

# Roytrin TT Dollar Income Fund



Sponsor: RBC Royal Bank (Trinidad & Tobago) Limited  
A prospectus dated: July 2011

The Roytrin TT Dollar Income Fund was established in Trinidad & Tobago in February 1996 for distribution to investors. Units in this open-ended mutual fund are offered for subscription at the unit price.

The Trinidad & Tobago Securities and Exchange Commission has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence.



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This prospectus contains information to help you make an informed investment decision and to help you understand your rights. It contains information about the collective investment scheme, as well as the names of persons responsible for its organization and management. You are encouraged to read this prospectus in its entirety prior to making any investment decision.

## Directors' certificate – fund sponsors

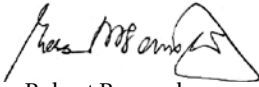
This prospectus has been approved by the directors of RBC Royal Bank™ (Trinidad & Tobago) Limited and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement false or misleading.



Suresh B. Sookoo - Chairman



David Hackett



Robert Bermudez



Gary N. Voss



Byron Clarke

## Definitions of key terms

### Prospectus

The prospectus is a concise outline of relevant information about the fund which an investor should know before making a decision to purchase the units. The Directors of RBC Royal Bank (Trinidad & Tobago) Limited (listed on page 3) are responsible for the information contained in this prospectus, and it must be approved by the Trinidad & Tobago Securities Exchange Commission.

### Net Asset Value (NAV)

The Net Asset Value or NAV is the net assets of the fund (i.e. the fund's total assets less liabilities) divided by the total number of outstanding units of the fund.

### The fund

The Roytrin TT Dollar Income Fund is a mutual fund that specifically targets investors with short to medium term investment objectives, who seeking a high level of interest income in keeping with the highest short-term interest rates available whilst ensuring a greater safety of capital.

### Trust deed

The trust deed is a legal document for the setting up of a trust. The trustees and fund managers must submit a draft trust deed and fund particulars to the SEC for approval and it must be registered by the SEC. The fund may only be promoted to the public once authorization has been obtained.

### Management charge

The management charge is a fee applied to total value of the fund. This is used to meet the expenses incurred by the trustee, advisors and managers of the fund.

### Open-ended fund

An open ended fund refers to a fund where the fund managers can issue and redeem units in accordance with supply and demand of investors. There is no limit to the number of units which could be issued.

### Promoter

RBC Royal Bank (Trinidad & Tobago)Limited  
 St. Clair Place  
 7 - 9 St. Clair Avenue  
 St. Clair  
 Port of Spain

### Trustee

RBC Trust™ (Trinidad & Tobago) Limited  
 55 Independence Square  
 Port of Spain

**Investment manager**

RBC Investment Management™ (Caribbean) Limited  
St. Clair Place  
7 - 9 St. Clair Ave.  
St. Clair  
Port of Spain

**Custodian and income paying agent**

RBC Trust (Trinidad & Tobago) Limited is the custodian for the fund's assets as well as income paying agent for its units.

**Bankers**

RBC Royal Bank (Trinidad & Tobago) Limited  
St. Clair Place  
7 - 9 St. Clair Avenue  
St. Clair  
Port of Spain

**Independent auditors**

Deloitte  
54 Ariapita Avenue  
Woodbrook

**Attorneys-at-law**

M.G. Daly & Partners  
115A Abercromby Street  
Port of Spain

## Summary

The information which follows is a summary of the information contained in the prospectus, and prospective purchasers are advised to read the entire prospectus prior to deciding whether to invest in the securities being distributed.

This prospectus is issued by RBC Trust (Trinidad & Tobago) Limited (Trustee/Custodian), incorporated under the Financial Institutions Act 1993 to transact business of a financial nature, inclusive of that of a Unit Trust, which is a wholly owned subsidiary of RBC Financial™ (Caribbean) Limited. The trustee undertakes the trustee functions of the RBC Financial Caribbean.

The TT Dollar Income Fund is an investment product promoted by RBC Royal Bank (Trinidad & Tobago) Limited. This investment product has the objective of providing investors with an investment vehicle for earning interest income over the short to medium term. This is achieved by investing in a range of money market and other fixed income securities issued by both corporate and government institutions.

