



MUTUAL FUND PROSPECTUS



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Fortress Mutual Fund Limited
Prospectus & Information Circular
April 2008



Prospectus and information circular for the issue of an unlimited number of class "A" redeemable mutual fund shares at a price equal to the net asset value per share. The holders from time to time of such shares shall collectively and exclusively constitute the Fund shareholders.

A copy of this document has been registered with the Registrar of Companies in Barbados in accordance with the provisions of the Companies Act Cap 308 of the laws of Barbados and has also been filed with the Barbados Securities Commission. The Fund is an authorised mutual fund licensed under the Barbados Mutual Funds Act 2002-22. The Registrar of Companies in Barbados and the Securities Commission of Barbados, take no responsibility as to the validity or the veracity of the contents of this prospectus and have neither approved nor disapproved the issue of any of securities herein mentioned.

No person receiving a copy of this document in any territory may treat this document as constituting an invitation to him or her to purchase or subscribe for any shares nor should he in any event purchase or subscribe for any shares unless in the relevant territory such an invitation could lawfully be made to him or her without the offeror compliance with any registration or other legal requirements. Any person wishing to subscribe for shares should satisfy himself that, in doing so, he or she complies with the laws of any relevant territory, and that he or she obtains any requisite governmental or other consents and observes any other applicable formalities.

WARNING

IMPORTANT

Potential investors should note that investing in equity and debt securities may involve a high degree of risk and investment in the shares offered herein is therefore only suitable for investors who understand the risks inherent in participating in financial markets involved.

Please consult your financial adviser or attorney-at-law if you do not fully understand the contents of this offering document or if you have any queries concerning the offering document.

The price of shares is subject to fluctuation.

DEFINITIONS

In this document, where the context permits, the expressions set out below bear the following meanings:

"THE COMPANY"	Fortress Mutual Fund Limited
"THE FUND"	Fortress Mutual Fund (Fortress Caribbean Growth Fund)
"FUND SHARES"	Redeemable shares of the company
"FUND SHAREHOLDERS"	Holders of mutual fund shares of the company
"THE DIRECTORS"	The Directors of the Company
"THE MANAGER"	Fortress Fund Managers Limited
"BSE"	Barbados Stock Exchange
"TTSE"	Trinidad and Tobago Stock Exchange
"ECSE"	East Caribbean Stock Exchange
"JSE"	Jamaica Stock Exchange
"\$", "dollars" and "cents"	The currency of Barbados
"TT\$"	The currency of the Republic of Trinidad & Tobago
"J\$"	The currency of Jamaica
"US\$"	The currency of the United States of America
"NAV"	Net Asset Value being the net asset value of the assets of the classes of shares of the Fund



SECTION ONE - DIRECTORS, INVESTMENT MANAGERS & ADVISORS

DIRECTORS

Mr. Geoffrey Cave, C.B.E., B.C.H., L.L.D - Chairman
Mr. C. David Bynoe
Mr. Ken Emery
Sir Fred Gollop K.A., Q.C.
Mr. G. Anthony King
Mr. John Williams
Mr. Roger Cave - Investment Manager

REGISTERED OFFICE

1st Floor, Carlisle House
Hincks Street
Bridgetown
St. Michael
Barbados

BANKER

FirstCaribbean International Bank Limited
Broad Street
Bridgetown
Barbados

SECRETARY

Corporate Services Limited
The Financial Services Centre
Bishop's Court Hill
St. Michael
Barbados

INDEPENDENT AUDITORS

PricewaterhouseCoopers
Chartered Accountants
The Financial Services Centre
Bishop's Court Hill
St. Michael
Barbados

ATTORNEY-AT-LAW

Sir Henry Forde, K.A., Q.C.
Juris Chambers
Attorneys-at-law
Fidelity House
Wildey Business Park
St. Michael
Barbados

CUSTODIAN

FirstCaribbean International Bank Limited
Wealth Management Division
Broad Street
Bridgetown
Barbados

FUND MANAGERS & ADMINISTRATOR

Fortress Fund Managers Limited
1st Floor, Carlisle House
Hincks Street, Bridgetown
St. Michael, Barbados
Tel no: 246-431-2198
Fax no: 246-431-0514
Internet: www.fortressfund.com
E-mail: invest@fortressfund.com

SECTION TWO - ABOUT THE FUND

Fortress Fund Managers Limited is a mutual fund investment management company incorporated in Barbados and licensed under the Mutual Funds Act 2002-22 as well as the Companies Act Cap 308 of the laws of Barbados. The shareholders of the management company are Cave Shepherd & Company Limited, Barbados Shipping & Trading Company Limited, The Nation Corporation and Island Securities Limited.

