

FORTRESS CARIBBEAN HIGH INTEREST FUND

PROSPECTUS

AMENDED AND RESTATED JANUARY 2019

A copy of this document has been registered with the Corporate Affairs and Intellectual Property Office in Barbados in accordance with the provisions of the Companies Act Cap 308, as well as with the Barbados Financial Services Commission in accordance with the Barbados Securities Act. The Fund is an authorised mutual fund licensed under the Barbados Mutual Funds Act 2002-22. The Corporate Affairs and Intellectual Property Office nor the Financial Services Commission of Barbados takes 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.

Currently it is not the intention of the Fund to file a copy of this document or to register any of the securities herein mentioned with any regulatory authority or agency in any country other than Barbados and Trinidad & Tobago. The Fund, however, reserves the right to do so.

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 or she 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 Fund's compliance with any registration or other legal requirements. Any person wishing to subscribe for shares should satisfy himself or herself 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.

IMPORTANT NOTICE

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.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care in reviewing this Prospectus, as at the date of this Prospectus the information contained in this Prospectus is accurate and does not omit anything likely to affect the import of such information. Neither the delivery of this Prospectus nor the issue of shares of the Fund shall be taken to imply that any information herein is correct as of any subsequent date

DISCLAIMER

THE BARBADOS FINANCIAL SERVICES COMMISSION HAS NOT IN ANY WAY EVALUATED THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

FORTRESS CARIBBEAN HIGH INTEREST FUND LIMITED

SUMMARY

- The Fund:** Fortress Caribbean High Interest Fund Limited (“the Fund”) is an open-ended mutual fund company and was incorporated on May 9, 2002, under the Companies Act of Barbados and is licensed under the provisions of the Mutual Funds Act 2002-22 as an authorised Mutual Fund.
- The Shares:** The Fund consists of an unlimited number of Redeemable Distribution and an unlimited number of Redeemable Accumulation Shares (collectively called “the Fund Shares”). Holders of the Distribution Shares typically receive dividends every six months so long as the fund has had a positive return. Holders of the Accumulation Shares are not paid dividends but receive their entire return via the Fund’s increase in Net Asset Value (“NAV”). Net pre-tax returns to holders of the two share classes are identical.
- Redeemable distribution and accumulation Shares of the Fund may be purchased on each Valuation Day (as defined below) at the then applicable NAV as described in the Fund’s Subscription Agreement. The Shares may be purchased only by investors whose beneficial owners are not “Restricted Persons”.
- Valuation Day:** The valuation of the Fund is calculated as of the last business day of each week (“Valuation Day”).
- Investment Objective:** The Fund aims to achieve the highest level of income compatible with the preservation of capital by investing in medium to high-grade debt securities issued by corporate and government entities with a short to medium term maturity profile.
- Board of Directors:** The Board of Directors (“the Board”) of the Fund exercise primary authority over the Fund. The members of the Board are identified within.
- Manager:** The Fund has entered into an agreement (the “Investment Management Agreement”) with Fortress Fund Managers Limited (“FFM”). FFM is an investment management company incorporated

in Barbados and licensed under the Mutual Funds Act 2002-22, The Securities Act, as well as the Companies Act Cap 308 of the laws of Barbados. The major shareholders of the management company include Cave Shepherd & Company Limited, The Nation Corporation, Island Securities Limited and the Fortress Staff Share Scheme Inc.

- Administrator:** The Fund has entered into an agreement (“the Administration Agreement”) with FFM (“the Administrator”) to provide administration services to the Fund. The Administrator will perform various administrative and registrar and transfer agency services for the Fund, including calculation of the NAV of the Shares of the Fund.
- Custodian:** CIBC 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. FirstCaribbean also provides some trade settlement services to the Fund.
- Subscription:** The purchase price for a share is equal to the NAV 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 minimum investment is \$500. The minimum for subsequent investments is \$100 for lump sum investments and \$50 for monthly direct debits from a bank account.
- Eligible Investors:** The Shares may be purchased only by "Eligible Investors", as described herein. Persons interested in purchasing Shares should inform themselves as to the legal requirements within their own countries for the purchase of Shares and any foreign exchange or other restrictions with which they must comply. The Fund reserves the right to reject, either in whole or in part, subscriptions for Shares, in its absolute discretion. See "SHARES OF THE FUND-Eligible Investors."
- Net Asset Value:** The Net Asset Value (“the NAV”) of the Fund is equal to the Fund’s assets less the Fund’s liabilities, each valued pursuant to International Financial Reporting Standards. This amount is then divided by the number of shares outstanding. The NAV is calculated at the close of business at the end of each Valuation Day.
- Redemptions:** 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 Administrator. Fund Shares will be redeemed at their NAV as determined at the Valuation Day 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 Day.