This fund was established by a trust deed between RBC Royal Bank (Trinidad & Tobago) Limited (hereinafter called “the Bank”) and RBC Trust (Trinidad & Tobago) Limited (hereinafter called “the Trustee”) and RBC Merchant Bank (Caribbean) Limited (hereinafter called “the Investment Manager”).

A copy of the trust deed and the investment management agreement will be made available for inspection by the investors upon request at the location of the Trustee, 55 Independence Square, Port of Spain or at any branch of the bank.

## Risk factors

For your information and protection, we advise that units in the fund are investments at the sole risk of the investor. They are not deposits and in common with other investments of this nature are not insured by the Deposit Insurance Corporation and are not guaranteed by the Central Bank or the Bank. Investments are subject to fluctuations in the market value of the underlying assets and payments of capital and interest are entirely dependent on the gains or losses derived from the securities and other assets comprising the fund.

**Credit risk** – the risk that the issuer of a security owned by the fund will be unable to pay the interest or principal when it becomes due.

**Interest rate risk** – the uncertainty of returns on an investment due to possible changes in interest rates over time.

**Liquidity risk** – the uncertainty due to the ability to buy or sell an investment in the secondary market.

**Market risk** – the risk that the value of investments may decline over a given time period simply because of economic changes or other events that impact large portions of the market.

## The Promoter/Sponsor

The promoter/sponsor of the fund is RBC Royal Bank (Trinidad & Tobago) Limited which has a proven track record of industry leadership. You can have the fullest confidence and comfort that your investment is with a sound and stable financial institution. The Bank is responsible for the sale of units in the fund.

## The Trustee

The trustee RBC Trust (Trinidad & Tobago) Limited is noted for its expertise and professionalism in the delivery of high quality trusteeship services to its clients. The trustee has complete authority and responsibility for the administration and management of the fund. However, the trustee is directed by the investment manager regarding all investment decisions. In addition, the trustee is the custodian of the assets of the fund.

## Investment Manager

The investment manager of the fund, RBC Investment Management (Caribbean) Limited, is a recently formed subsidiary of RBC Financial (Caribbean) Limited, largely consisting of the Investment Management & Portfolio Management team of the former RBTT Trust Limited. The investment manager recommends to the trustee how to invest the capital raised by the fund in accordance with the investment policy as determined in the Investment Management Agreement.

The Directors of RBC Investment Management (Caribbean) are Byron Clarke, Arvinder Bharath, Patricia Narayansingh, Garth Chatoor and Robert Bermudez.

**Byron Clarke** is the Senior Vice President, International Banking, Royal Bank of Canada (RBC) located in Trinidad and Tobago and has worked in the financial services sector for over 35 years. He has held senior executive posts with RBC, including SVP, Sales, Canadian Banking, SVP, Transformation Management Office and Performance Management and SVP, Group Optimization. He completed the Canadian Securities Course (Honours), Registered Representative Examination; and the Partners', Directors' and Senior Officers' Qualifying Examinations, Canadian Securities Institute (1988). From 1990 to 1991 he was Chief Compliance Officer and a member of the Board of Directors of Royal Bank Investor Trading Inc. (the forerunner to RBC Direct Investing Inc.) and from 1988 to 1990 Chief Compliance Officer and a member of the Board of Directors of Royal Bank Mutual Fund Services Inc. (the forerunner to Royal Mutual Funds Inc.). From 2003 to 2009, Mr. Clarke was a member of the Board of Directors of Royal Mutual Funds Inc., the largest mutual fund dealer in Canada.

**Arvinder Bharath** is the President and Country Head of RBC Royal Bank (Trinidad & Tobago) Limited. She joined RBC Caribbean in 2009 following 10 years in the United Kingdom, where she held senior leadership positions at Barclays Bank plc., with responsibility for business strategy in the UK and in international markets including Africa, the UAE and India. She has led multi-disciplinary and culturally diverse teams across continents in sales, product and proposition development, risk management, compliance and control, governance and change management, including mergers/acquisitions and integration/separation of key businesses.



**Patricia Narayansingh** is the Chief Administrative Officer of RBC Financial (Caribbean) Limited and has worked in the financial services industry for over 23 years. She has been a member of the RBC Financial (Caribbean) Group for over 9 years and held several senior positions, including Head of Group Planning and Analysis and the RBC Financial (Caribbean) Group Chief Internal Auditor. She is a chartered accountant and an Associate of the Chartered Institute of Bankers.