The management company has established the Fortress Mutual Fund Limited (Fortress Caribbean Growth Fund), the Fortress Caribbean Property Fund, the Fortress Caribbean High Interest Fund, the Fortress Global Value Fund, and the Fortress Caribbean Pension Fund. The Fortress Caribbean Growth Fund has been created to provide a practical route for individuals to invest in domestic, regional and international equities markets.

The following information summarises various matters which are described more fully in the rest of this document.

Fortress Mutual Fund Limited

Fortress Mutual Fund Limited is an open-ended Barbados based mutual fund company which provides an avenue for portfolio investment in domestic, regional and international markets. The objective of the Fund is to achieve long term capital appreciation. The Fund is authorised to invest in equity and debt securities of both quoted and unquoted securities.

Management

The Manager of the Fund is Fortress Fund Managers Limited, a Barbados based Investment Management Company.

Dealings & Settlement

The shares of the Fund are not listed on any stock exchange. Settlements will take place through Fortress Fund Managers Limited. Settlement is made in Barbados currency.

Calculation And Publication Of Net Asset Value

The net asset value of the Fund is calculated weekly at the close of business on Fridays and is quoted to the Barbados Stock Exchange, on the internet at www.fortressfund.com and the Lipper Overseas Fund Table.

Minimum Investment Amount

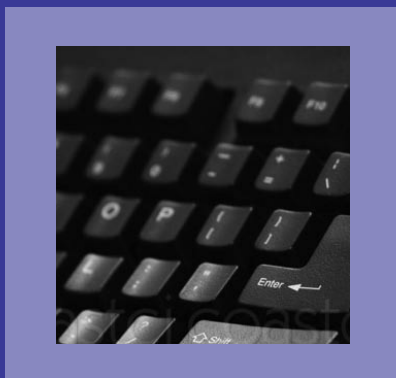
The minimum initial investment is BDS \$100. The minimum monthly investment is BDS \$50.00 for direct debit deductions or BDS\$100 otherwise.

Charges

There is an initial fee of 2% of any amount being invested into the Fund. Annual management fee charges are 1.75% per annum of the net assets of the Fund.

Accounting period and Shareholders' statements

The year end of the Fund is September 30th. Statements reflecting the number of shares held and the net asset value per share will be mailed to shareholders at quarterly intervals.



DIRECTORS & ADMINISTRATION

MANAGER SHAREHOLDERS & FUND DIRECTORS

Fortress Fund Managers Limited (“the Manager”) has been appointed to manage the Fund. The Manager is a privately incorporated Barbados company that is owned and controlled by the shareholders and directors of the company. Representatives of the Manager’s shareholders serve as Directors of the Fund together with two independent directors.

The representatives of the shareholders of the Manager who serve as Directors of the Fund are as follows:

Shareholders	Fund Director
Cave Shepherd & Co. Ltd	Mr. Geoffrey Cave, C.B.E., B.C.H., L.L.D. Mr. John Williams
Barbados Shipping & Trading Co. Ltd	Mr. G. Anthony King
The Nation Corporation	Sir Fred Gollop K.A., Q.C.
Island Securities Limited	Mr. Roger Cave
Non-Executive Director	Mr. Ken Emery
Non-Executive Director	Mr. C. David Bynoe

CAVE SHEPHERD & CO. LIMITED

Cave Shepherd & Co. Ltd is a century old business that has evolved into a diversified entity with interests in the sectors of tourism, retail and financial services. The company has a presence in 14 islands in the region, and operations in Florida, USA. Impressively, much of Cave Shepherd’s success has been in the building of successful partnerships with business partners from Switzerland and South Africa, as well as regionally, with names such as Grace Kennedy, BS&T, Nation Corporation and United Insurance.

The company continues to engage in businesses that are internationally competitive, that offer good service and provide opportunities for growth. Mr. Geoffrey Cave is the Executive Chairman of Cave Shepherd & Co. Ltd, and Mr. John Williams is the Chief Executive Officer. Together, they bring to the Fund a wealth of business knowledge and experience.

