify their existence and the authority of one or more signatories to sign subscriptions on their behalf.

The Fund reserves the right to request such further information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Fund may refuse to accept the application and the subscription moneys relating thereto.

#### TERMINATION OF FUND

The Fund shall be wound up on the first to occur of the following:

- (i) Any event which would make unlawful the continued existence of the Fund and the passage by the Directors of the Fund of a Resolution by a simple majority to that effect;
- (ii) The passing by the Management Shareholder of a Resolution to wind up the Fund;
- (iii) The passing of a Resolution by a simple majority of the Directors of the Fund to wind up the Fund;
- (iv) Any event which, in the discretion of the Directors, would make it most advantageous to the Shareholders to wind-up the Fund and the passing by the Directors of a Resolution of a simple majority to wind up the Fund.

#### TAXATION

The Fund, under current law, is not subject to capital gain or income tax in The Bahamas. Persons wishing to purchase Participating Shares should inform themselves of the applicable tax laws in the countries of their respective citizenship, residence or domicile prior to making an application to purchase Participating Shares in the Fund.

#### ADDITIONAL INFORMATION

##### Reports and Financial Statements

The Fund's financial year ends on June 30.

Audited financial statements will be available, normally within one hundred and eighty (180) days after year-end, and will include the Net Asset Value and the Net Asset Value per Share at the end of the year, along with other relevant information on the Fund. Quarterly performance reports with respect to the Fund's performance will also be sent to all shareholders of record and be available for download on the company website ([www.royalfidelity.com](http://www.royalfidelity.com)).

The Administrator will send all notices to the registered Shareholders.

#### **Inquiries**

Inquiries concerning the Fund and its Shares (including information concerning subscription procedures and current Net Asset Values) should be directed to the Administrator at:

**ROYAL FIDELITY MERCHANT BANK & TRUST LIMITED**

P. O. Box N-4853,  
51 Frederick Street,  
Nassau, The Bahamas.  
Telephone: 242.356.9801  
Fax: 242.326.3000

## MATERIAL CONTRACTS

The following contracts have been entered into by the Fund (other than in the ordinary course of business) since incorporation and are, or may be, material:

| *Investment Management Agreement* dated September 2008 between the Fund and the Investment Manager which specifies the terms whereby the Investment Manager agrees to act as investment manager to the Fund and, as such, is responsible for the investments of the Fund's portfolio. The agreement will continue in force unless and until terminated by any party giving to the other not less than ninety (90) days' written notice, except that this agreement may be terminated immediately by either of the parties if the other shall commit any breach of its obligations under it subject to a thirty (30) day remedy period or go into liquidation or otherwise become insolvent.

| *Administrative Services Agreement* dated September 2008 between the Fund and the Administrator which specifies the terms whereby the Administrator agrees to act as Administrator to the Fund. The agreement will continue in force unless and until terminated by any party giving to the other not less than ninety (90) days' written notice, except that this agreement may be terminated immediately by either of the parties if the other shall commit any breach of its obligations under it subject to a thirty (30) day remedy period or go into liquidation or otherwise become insolvent.

| *Custodian Agreement* dated September 2008 between the Fund and the Custodian which specifies the terms under which the Custodian agrees to act as custodian for the Fund. The agreement will continue in force unless and until terminated by any party giving to the other not less than ninety (90) days' written notice, except that this agreement may be terminated immediately by either of the parties if the other shall commit any breach of its obligations under it subject to a thirty (30) day remedy period or go into liquidation or otherwise become insolvent.

Each of the above service providers is empowered under their agreement to delegate their functions, powers, discretions, privileges and duties as they deem appropriate.

Copies of the above contracts, this Memorandum and the Memorandum and Articles of Association of the Fund, are available for inspection by Shareholders free of charge and such Shareholders may make copies of such documents upon payment of a reasonable fee during normal business hours at the office of the Administrator.