**Garth Chatoor** has held senior executive positions in several major public and private companies. Mr. Chatoor has also served as the Managing Director of companies within the Amar Group of Companies, Ansa McAl Group of Companies and is the current CEO of the Power Generation Company of Trinidad & Tobago. In addition to being a member of the board of directors of the RBC Financial (Caribbean) Limited, Mr. Chatoor has a number of other board appointments such as Diamond Motors Limited and Carib Glass Works Limited.

**Robert Bermudez** has been the Chairman of the Bermudez Group Limited since 1982 and holds directorship positions in other companies of the Bermudez Group. He joined the Group in 1975, on completion of tertiary education in the United Kingdom and rose to the position of Managing Director, serving until his retirement in 1997. He is a Director on the Board of RBC Financial (Caribbean) Limited and RBC Royal Bank. Mr. Bermudez is also on the Board of Directors of several other major companies in Trinidad and Tobago.

Investment Policy Committee of the Investment Manager:

Robert Bermudez (see above)

Garth Chatoor (see above)

Patricia Narayansingh (see above)

## **Distributor**

The Distributor RBC Royal Bank (Trinidad & Tobago) Limited is one of the leading networks of commercial banks in Trinidad & Tobago as well as the region. The distributor is responsible for the sale of units of the fund.

## **Investment objectives**

The objective of the fund is to provide a high level of interest income in keeping with the highest short-term interest rates available whilst ensuring a greater safety of capital.

These objectives will be achieved through investment in a range of high quality securities, including bonds and short-term debt securities.

The portfolio asset mix of the fund will be determined by the investment manager, consistent with the fund's objectives and employing prudent investment criteria, including analysis of the performance of the various financial markets and of the economy generally.

## **Principal investment strategies**

The investment manager will seek to achieve the fundamental investment objective of the fund by having a significant proportion of the fund in investment grade and non-investment grade corporate and government debt instruments. In selecting these investments, the investment manager will seek to maintain the unit price at \$25 thereby preserving the original value of your investment.

The fund's assets shall be spread between domestic and/or foreign investments of the following description:

- Corporate bonds and debentures
- Government bonds and other government debt obligations
- Money market instruments and deposits with financial institutions
- Mutual funds listed on any recognized stock exchange
- Securitized mortgages and debt obligations
- Other securitized investments
- Short-term debt instruments

## **Investment restrictions**

The trustee on the advice of the investment manager may invest up to 95% of the fund's assets in long-term securities and up to 100% in short-term securities. At no time will more than 10% of the fund's assets be invested in any particular asset class of a company with a maximum of 20% of the fund assets of total investments in that company. In addition, the fund will not hold more than 10% of the securities issued by any one company.

## **Eligibility**

Individuals over eighteen years of age and registered corporate entities can purchase units of the fund.

## **Management fees and expenses**

The management fees, comprising of those of the trustee and the investment manager, will not exceed 2% per annum of the average total assets of the fund.

The fund is also responsible for the payment of other administrative expenses, including but not limited to legal accounting and marketing expenses.

## **Description of units**

The fund is constituted as an open-end mutual fund. There is no limit to the number of units which may be issued. An investor will have an interest in an undivided proportion of the assets of the fund through the medium of units of participation. Each unit secures an equal share in the distribution of net income and net capital gains and participates equally in all other respects.

Units must be paid for in full in cash or by certified cheque. Units may be issued as

fractions; at any meeting of unitholders a unit holder will be entitled to an equivalent number of votes to the amount of units held by the unitholder. i.e. one unit represents one vote.

### **Price of units**

The subscription price is the net asset value per unit. It is the objective of the fund to maintain a price of \$25 per unit.

The net asset value per unit is calculated by dividing the total market value of the fund's assets, minus any liabilities, by the total number of outstanding units in the fund.

Investors can access the net asset value per unit daily on the RBC Financial (Caribbean) website ([www.rbc.com/caribbean](http://www.rbc.com/caribbean)).

### **Valuation of the fund**

Investments will be valued based on prices provided by an accepted pricing service to reflect fair market value. Assets not priced in this way may be valued at cost. Instruments with maturities of less than 90 days may be valued at cost plus or minus any discounts or premiums. All other assets which have no quoted market price will be valued at fair market value by the investment manager.

