



# Mutual Funds



ROYAL FIDELITY





## About Us

Since inception in 1997, Royal Fidelity has been committed to helping clients create and manage wealth. We are your local private bank connecting Bahamians and Barbadians with the best in local and international investments. Offering a wide range of investment products and services in Barbados and The Bahamas, our financial solutions are designed to help individuals and corporate clients meet and achieve their investment goals.

### **Mutual Funds**

Investment Management

Group & Personal Pension Plans

Stock Brokerage

Trust & Estate Planning

Investment Banking

Personal Retirement Accounts

Educational Investment Accounts





## Are you ready for the future?

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

If you're looking for a smart way to invest, take a look at our family of RF Mutual Funds, designed to help you reach your long-term financial goals. We offer a wide range of investment options to satisfy any type of investor.



## The Keys to Successful Investing

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



## What you need to know...

### Q & A

**Q:** What is a mutual fund?

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

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

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



**Q:** Are investments into mutual funds guaranteed?

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

**Q:** Who should consider investing in a mutual fund?

**A:** Anyone concerned about:

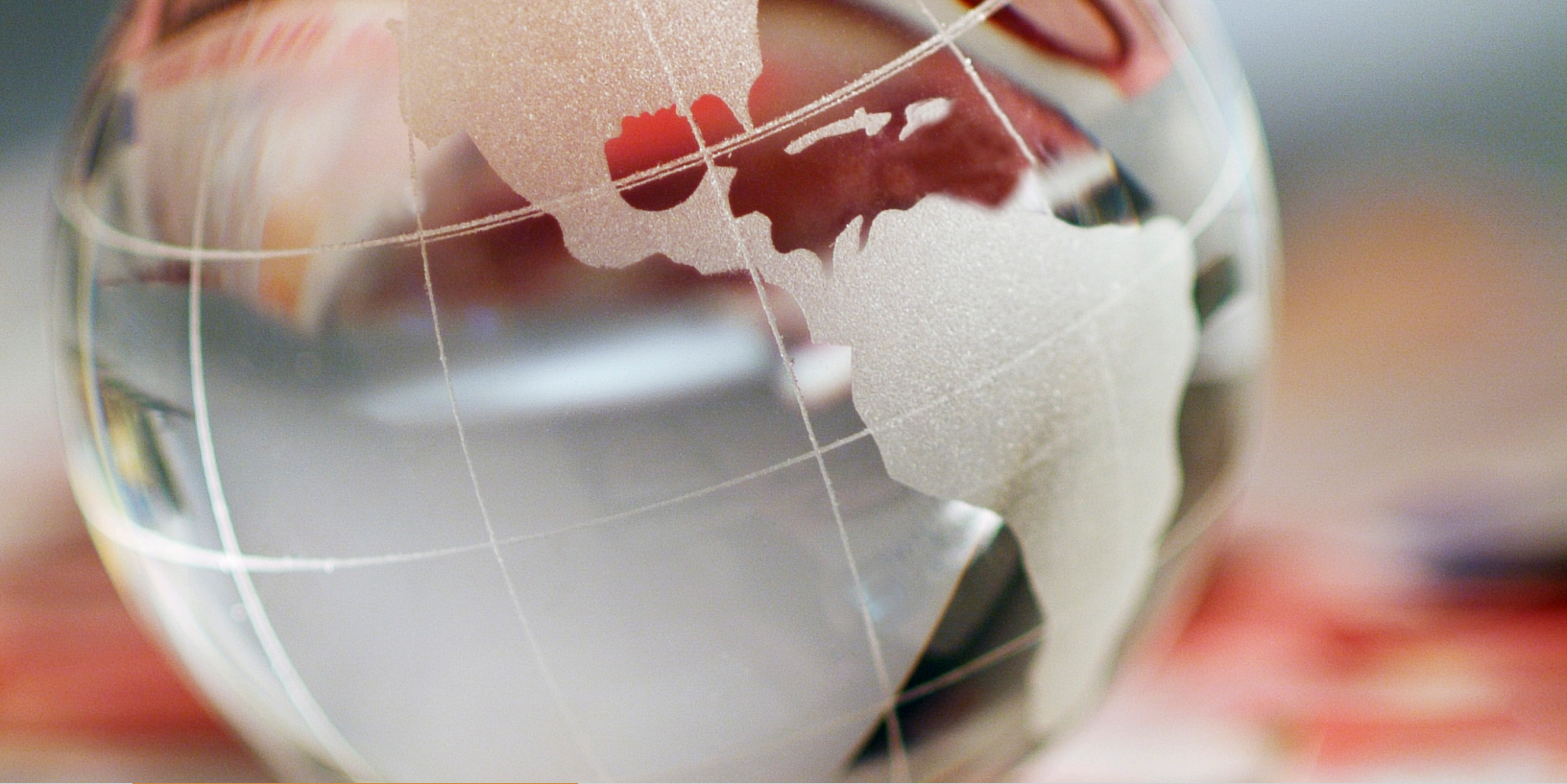
- Retirement
- Funding for a college education
- The low rate of return on bank deposits