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.

Distributions: The Fund's policy is to distribute substantially all income attributable to holders of Distribution Shares. Accumulation shareholders do not receive distributions but instead see a movement in the NAV.

Fees and Expenses: *Management Fees:* For its services to the Fund in its capacity as manager, the Manager will receive a management fee of 0.75% per annum of the Net Asset Value of the Fund. The Management Fee will be calculated and paid by the Fund weekly in arrears, on each Valuation Day. The Manager may, in its discretion, effectively waive all or part of the Management Fee.

Custodian Fees: For its duties in connection with the custodianship of the assets of the Fund, the Fund will pay the Custodian a fee which is in accordance with its customary fees. The fees are paid on a tiered schedule from a maximum of 0.10% down to as low as 0.075% on assets under custody with a value of over \$80 million.

Sales Charges: Subscriptions may be subject to a charge of up to 2% of the subscription price paid for the Shares. Waivers of this charge are at the sole discretion of the Directors. The sales charge is in place to cover distribution and other costs.

Other Expenses:

Administration: For providing administrative services to the fund, the Administrator will receive a fee of 0.10% for the first \$30 million of net assets, and 0.0875% on amounts in excess of \$50 million and 0.075% on amounts in excess of \$80 million of net assets.

Brokerage Costs: Buying and selling of securities in Barbados is handled by the Manager, which holds a seat on the Barbados Stock Exchange ("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 other jurisdictions are handled by other brokers and the Fund incurs brokerage costs.

- Risk Factors:** Investment in the Fund may be speculative and could involve a high degree of risk. Past performance of the Manager or any of its principals is no guarantee of future performance. There is no assurance that the Fund will be profitable. The risks of an investment in the Fund include, but are not limited to, the speculative nature of the Fund's strategies and the substantial charges that the Fund will incur regardless of whether any profits are earned. See "CERTAIN RISK FACTORS." The Fund is also subject to certain conflicts of interest. See "POTENTIAL CONFLICTS OF INTEREST". The Manager may directly or indirectly manage the assets of funds that in some respects compete with the Fund for certain investments.
- Reporting:** Annual audited financial statements are available to shareholders within 90 days of the fiscal year-end. In addition, shareholders will receive quarterly reports relating to the Fund's performance as well as a quarterly statement of their account. Regular updates to www.fortressfund.com are made as a method of getting information more efficiently to investors and prospects.
- Fiscal Year:** The Fund's fiscal year-end is September 30.
- Tax status:** The Fund is subject to taxes in various aspects of its operations as outlined in the legislation of Barbados. These areas include dividends, property transfer tax and stamp duty, and taxation of shareholders. Investors should obtain their own legal or tax advice on the tax and other consequences of purchases, holding, transferring and selling the Shares.
- Functional Currency** The Fund's functional currency, i.e., the currency in which it maintains its books, records and its financial statements, is the Barbados dollar.

