

“FREQUENTLY ASKED QUESTIONS ON THE ROYTRIN HIGH YIELD FUND”

1. What is the Roytrin High Yield Fund?

The Roytrin High Yield Fund is an open-ended mutual fund that specifically targets individuals seeking to invest in securities across regional and global markets with the objective of obtaining a high yield over the medium to long-term. The Portfolio Managers will utilize active portfolio management across a range of investments, allowing investors to earn a return primarily through price appreciation.

2. What are the benefits of investing in the Roytrin High Yield Fund?

The benefits are as follows:

- (a) **Professional Management** – The funds are managed by investment managers who have the required knowledge and expertise in the area of asset management.
- (b) **Diversification** – Mutual Funds are invested in a diverse range of underlying instruments, thereby reducing the risk of the portfolio. Currency diversification could also be obtained.
- (c) **Liquidity** – Units held in the fund can be readily converted to cash.
 - i. **Competitive Returns** –Returns are expected to be more competitive than traditional Money Market or Fixed Income Mutual Funds, due to the selection of assets as well as the active trading of the investment portfolio. Therefore as mentioned above an investor will earn a return primarily through an appreciation of the prices of units.
- (d) **Currency diversification**- The Roytrin High Yield Fund also allows unitholders to invest in Euro currency, which will allow them to earn high returns in Euros.

3. What is the objective of the Roytrin High Yield Fund?

The objective of the Fund is to provide investors with a high yield over the medium to long-term by investing in a mix of local and international securities. **The High Yield Fund is not designed for anyone seeking short-term gains, while this may be possible at times it is not consistent with the overall objective of the Fund.**

4. Who should invest in the Roytrin High Yield Fund?

The fund is designed for investors with a medium to long term investment horizon, who are seeking capital appreciation consistent with that time frame, while earning a high yield. Additionally, Class B units are suitable for investors also seeking currency diversification for their investment portfolio.

5. What currency can I invest in the Roytrin High Yield Fund?

You can invest in any one of two currencies;

- i. Class A units - TT Dollar
- ii. Class B units – EUROS

6. What are the different types of assets held in the Roytrin High Yield Fund?

The Fund's assets shall include the following domestic and/or foreign investments:

- Money Market Instruments and Deposits with financial institutions
- Debt obligations of select Sovereign Nations
- Corporate debt obligations
- Mutual Funds listed on select recognized stock exchanges
- Short-term debt instruments
- Exchange Traded Funds
- Deposit Receipts

The Investment manager may also use derivatives, such as options, futures and forward contracts to:

- Hedge against losses associated with changing interest rates, exchange rates and other market movements
- Gain exposure to fixed income instruments without actually investing in them directly (including owning the derivative investment if it is more efficient or less costly than owning the fixed instrument itself)

7. Can I use my investment in Roytrin as Collateral Security for borrowing facilities?

YES. However the applicable percentage will be determined by the institution issuing the loan.

8. What are the minimum investment amounts and subsequent minimum subscription amounts for the Roytrin High Yield Fund?

8.

UNITS	Initial Offer Price	Initial Investment	Minimum Subsequent Investments
Class A "TT Dollar Series"	TT\$ 100	TT\$ 10,000	TT \$500
Class B "Euro Dollar Series"	€100	€1,000	€100

Investors may purchase Units of the Fund, by completing the relevant application forms, at any of the following locations:

- a. All branches of RBTT Bank Limited
- b. RBTT Asset Management Limited
- c. Any agent appointed by the Trustee

9. Is the Roytrin High Yield Fund guaranteed?

No. Units in the Fund are purchased 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 of Trinidad & Tobago or RBTT Bank Limited. 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.

10. How is return calculated in the Roytrin High Yield Fund?

The performance data of the Fund will be calculated as an annualized return described as follows;

$$R_a = \frac{E_a - B_a + D_a}{B_a} \times 100\% \quad \text{or} \quad R_b = \frac{E_b - B_b + D_b}{B_b} \times 100\%$$

Where

- R_a = Annualized return for unit class A
- R_b = Annualized return for unit class B
- B_a = Net Asset Value for unit class A at the beginning of the year
- B_b = Net Asset Value for unit class B at the beginning of the year
- E_a = Net Asset Value at the end of the year for unit class A
- E_b = Net Asset Value at the end of the year for unit class B
- D_a = Per unit distributions during the year for unit class A
- D_b = Per unit distributions during the year for unit class B

Performance data will be published at least twice a week in the daily gazette. It will also be available daily on the website of RBTT Bank Limited, www.rbtt.com

11. How often will distribution be paid in the Roytrin High Yield Fund?

Distributions will be paid at the discretion of the Portfolio Manager of the Fund.