BARBADOS SHIPPING & TRADING CO. LTD (BS&T)

This company is a subsidiary of Neal and Massy Holdings Limited, a public company listed in Trinidad and Tobago and Barbados. BS&T employs over 2,000 people and is involved in a range of business activities ranging from retail and distribution to manufacturing, tourism and financial services. BS&T through its Chief Executive Officer, Mr. G. Anthony King, brings to the Fund tremendous knowledge of local and regional investment opportunities.

THE NATION CORPORATION

The Nation Corporation is the largest news and media company in Barbados. It is a subsidiary of One Caribbean Media Limited a public company trading in Trinidad and Tobago and Barbados. Its operations include Nation Publishing Co. Ltd and Starcom Network Inc of Barbados, Express Newspapers and TV6 of Trinidad and Tobago and GBN of Grenada. Group Chairman, Sir Fred Gollop, K.A., Q.C. has extensive experience in the public and private sectors. His knowledge of the media business is extremely helpful in guiding the marketing and promotion policies of the Board.

ISLAND SECURITIES LIMITED

Island Securities Limited is an independent holding company incorporated in Barbados. The company is owned by Roger Cave. Roger Cave is the Investment Manager and a Director of FFM, being one of the founding shareholders and holds the designation of Chartered Financial Analyst (CFA). Prior to joining Fortress, Mr. Cave gained four years professional accounting experience with Coopers & Lybrand in Toronto and Price Waterhouse in Barbados. He also worked with the Commonwealth Development Corporation and Cave Shepherd & Co. Limited. He is also a Director of the Barbados Stock Exchange.

MR. KEN EMERY

An independent consultant and adviser specializing in the development of mutual funds and related investment products; Mr. Emery retired as Technical Director of the Save & Prosper Securities Ltd. in the U.K.

where he worked for 26 years. During his distinguished career he was actively involved in the establishment of funds and investment products in the United Kingdom, Western and Eastern Europe, the Caribbean and the Channel Islands. He also assisted with the creation of the Fortress Caribbean High Interest Fund, the Fortress Caribbean Property Fund and the Fortress Caribbean Pension Fund as a consultant.

MR. C DAVID BYNOE

Mr. C. David Bynoe is a businessman and sits on the boards of several of the island's leading companies. He is the former Chairman of Barbados Shipping & Trading and current Chairman of West India Biscuit Company. He provides the Board with valuable knowledge and expertise having several years of business experience.



BOARD OF DIRECTORS

NAME AND RESIDENCE	POSITION WITH THE FUND	PRINCIPAL OCCUPATION
Mr. Geoffrey Cave, C.B.E.,B.C.H., L.L.D. "Windermere" Britton's Hill St. Michael Barbados	Chairman & Director	Corporate Executive
Mr. David Bynoe Locust Hall St. George Barbados	Director	Corporate Executive
Mr. Ken Emery The Glade Hutton Mount Brentwood, Essex CM13 2JL United Kingdom	Director	Consultant
Sir Fred Gollop K.A., Q.C. Warner's Terrace Christ Church Barbados	Director	Attorney-at-law
Mr. G. Anthony King Lascelles Mill Lascelles St. James Barbados	Director	Chief Executive Officer
Mr. John Williams "Gully Top" 8 Sturges St. Thomas Barbados	Director	Chief Executive Officer
Mr. Roger Cave Rowan's Park St. George Barbados	Director	Investment Manager

VIEWING OF PROSPECTUS AND MATERIAL CONTRACTS

The Fund has entered into the following contracts which are material to investors:

- a) The Management Agreement
- b) The Administration Agreement
- c) The Custodian Agreement

Copies of the prospectus and the foregoing will be available for inspection during regular business hours on any weekday (excluding Saturdays, Sundays and public holidays) at the Fund's office at 1st Floor, Carlisle House, Bridgetown, Barbados.



FirstCaribbean is also responsible for the settlement of all transactions.

REGISTRAR

The Manager is the registrar of the Fund and all transactions are settled and reported to the Custodian on a weekly basis.

CONSENTS

The following have given and have not withdrawn their written consent in connection with the inclusion in the Prospectus of the information they provided in the form and context in which it is included.

