

ROYAL  **FIDELITY**

Money at Work



**Royal Fidelity (Barbados)
Investment Fund Limited**

SELECT BALANCED FUND

(Class A Fund Shares)

**Supplemental
Offering Memorandum**

**ROYAL FIDELITY
SELECT BALANCED FUND**
(Class A Fund Shares)

A sub fund comprised in Royal Fidelity (Barbados) Investment Fund Limited, a company incorporated under the Companies Act, Cap. 308 of the laws of Barbados and licensed as a mutual fund under the Mutual Funds Act, Cap. 320B of the laws of Barbados.

**SUPPLEMENTAL
OFFERING MEMORANDUM**
Continuous Offering

SPONSOR

Royal Fidelity Merchant Bank & Trust (Barbados) Limited

Publication Date: January 31st, 2014

ROYAL FIDELITY SELECT BALANCED FUND (Class A Fund Shares)

This Sub Fund Supplement sets out the details of the Royal Fidelity Select Balanced Fund, which is a separate class of Shares constituting a Sub Fund of Royal Fidelity (Barbados) Investment Fund Limited (the “Fund”). This Sub Fund Supplement is supplemental to the Offering Memorandum dated November, 2008 for the Fund (the “Offering Memorandum”) which contains important information for investors and must be read in conjunction with the Offering Memorandum. All capitalized terms used but not defined herein have the same meanings that are assigned to such terms in the Offering Memorandum.

SUMMARY

Base Currency:	The base currency of the Royal Fidelity Select Balanced Fund is the Barbados Dollar. The Net Asset Value of the Royal Fidelity Select Balanced Fund shall be determined in its base currency
BDS\$ and \$:	Barbados Dollar.
Class A Fund Shares:	Non voting, participating redeemable shares without nominal or par value comprised in the capital of the Fund entitling the holder thereof to benefit in the capital and assets attributable to Class A Fund Shares.
Series A1 Shares	Shares for retail distribution
Series A2 Shares	Shares for institutional distribution
Series A3 Shares	Shares for pension distribution
Fees and Expenses:	The Royal Fidelity Select Balanced Fund will pay a proportionate share of the Fund’s management, legal, audit and all other expenses. The Royal Fidelity Select Balanced Fund will pay its direct management and associated fees.
Incentive Fee:	The Investment Manager is not entitled to receive an Incentive Fee with respect to the Royal Fidelity Select Balanced Fund.
Investment Objective:	<p>The investment objective of the Royal Fidelity Select Balanced Fund is to provide long-term capital growth, achieving the highest possible return consistent with a moderate level of risk.</p> <p>The Royal Fidelity Select Balanced Fund invests primarily in equities of public companies in Barbados, fixed income securities issued or guaranteed by the Government of Barbados, Treasury Bills and commercial bank deposits. The Royal Fidelity Select Balanced Fund may also invest in other CARICOM and international securities.</p>

SUMMARY (cont'd)

Investment Restrictions: The Directors may from time to time impose such investment restrictions as shall be compatible with or in the interests of the Shareholders, in order to comply with the laws and regulations of the relevant jurisdictions.

Management Fee: The Investment Manager is entitled to receive monthly in arrears a management fee of 2% per annum of the Net Asset Value of the Series A1 Shares, 1.00% per annum of the Net Asset Value of the Series A2 and A3 Shares of the Fund, calculated on each Valuation Day.

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

Minimum Additional Investment: \$250.00.

Minimum Initial Investment: \$1,000.00.

Redemption Fee: Redemptions will incur a Declining Surrender Charge, subject to a minimum of \$50. The Surrender Charge constitutes a percentage of the investment value at the next Redemption Day, according to the following schedule:

Redemption within	Class A1 & A2	Class A3
0-24 months	2.0%	n/a
25-36 months	1.5%	n/a
37-48 months	1.0%	n/a
49-60 months	0.5%	n/a

Royal Fidelity Select Balanced Fund: Class A Fund Shares.

Sales Commission: The Investment Manager may be entitled to receive a Sales Commission of up to 2% on subscriptions for Shares. The Sales Commission may be increased by agreement between the Manager and the relevant sales agent(s).

Shares: Class A Fund Shares.

Series: The Class A Shares of the Fund are divided into three series of shares: Series A1 for retail distribution; Series A2 for institutional distribution; and Series A3 for pension distribution.