**Q:** Who should not invest in a mutual fund?

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

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





# RF Mutual Funds

Tailored to suit your timeline and risk tolerance

Barbadian Dollar:

Premium Income Fund  
Select Balanced Fund  
Strategic Growth Fund

US Dollar\*:

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

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

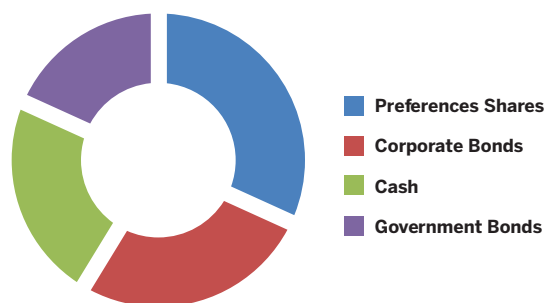
## Our Family of Barbadian Dollar Mutual Funds

# Premium Income Fund

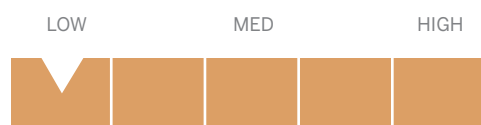
Worried about the safety of your investments? This fund allocates to a portfolio of local and international fixed income securities that include corporate and sovereign bonds, preference shares, term deposits and Exchange Traded Funds (ETFs). The primary objective of this conservative fund is to provide a stable rate of income together with long-term preservation of capital.

**Appropriate for:** Investors looking for a higher rate of return than deposits, with a minimal level of risk.

Investment Manager:	Royal Fidelity Merchant Bank & Trust
Inception:	Dec 2008
Fund Type:	Fixed Income
Min Investment:	\$1,000; Min. Additional: \$250
Management Fee:	0.75%
Dealing Frequency:	Monthly
Redemption Notice:	By the 15th of each month
Redemption Fee:	Declining Surrender Charge (DSC). 0-24 months 2%; 25-36 months 1.5%; 37-48 months 1.0%; 49-60 months 0.5%.



### Risk Profile



Long Term Return Target: 4%-5%

Chart is for illustrative purposes. Actual allocations can vary slightly. Please confirm with your RF representative for current allocations.



# Our Family of Barbadian Dollar Mutual Funds

## Select Balanced Fund

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

**Appropriate for:** Investors looking for a higher rate of return, with a moderate level of risk.

Investment Manager:	Royal Fidelity Merchant Bank & Trust
Inception:	Aug 1986
Fund Type:	Balanced
Min Investment:	\$1,000; Min. Additional: \$250
Management Fee:	2.00%
Dealing Frequency:	Monthly
Redemption Notice:	By the 15th of each month
Redemption Fee:	Declining Surrender Charge (DSC). 0-24 months 2%; 25-36 months 1.5%; 37-48 months 1.0%; 49-60 months 0.5%.

