

ROYAL FIDELITY
TARGETED INCOME FUND
(CLASS C SHARES)

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

A Supplement to the
OFFERING MEMORANDUM
Continuous Offering

SPONSOR

ROYAL FIDELITY MERCHANT BANK & TRUST LIMITED

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(CLASS C SHARES)

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

SUMMARY

Base Currency:	The base currency for the Fund is USD.
Investment Objective:	The investment objective of the Fund is to seek a steady rate of return and preservation of capital through allocation to global fixed income securities. See “Investment Objectives and Policies”.
Benchmark:	As set by the Directors from time to time. It is currently set at the Bloomberg USD Consolidated Emerging Market Composite Index (BEM)
Investment and Borrowing Restrictions:	<p>The Fund has broad powers as to the type of investments it may make and the investments methods it may adopt to achieve its investment objectives, however it may not:</p> <ul style="list-style-type: none">a) invest more than 25% of the Fund’s net assets in the securities of any one issuer although it may exceed this limit by no more than 10% on a temporary basis to take into account timing of offerings and liquidity limitations of the Bahamian securities market;b) invest in more than 20% of the outstanding voting securities of any issuer;c) make investments for the purpose of exercising control or management; ord) borrow an amount greater than 20% of the Fund’s total net asset value. <p>In addition to the foregoing, the Directors may from time to time impose such further investment and/or borrowing restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the relevant jurisdictions.</p>
Investment Manager:	Royal Fidelity Merchant Bank & Trust Limited (“Royal Fidelity”) has been appointed as Investment Manager for the Fund, and is responsible for the overall management of the Fund’s assets. Based in Nassau, Bahamas, Royal Fidelity is a joint venture between Royal Bank of Canada and Fidelity Bank & Trust International Limited and manages nearly \$600 million in assets for retail, institutional, and pension clients.

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

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

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

Class C Shares: Non-voting, redeemable, participating shares representing rights to benefit in the capital and assets attributable to Class C Shares of the Royal Fidelity International Investment Fund Limited.

Series C1 Shares Shares for retail distribution
Series C2 Shares Shares for institutional distribution
Series C3 Shares Shares for pension distribution

Sub Fund: A separate sub fund that is managed separately and distinguished mainly by its specific asset classes or specific investment objectives and policies, which may differ from other sub funds within the overall umbrella fund.

Fees and Expenses: The Fund will pay a proportionate share of the Royal Fidelity International Investment Fund Limited's management, legal, audit and other expenses, but will directly pay any fees related to the operation of the Fund.

Initial Subscription Price: \$10.00 per Class C Share during the Initial Subscription Period and thereafter at the Net Asset Value per Share calculated on each Valuation Day.

Management Fee: The Investment Manager is entitled to receive monthly in arrears a management fee of 1% per annum of the Net Asset Value of the Series C1 Shares and 0.75% per annum of the Net Asset Value of the Series C2 Shares of the Fund, and 0.50% for Series C3 Shares, calculated on each Valuation Day. The Directors of the fund have agreed to waive the management fee for Series C3 Shares, until such a time that the fund grows to a sufficient level. They will re-evaluate this on a regular basis.

From this fee, the Investment Manager will pay the Administrator and the Custodian.

Administrator: Royal Fidelity has been appointed as Administrator for the Fund and is responsible for the calculation of the Net Asset Value.

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

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

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

Custody Fee: The Custodian will receive quarterly in advance an amount equal to 1/10 of one percent (0.10 %) per annum of the Net Asset Value of the Fund calculated on the last Valuation Day of the relevant month and subject to a minimum of \$5,000.00 per annum and a maximum amount of \$15,000.00 per annum.

Minimum Initial Investment: USD\$5,000.00 (Series C1 Shares)
 USD \$500,000.00 (Series C2 Shares)
 USD \$5,000.00 (Series C3 Shares)

Additional Investment Minimum: Series C1 USD\$1,000
 Series C2 USD\$1,000
 Series C3 USD\$1,000

Redemption Day: The last Business Day of each month.

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

Redemption within	Class C1 & 2	Class C3
0-6 months	2.0%	n/a
Thereafter	0	n/a

Sales Commission: The Fund may apply an initial Sales Commission of up to 2% on subscriptions to Series C1 Shares and up to 1% on Series C2 Shares. No Sales Commission will apply to Series C3 Shares. The Sales Commission may be changed by agreement between the Manager and the relevant Sales Agent(s).

Series: The Class C Shares of the Fund are divided into three series of shares: Series C1 for retail distribution; Series C2 for institutional distribution; and Series C3 for pension distribution.

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

Valuation Day: The last Business Day of each month.

INVESTMENT OBJECTIVES AND POLICIES

The Fund seeks a high and stable rate of return in excess of the Benchmark, together with long-term preservation of capital. The Investment Manager will be responsible for managing the assets of the portfolio on a daily basis.

The Investment Manager may use various investment techniques to hedge a portion of the Fund's risks, but there is no guarantee that these strategies will work as the Investment Manager intends. Although the fund attempts to spread investment risk by diversifying its holdings among a number of companies and industries, the portfolio may from time to time be concentrated in a relatively small number of higher-yielding securities, especially until the Fund's assets have grown to a sufficient level to allow for broader diversification.

The Investment Manager intends to invest the Fund's capital into a diversified portfolio of global fixed income instruments, in a risk-controlled manner consistent with the Fund's objectives and within limitations of securities available. The Investment Manager uses a multi-faceted approach and relies on fundamental valuations and analysis to make investment decisions, seeking to identify and avoid securities that appear overvalued.

The Investment Manager will implement the Fund's investment objective by investing in short-term, medium-term and long-term fixed income securities, including but not limited to, government issued bonds, government agency bonds, corporate bonds, preference shares, commercial paper, fixed deposits, mortgage-backed bonds and collateralised receivables. During times of low or declining global interest rates, the Fund will maintain a defensive stance to preserve capital by investing in shorter-term duration fixed income securities.

INVESTMENT MANAGER

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

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

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

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

SUBSCRIPTIONS AND REDEMPTIONS

The initial subscription price per Share shall be \$10.00. Following the expiry of the Initial Subscription Period, the price per Share will be the Net Asset Value per Share calculated on each Valuation Day.

RISK FACTORS

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

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

degrees of credit quality. In general, prices of these securities rise when market interest rates fall and fall when market interest rates rise.

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

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

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

Lack of Diversification: Diversifying a mutual fund's investment portfolio may reduce the risks of investing. This may include limiting the amount of money invested in any single issuer or, on a broader scale, in any single industry. However, the fund may at times be less diversified than desired due to lack of sufficient new subscriptions, lack of available securities that fit the investment criteria, or other reasons.

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

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

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

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

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

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

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

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

The Fund and Royal Fidelity have common officers and directors.

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

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