12. Can an account be opened jointly with two or more parties?

Yes – Roytrin accounts can be opened jointly with two or more investors, with a mandate for either party to or all parties to sign on the account.

13. Can an Investor nominate a beneficiary on the Roytrin High Yield Fund?

No – However, an Investor could include this investment as part of his/her estate via the preparation of a will, which would take effect upon death.

14. Can an Investor open the Roytrin High Yield Fund with a minor (Under 18 years of age)?

No. An Investor can however, make provisions for a minor via the instrument of a Will.

15. In the event of death what happens to an Investor's Funds?

In the event of death, an Investor's funds will:

- (a) Be transferred to the joint holder (If the account is Joint)
- (b) Form part of his/her estate, the distribution of which will be governed by the provisions of the Will or in the absence of a Will, the Laws of Intestacy.

16. Can an account be opened for a non-resident?

Yes, however the interest income will be subject to the relevant withholding tax applicable to the specific country of the non-resident investor. In opening the account, normal banking procedures will be followed in addition to having the relative forms authenticated by a Notary Public, if the client is not present to open the account.

17. Can a Corporate Entity or Non-governmental organization open a Roytrin High Yield Fund?

Yes. Documents required would be as follows:-

- 1) A formal letter from the company, signed by the relevant authorised signatories, requesting the opening of the account.
- 2) Two sets of Form 1791 (Signature Cards), duly completed with specimen signatures and signing instructions for withdrawal on the account.
- 3) Form 1 – Articles of Incorporation
Form 3 – Certificate of Incorporation
Form 4 – Notice of address or change of address
Form 8 – Notice of Directors or change of directors
Form 27 – Notice of Secretary or change of Secretary (optional)
Form 31 – Declaration of Compliance for purposes of Incorporation of a Company.
- 4) The Bye-Laws of the Company or if not, a certificate signed by two (2) authorised signatories indicating that there are no Bye-Laws.

N.B. Companies opened before the New Companies Act of 1995 will be required to have -

- (a) Certificate of Incorporation
- (b) Memorandum of Articles of Association
- (c) Certificate & Articles of Continuance

Note

If the Company/Non-Governmental organisation conducts an existing account at any of the RBTT Bank Branch Network, copies of authorization forms can be forwarded to RBTT Trust Limited, in addition to 1 and 2 above.

18. What is the Net Asset Value per unit and how is it calculated?

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. This is calculated daily by the Portfolio Managers of the Fund. **Further details on the computation of the NAV are available in the prospectus of the Fund.**

19. What is the risk associated with the Roytrin High Yield Fund?

The NAV of the Fund is not fixed and thus, it can appreciate or depreciate based on the market value of the investments of the Fund. Additionally, an investment in the Fund is associated with the following risk factors:

- Risk of Interest Rate Changes
- General Market Risk
- Company-Specific Risk
- Risk of Settlement Default
- Currency Risk
- Liquidity Risks
- Inflation Risk
- Key Personnel Risk

These risks are clearly explained in the Prospectus of the Fund

20. (a) How do Investors get a return on the Fund?

Investors enjoy returns on their investment via two options:

- **Capital Appreciation** – The Fund Price or Net Asset Value will appreciate as the value of the securities held in the Fund appreciates. As the NAV increases, an investor gains, as the value of his/her investment also increases.
- **Distributions** – The portfolio also has the option of declaring at any time, a distribution, which will be credited to the investors account in proportion to the number of units held in the Fund.

20. (b) Are Investors returns taxable?

No. Returns earned in the Roytrin High Yield Fund are not taxable, however, for non-residents a withholding tax will be applied based on the withholding tax rates for the applicable jurisdiction.

21. What is the Contingent Deferred Sales Charges (CDSC) or Redemption Charges (Back end load) on the Roytrin High Yield Fund?

The CDSC is a fee/charge applied to redemptions that are done within a particular period as specified below. The CDSC acts as a deterrent to investors who wish to invest for the short-term, which can negatively impact the overall return of the Fund, as stated in the Fund objective.

The redemption of Units will be subject to the following charges based on the Fund balance:

Class A & B Shares

Under 180 days	5%
Between 180 to 365 days(inclusive)	3%
Over 365 days	no charge

22. What are the Management fees and expenses for the Roytrin High Yield Fund?

Class A & B Shares

- *Up to 1.5% of average total assets of the Fund*
- *Trailer Fee of 0.20% on the average total assets of the Fund, payable to the distributor 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.

Note: Investors are encouraged to read a copy of the Prospectus before investing in the Fund. A copy of the Prospectus can be obtained at any branch of RBTT Bank Limited or an authorized agent of the Fund.