MANAGEMENT AGREEMENT

The current Manager's contract has been in existence since the Fund's inception, and continues automatically thereafter unless determined by six months' written notice by the Company or twelve months' written notice by the Manager. The Manager will receive a weekly management fee in arrears from the Fund.

- The Barbados Shipping & Trading Co Ltd
- Cave Shepherd & Co. Ltd
- The Nation Corporation
- FirstCaribbean International Bank
- PricewaterhouseCoopers
- Fortress Fund Managers Limited
- Sir Henry Forde K.A., Q.C.
- Island Securities Limited

ADMINISTRATION AGREEMENT

The Manager is the Administrator of the Fund. The Manager will at its discretion delegate certain administrative tasks to the Custodian.

Copies of these consents have been lodged with the Registrar of Companies as required pursuant to section 292 of the Companies Act.

CUSTODIAN AGREEMENT

FirstCaribbean International Bank Limited - Wealth Management Division (FirstCaribbean) is the Custodian of the Fund. FirstCaribbean is responsible for the recording and holding of all securities of the Fund.

OBJECTIVE, POLICIES, RISKS, FEES AND EXPENSES

The objective of the Fund is to achieve long-term capital appreciation of its assets through investment in shares of both quoted and unquoted equities.

The companies in which the Fund will invest are expected to have at least one of the following characteristics;

- a) The company's product(s) must be well established in the local and or regional markets.
- b) The price of the company's shares is attractively priced as measured by their Price to Earnings & Price to Book Value Ratios compared with Industry Averages.
- c) The company is recording high rates of growth in revenues and profits.
- d) The company is in a solid position of sustainable export earnings.
- e) The company's shares are depressed following a period of unusual or temporarily poor results.

The length of the investment period will depend on the growth in the Fund's assets and the growth in the activity in the regional markets. In the absence of availability of suitable equity investments, the Fund will invest either in short term debt securities and commercial paper of regional companies and governments or in International Funds or both depending on the availability of foreign exchange.

The stock markets of the Caribbean lack liquidity, therefore the Fund Manager will invest a larger than normal percentage of the Fund's assets into investments that can be liquidated at any time. The objective of the Fund is growth and long-term capital appreciation; therefore, investments may be made from time to time in international equity funds in addition to these investments.

Since most of the Caribbean companies are quite small by international standards, the Fund could easily

become a significant shareholder. It will not however acquire more than 10% of the voting shares of any one company, and it will not invest more than 10% of the Fund's assets in any one security. The Fund will not invest in the shares or fixed income securities of Cave Shepherd & Co Limited.

The Fund will act strictly as a portfolio investor and will not take legal and or management control or seek directorships in any of the companies in which it invests.

Dividend Policy

The principal aim of the Fund is to provide shareholders with long term capital appreciation. The Fund is not expected to pay any dividends and all income and capital gains are automatically reinvested in new investments for the Fund.

PRINCIPAL RISKS

The principal risks of investing in the Fund and the circumstances reasonably likely to cause the value of your investment in the Fund to decline are described below. The share price of the Fund generally changes weekly based on market conditions and other factors. Please note that there are many circumstances which could cause the value of your investment in the Fund to decline, and which could prevent the Fund from achieving its objectives, that are not described here. The Fund will seek to obtain an optimal balance between risk and reward within the investment parameters set forth under the objective and investment policies section above.

The Fund is exposed to market price risk, interest rate risk, credit risk, liquidity risk and currency risk from the financial instruments it holds.



Market risk

This is the risk that the price of a security held by the Fund will fall due to changing economic, political or market conditions or disappointing earnings results. The Fund's market price risk is managed through diversification of the investment portfolio ratios by exposures.

Interest rate risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund does not normally have a significant exposure to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

Credit risk

Prices of securities react to the economic condition of the company that issued the security. The Fund's investments in an issuer may rise and fall based on the changes that affect the environment in which the company operates, the issuer's actual and anticipated earnings, changes in management and the potential for takeovers and acquisitions.

All transactions in listed securities are settled / paid for upon delivery by approved brokers. The risk of default is considered minimal since delivery of securities sold is only made once the broker has delivered payment. On a purchase, payment is made once the securities have been received by the broker or custodian. If either party fails to meet their obligation, the trade will fail.

Liquidity risk

This is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities in addition to these investments.

The Fund is exposed to daily cash redemptions of Class "A" Redeemable Mutual Fund Shares. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily sold.