### **Purchase of units**

Your investment is made in dollars and is converted to units. There is no charge for purchasing units of the fund. The minimum initial investment and minimum holding is \$500 and \$100 thereafter for the Standard and Periodic Investment Plans and \$50,000 for the Systematic Withdrawal Plan. More details of the plans are shown in the section entitled "Plans Available to the Investor".

Investors may purchase units of the fund from the following on application forms approved by the fund.

- a. All branches of RBC Royal Bank (Trinidad & Tobago) Limited
- b. RBC Trust (Trinidad & Tobago) Limited
- c. The trustee may also arrange for registered brokers to act as agents in the sale of units.

The trustee may accept or reject any application to purchase units, such decision to be made within three (3) days after receipt of the application. If an application is rejected, all monies received with the application will be returned without interest within four (4) business days of receipt of the application.

If an application is received and approved then the purchase order will be processed and confirmation of purchase will be sent to the investor within a maximum of three (3) clear business days. An application which is received after 3:00 pm will be processed on the next business day.

An investor who has satisfied the minimum investment requirement of \$500 may continue to invest through a Periodic Investment Plan. This plan allows for deductions of a specific amount from the investor's bank account on a monthly, quarterly or semi-annual basis and for investments in the fund to be made until a pre-determined objective is attained or until further notice. The minimum investment is \$100.

### **How to redeem units**

A unitholder may redeem any or all of the units of the fund owned by such unitholder in accordance with the trust deed at any time by delivering a written request for redemption on the approved form to the trustee or to any branch of the bank. There is no charge to redeem units of the fund. The redemption price per unit will be determined based on the net asset value per unit. It is the intention to maintain, as far as reasonably possible, a redemption price of \$25.

Provided the investor has delivered the documentation required, payment will be made to such investor within three business days of the redemption request. The investor will be asked to bring certain documentation in order to complete the redemption request which must be signed by the investor. The signature must be verified.

A redemption request made in respect of units held jointly must be signed by all the parties to the account, except when all parties have signed a mandate which permits only one of the joint holders to sign the redemption request.

Any one investor may redeem units in cash up to a limit of \$500,000 or one percent, which ever is lower, of the net value of the fund during any ninety-day period. Should a redemption request by an investor exceed this limit, units in excess of the limit may, at the discretion of the trustee, be redeemed in specie in proportion to the underlying assets. Where units are redeemed in specie, any costs incurred in transferring assets in specie will be for the investor's account.

In the event of a redemption request which exceeds or any number of requests made in a 12-month period which cumulatively exceed the limit described earlier in this section, the trustee may, at its sole discretion, pay a lower rate of return which shall not be more than 4% below the rate of distribution, to persons investing in the fund subsequent to March 29, 2001.

### **Distribution of income**

The net income received by the fund is calculated and accrued to the investor daily and is distributed monthly. All distributions will, in the absence of instructions from the investor to the contrary, be reinvested in additional units of the fund at the price which is determined based on the net asset value per unit.

### **Security for loans**

Units held in the fund can be used as security for loans.

## Plan types available to the investor

There are three (3) types of plans:

### a) Standard Plan

The investor invests at any time he can afford and has the option of reinvesting distributions in units or taking cash.

### b) Periodic Investment Plan

This plan allows for deduction of a specific amount from the investor's bank account on a monthly, quarterly, semi-annual or annual basis as desired, for investments in the fund to be made until a pre-determined objective is attained. All income is automatically reinvested in units.

### c) Systematic Withdrawal Plan

The investor may participate in a Systematic Withdrawal Plan by making a minimum contribution of \$50,000 to the fund.

An investor directs the trustee to surrender for cancellation monthly, quarterly or half-yearly, such number of units as is necessary to provide for payments to the investor of a specific sum which shall not be less than \$500 per withdrawal.

An investor who elects to invest under this Systematic Withdrawal Plan should recognize that to the extent that redemptions are in excess of distributions of income from units, they will result in an encroachment on and eventual exhaustion of the investor's original capital.

## Joint investors

Where units are jointly held, they are subject to the rules of joint tenancy. If either party to the account dies, his or her share automatically passes to the surviving party. The rules of the fund require that all parties to the account must sign any redemption request made, save and except where parties have signed a mandate allowing one to sign.