Subscriptions: Shares in the Royal Fidelity Select Balanced Fund will be offered at an amount equal to the Net Asset Value per Share calculated on each Valuation Day.

INVESTMENT OBJECTIVES AND POLICIES

The Royal Fidelity Select Balanced Fund seeks to provide long-term capital growth, achieving the highest possible return consistent with a moderate level of risk.

The Royal Fidelity Select Balanced Fund invests primarily in equities of public companies in Barbados, fixed income securities issued or guaranteed by the Government of Barbados, Treasury Bills and commercial bank deposits.

To achieve the Company's objectives, the portfolio managers will invest in balanced, fixed income and cash securities locally, regionally and internationally, subject to exchange control approval, employing an asset allocation approach to determine the appropriate mix within established guidelines.

Notwithstanding the foregoing, the diversification of the Royal Fidelity Select Balanced Fund's investments, including the allocation between balanced securities, currencies and geographical areas and corporate and governmental issues may, be varied from time to time by the Investment Managers in their sole discretion, subject however to the investment policy in order to maximise risk diversification.

RISK FACTORS

Potential investors in the Royal Fidelity Select Balanced 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 Royal Fidelity Select Balanced Fund.

Illiquid investments: The Royal Fidelity Select Balanced 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 Royal Fidelity Select Balanced Fund may encounter significant delays when attempting to realise such assets during which the price of such assets may move materially.

Potential Illiquidity of Exchange-traded Instruments: It may not always be possible for the Royal Fidelity Select Balanced Fund to execute a buy or a sell order on exchanges at the desired price or to liquidate an open position due to market conditions, including the operation of daily price fluctuation limits.

Interest rates: The Royal Fidelity Select Balanced Fund's underlying investments may include bonds and other fixed income securities which values will change with the general level of interest rates. If interest rates fall, the Net Asset Value (NAV) of the Royal Fidelity Select Balanced Fund's Shares will tend to rise. If interest rates rise, the value will tend to fall. The degree of influence will depend on whether the bonds and other fixed income securities are of longer-term or shorter-term maturities.

INVESTMENT OBJECTIVES AND POLICIES (cont'd)

Capital erosion: If the Royal Fidelity Select Balanced Fund entered a period where the markets fell substantially and did not recover for a significant period, the Royal Fidelity Select Balanced Fund Net Asset Value would likely drop in line with the market decline.

OTC Derivatives Instrument Transactions: The Royal Fidelity Select Balanced 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 over-the-counter (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 Royal Fidelity Select Balanced 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 Royal Fidelity Select Balanced Fund. OTC transactions also involve counterparty solvency risk.

Options: The Royal Fidelity Select Balanced Fund may engage from time to time in various types of option transactions. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, index, or other instrument, for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses the value of its premium. Selling uncovered options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying instrument, which could result in a potentially unlimited loss.

Futures: The Royal Fidelity Select Balanced Fund may engage from time to time in various types of futures transactions. The low margin or premium normally required for such transactions may provide a large amount of leverage, and a relatively small change in the price of such instrument can produce a disproportionately larger profit or loss.

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 Royal Fidelity Select Balanced Fund to losses.

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 ROYAL FIDELITY SELECT BALANCED FUND. PROSPECTIVE INVESTORS SHOULD READ THE MEMORANDUM AND THIS SUPPLEMENTAL MEMORANDUM AND CONSULT WITH THEIR OWN FINANCIAL ADVISORS OR ATTORNEY-AT-LAW BEFORE DECIDING TO INVEST.

Royal Fidelity Merchant Bank & Trust Limited

BAHAMAS

Royal Fidelity Merchant Bank & Trust Limited

Fidelity House

51 Frederick Street • P.O. Box N 4853

Nassau, The Bahamas

T 242.356.9801 F 242.326.3000

Royal Fidelity Merchant Bank & Trust Limited

Fidelity Financial Centre

Poinciana Drive • P.O. Box F 43922

Freeport, The Bahamas

T 242.351.3010 F 242.351.7977

BARBADOS

Royal Fidelity Merchant Bank & Trust

(Barbados) Limited

Royal Fidelity House

27 Pine Road • P.O. Box 1338

St. Michael, Barbados 11113

T 246.435.1955 F 246.435.1964

[**www.royalfidelity.com**](http://www.royalfidelity.com)