Currency risk

The Fund holds assets denominated in currencies other than Barbados dollars, the designated currency of the Fund. Consequently, except where assets are denominated in United States dollars or Barbados dollars, the Fund is exposed to currency risk since the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. Currently the Fund's policy is not to enter into any hedging transactions.

As with any mutual fund, the net asset value per share can fall as well as increase and you could lose money on your investment in the Fund.

FEES & EXPENSES

Initial charge

There is an initial charge of 2% of all amounts invested into the Fund by investors.

Annual Charges

The following annual fees and expenses will be incurred by the Fund:-

Management fees:
1.75 % of net assets

Administration fees:
0.10% on the first \$30 million of net assets
0.0875% on amounts in excess of \$30 million of net assets

Custodian fee:
0.0875% on the first \$30 million of net assets
0.075% on the amounts in excess of \$30 million of net assets

These fees are calculated on the closing prices of the Fund's assets on the dealing day at the end of each week. These operating expenses will be deducted from the assets of the Fund.

Brokerage costs

Buying and selling of securities in Barbados is handled by the Manager, which holds a seat on the BSE. The Manager trades for the account of the Fund and charges the Fund out of pocket expenses only for trades on the BSE. The Manager does not charge brokerage on transactions it carries out for the Fund on the Barbados Stock Exchange. Trades on the JSE,

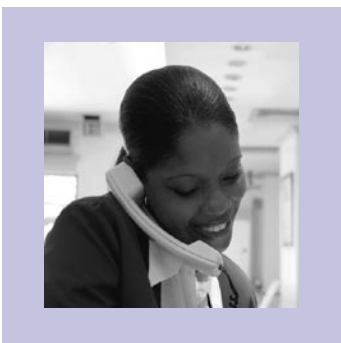
the TTSE and other jurisdictions are handled by other brokers and the Fund incurs brokerage costs. The Custodian is responsible for all settlement.

Other Expenses

The Fund bears the cost of other expenses of the Fund including administration, audit, legal, printing and stationery costs.

Dividend Policy

The principal aim of the Fund is to provide shareholders with long term capital appreciation. The Fund is not expected to pay any dividends and all income and capital gains are automatically reinvested in new investments for the Fund.



SECTION THREE - OPENING A NEW ACCOUNT

MINIMUM INVESTMENT AMOUNT

The minimum initial investment amount is \$100. Once you have opened your account you may choose among the various payment options.

(1) Open a Monthly Savings Investment Plan

You decide how much you can afford to invest each month (minimum Bds. \$50) and complete our direct debit form and return it to us. We will debit your bank on the 10th day of each month and purchase an equivalent amount of "Fund Shares" based on the value of the Fund at the next following valuation date.

(2) Regular Lump Sum Amount

You can invest whenever you have the available funds to do so (minimum \$100).

(3) Shares Exchange Plan

If you are already a shareholder in one or more companies you may transfer your shares to the company in exchange for an equivalent value of "Fund Shares" based on the current market value of the shares transferred net of any brokerage costs. Prices and shares are subject to market conditions.

The Manager may at its discretion reject any exchange of securities into the Fund taking into consideration the impact such exchange would have on the Fund as a whole.

(4) Third Party Dividend Reinvestment Plan

If you own shares in a publicly traded company and you would like to reinvest any dividends received into the Fund, you can simply mandate your dividends (minimum BDS\$100) to the company who will credit

you with the number of "Fund shares" purchased by the proceeds of such mandated dividends.

Rights reserved by the Manager

The Manager may in its discretion reject any application to purchase shares. Such decision must however be made within three days after receipt of the application. If an application is rejected, all money received with the application will be returned immediately.

The Manager reserves the right to purchase and redeem shares in the Fund as required and to allocate some or all of these shares for subscriptions and/or redemptions at the Fund's NAV in an effort to manage the timing of cash flows in and out of the Fund.



PRICE OF SHARES

The price per share is determined by calculating “the net asset value” on valuation days. There is a 2% initial fee on all purchases to cover the cost of initial administrative expenses.

“The net asset value” of a share is calculated as at the close of business on Friday of each week (unless such is a public holiday, in which case the valuation day shall be the close of business on the proceeding day).