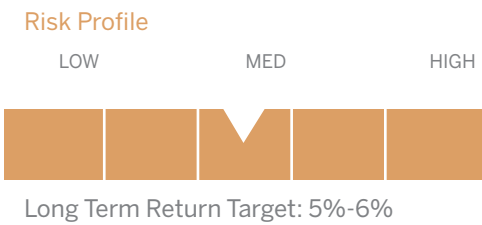
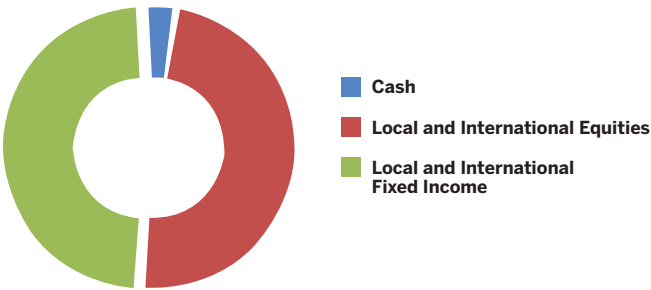


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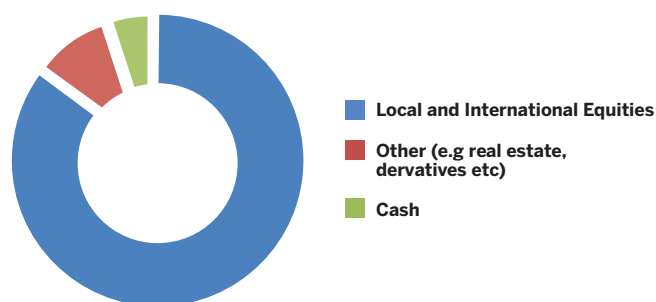
## Our Family of Barbadian Dollar Mutual Funds

# Strategic Growth Fund

This fund seeks to provide long-term capital appreciation by investing in equities across all sectors both locally and internationally.

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

Investment Manager:	Royal Fidelity Merchant Bank & Trust
Inception:	Dec 2008
Fund Type:	Equity
Min Investment:	\$1,000; Min. Additional: \$250
Management Fee:	1.5%
Dealing Frequency:	Monthly
Redemption Notice:	By the 15th of each month
Redemption Fee:	Declining Surrender Charge (DSC). 0-24 months 2%; 25-36 months 1.5%; 37-48 months 1.0%; 49-60 months 0.5%.



### Risk Profile

LOW MED HIGH



LongTerm Return Target: 6%-7%

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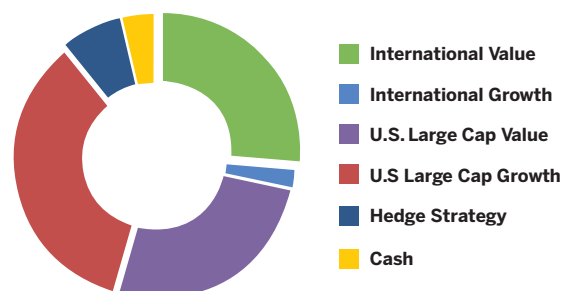
## Our Family of US Dollar Mutual Funds

# International Opportunities Fund

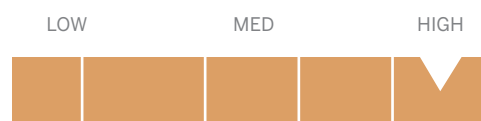
The primary objective of the fund is to provide long-term capital appreciation through broadly diversified exposure to global equity markets in the US, Europe, Asia and Emerging Markets. The fund also maintains core positions in European and Asian value funds.

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

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



### Risk Profile



Long Term Return Target: 8%-10%

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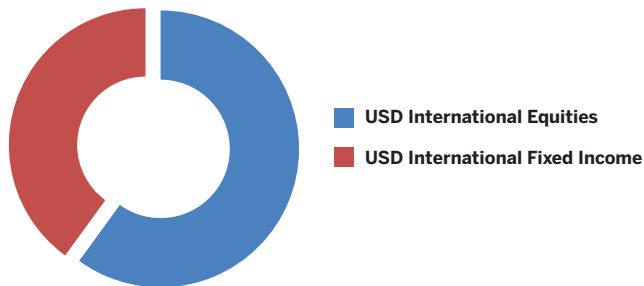
# Our Family of US Dollar Mutual Funds