## Taxation considerations

### a) Resident individual unitholders

Distributions of the fund are not taxable and will not have to be included in the investor's annual income tax return.

### b) Resident corporate unit holders

Distribution will be paid without any deduction of tax.

### c) Non-resident unit holders

Distributions will be subject to withholding tax (to be deducted prior to distribution) at the rate applicable to the country in which they reside.

Managers of pension plans, credit unions and long-term assurance companies should seek specific advice on their circumstances.

### **Reporting requirements**

The fund will supply each unitholder with quarterly statements. These reports detail all account activity during the period and show the amount of income paid to the investor or reinvested in the fund.

### **Calculation of performance data**

The fund's return shall be calculated as the weighted average yield to maturity of the fund's assets. It shall be available on the website of the bank ([www.rbc.com/caribbean](http://www.rbc.com/caribbean)).

### **Amendments to the trust deed**

The bank may amend or vary the provisions of the trust deed by giving no less than sixty (60) days prior written notice to investors, of the text of the proposed amendment and the rationale. However, this right will not be exercised so as to give the bank and/or the trustee any right to any assets of the trust already in the hands of the trustee at the time of its exercise or to permit the assets of the trust to be used for or diverted to purposes other than for the benefit of investors.

The following fundamental changes will require a resolution passed by at least a majority of the votes cast, in person or by proxy at a meeting of unitholders held in accordance with the trust deed;

- A change to the fundamental objectives of the fund
- A change in the auditor of the fund
- A change in the manager, unless the successor manager is an affiliate of the existing manager
- A change in the methodology used to calculate the net asset value per security of the fund
- An increase in fees or expenses charged to the fund including, but not limited to an increase in management fees

### **Termination of the fund**

From the date of termination fixed by the bank, the right of investors with respect to redemption shall cease. The trustee shall sell all remaining assets in its possession and such sale shall be carried out and completed in a manner and within a period as determined by the investment manager. The trustee shall be entitled to retain out of any monies in its hands payments for all debts, liabilities, fees or commissions outstanding. The trustee will then distribute to investors pro rata to the number of units held by them respectively all net assets of the fund available.

### **Section 69 of the Securities Industry Act**

This prospectus has been filed with the Securities and Exchange Commission (SEC), and a receipt has been issued by the Commission.

## Conflicts of interest

The investment manager, its holding company, holding company's shareholders, any subsidiaries of its holding company and any of their directors, officers, employees, agents and affiliates ("Interested Parties" and each, an "Interested Party") may be involved in other financial, investment or other professional activities which may, on occasion, cause conflicts of interest with the fund. These include management of other funds, purchases and sales of securities, investment and management advisory services, brokerage services, and, serving as directors, officers, advisers, or agents of other funds or other companies. In particular, it is envisaged that the investment manager may be involved in advising other investment funds which may have similar or overlapping investment objectives to or with the fund. The investment manager may provide services to third parties similar to those provided to the fund and shall not be liable to account for any profit earned from any such services. Where a conflict arises, the investment manager will endeavor to ensure that it is resolved fairly. In relation to the allocation of investment opportunities to different clients, including the fund, the investment manager may be faced with conflicts of interest with regard to such duties, but will ensure that investment opportunities in those circumstances will be allocated fairly.

The investment manager, and/or any company associated with it, may enter into portfolio transactions for or with the company either as agent, in which case they may receive and retain customary brokerage commissions and/or cash commission rebates, or with the approval of the trustee, deal as a principal with the company in accordance with normal market practice subject to such commissions being charged at rates which do not exceed customary full service brokerage rates.

## Charges fees & expenses

Trustee & management fee	All units Up to 2.00% per annum of average total assets of the fund
Other fees & expenses	The fund is also responsible for the payment of other administrative expenses, including but not limited to legal, accounting and mailing fees, as well as marketing expenses.

## Notes



## Notes

## Notes

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To find out more about Roytrin TT Dollar Income Fund or any other information not listed in this brochure:

- › Visit your nearest RBC Royal Bank branch
- › Call 1-868-625-4RBC (4722)
- › Or visit [www.rbc.com/caribbean](http://www.rbc.com/caribbean)

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**RBC Royal Bank**