CALCULATION OF NET ASSET VALUE

In determining the net asset value of the Fund, securities owned are valued at their market value. Under normal trading conditions this will be determined by the bid price of the shares. In the event that there is limited or no trading in a particular security then, at the discretion of the directors a price within the limits of the bid and offer prices for that day will be used. In the event of unusual market conditions or in the event that a particular security value has become impaired, as evidenced by no bids being quoted and offers below the previous trade price, the Manager, in consultation with the Custodian/Trustee and on the advice of an independent broker will make a reasonable estimate of a fair price.

PURCHASE OF SHARES

The purchase price for a share is equal to the net asset value which is calculated at the close of business on the valuation day next following the receipt of an application for the purchase of shares. There is an initial fee of 2% on the purchase of shares in the Fund. The minimum investment is \$100. The minimum for additional investments is \$100. Investors may purchase shares of the Fund by completing an application form, which may be obtained from any of the following:

- a) Fortress Mutual Fund Limited – 1st Floor Carlisle House, Hincks Street, Bridgetown, Barbados.
- b) Any FirstCaribbean International Bank Limited Branch

If an application is received and approved and the necessary funds received before 3:00 p.m. on a valuation day, then the purchase order will be processed that day using the net asset value for shares as of that valuation day. Orders received on a day which is not a valuation day, will be processed using the net asset value as determined on the next valuation day. An investor who has satisfied the minimum investment requirement of \$100 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 basis and for investments in the Fund to be made until a predetermined objective is attained or until further notice. The minimum periodic investment is \$50.

The Fund is required to obtain and keep on file documentation of the identity of each new subscriber so as to be satisfied that a prospective customer is who he claims to be. The following subscriber information is required for each respective type of shareholder:

Individual Subscribers

- Must present a copy of the pages of the individual's Passport or identity document or other official documents showing his or her Full Name, Nationality, Date of Birth, Signature, Photograph.
- Must present documentary evidence of the individual's permanent (home) address. This could take the form of a bank or credit card statement, or utility bill.

Corporate Subscribers

- Photocopy Certificate of Incorporation and any Change of Name Certificate, or the equivalent in either case, for the corporate subscriber.
- Photocopy Memorandum and Articles of Association.

Partnerships and Unincorporated Entities

- If registered a photocopy of any Certificate of Registration or equivalent; a photocopy of the Partnership Agreement or other constitutional documents.
- If unregistered, must present a copy (by one of the partners or equivalent) of the constitutional documents.

In either case, identification documents for individual subscribers or corporate subscribers as describe above in respect of at least two of the partners, owners or managers.

Trustees and Executors

- The same information as required for individual subscribers (with appropriate variations for a deceased person) or corporate subscribers in respect of:-
- the Trustee(s), settler(s), protector(s)/controller(s) or similar person holding power to appoint or remove the trustee and where possible the names or classes of beneficiaries;
- The person(s) with powers to add beneficiaries, where applicable
- The person providing the funds, if not the ultimate settler
- An explanation of the source of the funds comprised in the estate or trust fund.

For all trusts, a certified copy of the trust deed and any amendments.

The Anti-Money Laundering/Combating of Terrorist Financing Guidelines issued by the Central Bank of Barbados requires the Fund to identify and obtain from investors the source of funds utilised for investment for subscriptions of Bds\$10,000 or its equivalent in foreign currency. All applicants and existing shareholders are required to complete a "Declaration of Source of Funds" form for all transactions of Bds\$10,000 or greater. Investors may be required to complete the form for transactions less than \$10,000 at the discretion of the Fund.

REDEEMING SHARES

A Fund shareholder may cash in any or all of the shares of the Fund owned by such Fund shareholder in accordance with the redemption policy of the Fund at any time by delivering a written request for redemption on the appropriate form to the Fund Managers. Fund shares will be redeemed at their net asset value as determined at the valuation date next following the

day on which the Fund receives the redemption order. If a redemption request is received before 3:00 p.m. on a valuation day, the redemption will be processed on that valuation day. Redemption requests received after 3:00 p.m. or on a day, which is not a valuation day, will be processed at the next valuation date.

Provided the investor has delivered all the documentation required, payment will be mailed to such investor within three (3) business days of the redemption date. The investor may be asked to provide such reasonable documentation as the Fund manager may require in order to complete the redemption request.