## Global Balanced Fund

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

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

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



### Risk Profile



Long Term Return Target: 5%-7%

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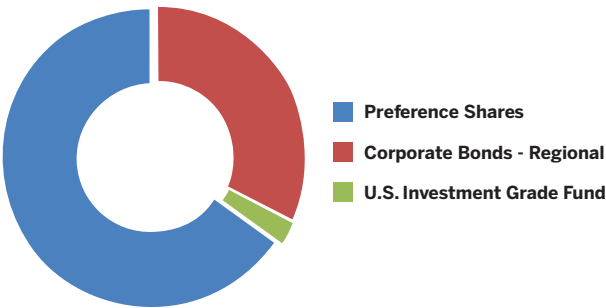
# Our Family of US Dollar Mutual Funds

## Targeted Income Fund

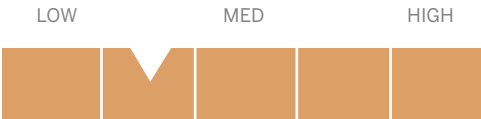
The primary objective of the fund is to provide a steady rate of return and preservation of capital through allocation to global USD-denominated fixed income securities. The portfolio is diversified between USD-denominated corporate and government bonds, Exchange Traded Funds (ETFs) and higher-yielding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

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

Investment Manager:	Royal Fidelity Merchant Bank & Trust
Inception:	Oct 2011
Fund Type:	USD International Fixed Income
Min Investment:	USD\$5,000; Min. Additional: USD\$1,000
Management Fee:	1.00%
Dealing Frequency:	Monthly
Front End Fee:	Up to 5% (optional)
Redemption Notice:	By the 15th of each month
Redemption Fee:	2% of redemption amount; if within 6 months of initial investment



### Risk Profile



Long Term Return Target: 4%-6%

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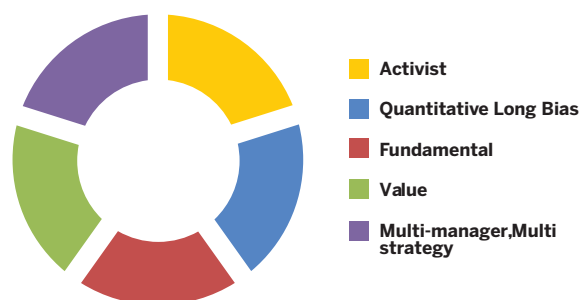
## Our Family of US Dollar Mutual Funds

# Hedge Strategies Fund

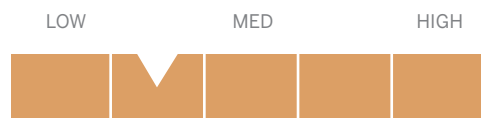
The primary objective of the fund is to provide downside protection with the opportunity to profit from both advances and declines in the International Equities market, through a long/short equity hedge investment strategy.

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

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



### Risk Profile



Long Term Return Target: 6%-9%

Chart is for illustrative purposes. Actual allocations can vary slightly. Please confirm with your RF representative for current allocations.



## Saver or Investor?

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

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

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





## Benefits of Mutual Funds:

### Affordability - getting started is easy...

You can get started investing in RF Mutual Funds with a small initial investment; as little as \$1000 in some funds.

### Diversification - your eggs are placed in many baskets. . .

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

### Choice - no matter what your risk tolerance. . .

We offer more Mutual Fund choices than any other provider in Barbados, making it easy to find something that fits your personal long-term risk and return goals.

### Flexibility - you have easy access to your money...

You can redeem your funds during any month of the year.

### Expert Money Management - a team of professionals . . .

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

## The Next Step

### It's not complicated at all...

Starting your RF Mutual Fund investment is simple! After meeting with our advisor, complete our account opening forms available at [www.royalfidelity.com/barbados/forms](http://www.royalfidelity.com/barbados/forms) or from our office.

Submit the completed forms along with:

- Two (2) valid forms of photo ID such as a Barbados ID card, current passport or Driver's License.
- One (1) proof of address such as a bank or credit union statement or utility bill (no older than 3 months).

Your RF Mutual Fund investments can be made in lump sums from time to time, or on a scheduled periodic basis and can be set up in any of the following ways:

- Deliver or mail your cheque to our office
- Transfer funds via RBC Royal Bank internet banking
- Arrange a standing order with your financial institution
- Arrange a deduction from your salary



ROYAL FIDELITY

## Mutual Funds

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