SUSPENSION OF REDEMPTIONS

In the event of unusual circumstances where the Fund receives redemption requests, within any 30 consecutive days that represent more than 20% of the Fund's assets, the directors of the company, in order to safeguard the interests of the remaining investors, reserve the right to suspend redemptions and to hold a special meeting of the Fund shareholders to determine the future of the Fund, including the liquidation of the Fund's assets.

Any decision to suspend redemptions must first be approved by the regulator.

SECTION FOUR - ABOUT YOUR ACCOUNT

DEALING IN THE FUND'S SHARES

The Fund is structured as an open-end Mutual Fund and is authorised to issue a maximum of 1,000 Common Shares. The Fund is also authorised to issue an unlimited number of Class 'A' Redeemable Mutual Fund Shares with the authority to issue fractional shares.

Common Shares

The Common shares are not intended for investors, and have been fully subscribed by the Manager. Common shares will carry the voting rights, but will not share in the profits of the Fund, but on winding up will be repaid at par.

Redeemable Fund Shares

The shares are intended for investors ("The Fund shareholders"). Each Fund share is entitled to an equal share in the distribution of net income and net capital gains of the Fund and participates equally in all other respects.

Fund shareholders shall not be entitled to vote at meetings of shareholders of the Company save and except as permitted under the Companies Act, CAP 308, for the following;

- (1) Disposal of the Assets of the Fund.
- (2) Any change or abrogation of the rights attached to the shares or any variation affecting the rights attached to the Fund Shares.

(3) Any proposed amalgamation of the Company with another company or any amalgamation of the Fund with another Mutual Fund.

(4) Any proposed liquidation or dissolution of the Fund.

Upon a liquidation or winding-up of the Company the Fund Shareholders shall be entitled to the net proceeds, after satisfying the cost of realisation of the assets of the Fund.



TAXATION & EXCHANGE CONTROL

CORPORATION TAX

The Fund is licensed as an authorized mutual fund under the Mutual Funds Act, 2002-22 of Barbados. In calculating the assessable income of the Fund for tax purposes, the Income Tax Act provides for a deduction of up to 100% of the income that is designated to be income of the Fund shareholders. All of the profits of the Fund are designated to the Fund's Class 'A' shareholders and consequently the Fund will not be subject to corporation tax.

DIVIDENDS

Dividends received by the Fund from other resident companies registered in Barbados are not subject to the final 12.5% withholding tax on dividends. For countries in the Caribbean Community (CARICOM) which have signed the Caricom Double Taxation Agreement, investment income originating from those countries is taxed at zero percent. The countries which have so far signed this agreement include Antigua, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts & Nevis, St. Lucia, St. Vincent and the Grenadines and Trinidad & Tobago. Residents of countries outside of CARICOM are subject to a general withholding tax of 15%.

PROPERTY TRANSFER TAX & STAMP DUTY

In accordance with Section 55 of the Mutual Funds Act, 2002-22, the Fund is exempt from all provisions of the Stamp Duty Act and the Property Transfer Tax Act with respect to transactions concerning the ownership or transfer of shares in mutual funds.

TAXATION OF SHAREHOLDERS

Any dividends paid by the Fund to individual resident shareholders in Barbados will be subject to a final withholding tax of 12.5%. Companies resident in Barbados are not subject to tax on dividends received from the Fund. Residents of countries outside of CARICOM are subject to a general withholding tax of 15%.

However the Fund's policy is to reinvest all income into new investments of the Fund. There is no capital gains tax in Barbados and therefore individuals resident in Barbados will not be subject to capital gains tax on profits realized from investing in the Fund

PERSONAL INCOME TAX

In accordance with the provisions of the Income Tax Act, individuals resident in Barbados may claim an annual deduction in respect of investments made in authorized mutual funds licensed under the Mutual Funds Act 2002-22. The maximum annual consolidated investment allowance which may be deducted from income is BDS \$10,000.00. In accordance with section 9 (1) of the Income tax act, individuals resident in Barbados, where employers do not offer them shares in lieu of bonus, may claim a reduction of the lower of 75% of their annual bonus or \$7,500, if such a bonus is invested in a mutual fund within four months from the date in which the annual bonus payment was made. Disposal of any such investments, within five years from the date of investment will give rise to a withholding tax charge, to recapture the tax relief given.

EXCHANGE CONTROLS

Barbados has a regime of exchange control regulations administered by the Central Bank. These regulations require that residents convert foreign currency receipts to Barbados dollars and purchase their foreign currency requirements for goods and services from the commercial banks who have delegated authority to sell foreign exchange on behalf of the Central Bank. Since 1975, Barbados has maintained a fixed exchange rate of BD\$2.00: US\$1.00.

Capital transactions by non-residents involving the purchase of shares in Barbados corporations or the acquisition of real property and the payment of dividends or interest or the repayment of foreign

currency debt are subject to the prior approval of the Central Bank. Similar requirements exist for residents of Barbados to invest abroad or borrow in foreign currency.

In order to facilitate the trading of shares of the Fund, the Central Bank has agreed to grant the company permission to operate a US dollar account to handle the purchase and redemption of its shares, and related foreign investments of the Fund. The Manager reports all transactions on this account to the Central Bank of Barbados on a quarterly basis.



SECTION FIVE - GENERAL INFORMATION

- Save as disclosed there is no minimum subscription.
- The extracts included in this prospectus from referenced sources were not prepared for specific inclusion in this prospectus.
- Fractional shares of the company may be issued.
- No share certificates in the usual format and style will be issued by the company, but the company shall issue to each Fund shareholder a statement showing the number of Fund Shares held by each such person.
- Save as disclosed there is no closing date for applications made pursuant to this prospectus; the purchase price for a share shall be equal to the net asset value which is calculated at the close of business on the valuation day next following the receipt of an application for the purchase of shares.
- The Fund, upon the advice of the Manager, may from time to time, close the subscription list for new shares of the Fund or limit the amount of investment per investor.

GLOSSARY OF FINANCIAL TERMS

The following terms have been used at various times in the prospectus:

- *Certificates of Deposit and other cash deposits* A bank time/term deposit.
- *Commercial paper* Short term unsecured debt issued by large corporations.
- *Bond* A bond is an interest bearing security. The issuer has a contractual obligation to pay interest at a stated rate on specific dates and to repay the principal (the bond's face value) on a specified date.

A bond's annual interest income, set by its coupon rate is usually fixed for the life of the bond. Its yield (income as a percent of current price) will fluctuate to reflect changes in interest rate levels. A bond's price usually rises when interest rates fall, and vice versa so its yield stays consistent with market conditions.

Bonds may be unsecured (backed by the issuer's general credit worthiness only) or secured (backed by specified collateral).

- *Debenture* Unsecured debt backed only by the integrity of the borrower, not by collateral and documented in an agreement called an indenture.
- *Derivative* A financial instrument whose payoffs depend on another financial instrument such as a share or foreign currency.
- *Forward* An agreement calling for future delivery of an asset at an agreed upon price.
- *Future* Obliges traders to purchase or sell an asset at an agreed upon price on a specified future date. It is a type of forward but with specific and standardised terms.
- *Futures option* The right to enter a specified futures contract at a future date at the price at which the trader commits to make or take delivery of the underlying asset.
- *Government securities* These can include treasury bills, bonds and debentures.
- *Option* The owner of an option has the right but not the obligation to buy or sell the underlying asset at a specific price either at a specific point in time or during a specific period of time. The seller or writer of an option is obligated to buy or sell the underlying asset.
- *Preference shares* Nonvoting shares in a corporation, paying a fixed or variable stream of dividends.
- *Repo* When a party agrees to sell a security to the Fund and then repurchase it or similar assets at an agreed upon price at a stated time or on demand.
- *Treasury bills* Short term, government securities issued at a discount (i.e. below) from the face value and returning the face amount at maturity.
- *Zero coupon security* A zero coupon bond does not make interest payments during the life of the bond. Instead it is sold at a deep discount to repayment price, and the return is the difference between the issue price and the maturity value.

TERMS AND CONDITIONS

This document contains particulars given in compliance with the regulations of the Securities Regulations 2002 of Barbados for the purpose of giving information to the public with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

This prospectus is dated April 21, 2008



Mr. Geoffrey Cave C.B.E.,B.C.H., L.L.D.



Mr. C. David Bynoe



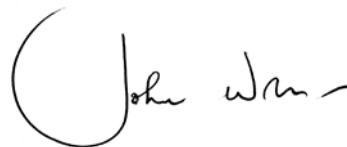
Sir Fred Gollop K.A., Q.C.



Mr. Ken Emery



Mr. G. Anthony King



Mr. John Williams



Mr. Roger Cave

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