DIRECTORY

Fund's Registered Office	C/o Fortress Fund Managers Limited First Floor Carlisle House Hincks Street Bridgetown Barbados	Telephone: (246) 431 2198 Facsimile: (246) 431 0514
Manager	Fortress Fund Managers Limited First Floor Carlisle House Hincks Street Bridgetown Barbados	Telephone: (246) 431 2198 Facsimile: (246) 431 0514 www.fortressfund.com invest@fortressfund.com
Corporate Secretary	Hanna M. Chrysostom Fortress Fund Managers Limited First Floor Carlisle House Hincks Street Bridgetown Barbados	Telephone: (246) 431 2198 Facsimile: (246) 431 0514
Directors	Sir R. Geoffrey Cave - Chairman Mr. C. David Bynoe Mr. Roger Cave Mr. John M. B Williams Mr. John Howard Mr. David Simpson	
Custodian	CIBC FirstCaribbean International Bank Limited Wealth Management Division Broad Street Bridgetown Barbados	
Auditors	Ernst & Young Services Limited One Welches Welches St. Thomas Barbados	Telephone:(246) 430 3900 Facsimile:(246) 426 9551
Banker	CIBC FirstCaribbean International Bank Limited Broad Street, Bridgetown Barbados	
Attorneys-at-Law	Clarke. Gittens Farmer Attorneys-at-law Fidelity House Willey Business Park St. Michael Barbados	

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THE FUND

Fortress Caribbean High Interest Fund Limited (“the Fund”) was 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 Fund has been established to provide an avenue for investment in domestic, regional and international markets and may invest in both quoted and unquoted debt and equity securities of companies and governments. The Fund aims to achieve the highest level of income compatible with the preservation of capital by investing primarily in fixed income securities issued by corporate and government entities in the Caribbean region. The Fund offers to investors two classes of Fund Shares; Redeemable Accumulation Shares and Redeemable Distribution Shares.

Holders of the Distribution Shares receive dividends every six months while holders of the Accumulation Shares are not paid dividends but receive their entire return via the Fund’s increase in Net Asset Value. Pre-tax returns to holders of the two share classes are identical.

SHARE CAPITAL COMMON SHARES

The Fund is authorised to issue 1,000 Common shares of no-par value having rights set out in Section 27 of the Barbados Companies Act Cap 308 of the laws of Barbados.

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

REDEEMABLE DISTRIBUTION SHARES

The redeemable Distribution Shares are intended for investors. Each fund share is entitled to an equal share in the distribution of the net earnings of the Fund and participates equally in all other respects.

REDEEMABLE ACCUMULATION SHARES

The redeemable Accumulation Shares are intended for investors. Each fund share is entitled to an equal share in the net earnings of the Fund and participates equally in all other respects.

VOTING

Investors of the fund shall not be entitled to vote at meetings of shareholders save and except as permitted under the Companies Act, Cap 308, for the following:

1. Disposal of substantially all 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 Fund with another company or any amalgamation of the Fund with another mutual fund;
4. Any proposed liquidation or dissolution of the Fund.

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

INVESTMENT POLICY

INVESTMENT OBJECTIVE

The Fund aims to achieve the highest level of income compatible with the preservation of capital by investing in medium to high-grade debt securities issued by corporate and government entities with a short to medium term maturity profile principally in the Caribbean.

INVESTMENT POLICY & GUIDELINES

The Fund may invest in any type of security or instrument whose investment characteristics are consistent with its investment policy. Within this broad structure, investment decisions reflect the Manager's outlook for interest rates and the economy as well as the prices and yields of the various securities. For example, if rates are expected to fall, the manager may seek longer-term securities that would provide higher yields and potential for capital appreciation. The Fund may also invest in other securities in keeping with the objective.

The Fund may buy or sell holdings for a variety of reasons, such as to adjust the portfolio's average duration or its credit exposure.

The Fund does not anticipate holding more than 20% of its portfolio in equities.

DEALING IN SHARES OF THE FUND

SUBSCRIPTION AND REDEMPTION PRICES

Shares may be purchased at a subscription price equal to the Net Asset Value per Share as of the close of business on the immediately preceding Valuation Day. The Directors may modify the frequency of permitted subscriptions.

Subscriptions may be subject to a charge of up to 2% calculated as a percentage of the total amount subscribed by a Shareholder for Shares. The charge will be deducted from the applicant's subscription payment for purposes of determining the net amount available for investment in the Shares of the Fund. Waivers of this charge are at the sole discretion of the Directors. The charge is in place to cover distribution costs.

The minimum initial investment for each investor is \$500 with all subsequent investments of \$100 for lump sum investments and \$50 for monthly direct debits from a bank account. The minimum initial and additional investment amounts may be waived, increased or reduced at the discretion of the Directors generally or on a case by case basis. Subscriptions are payable in Barbados Dollars.

PROCEDURE FOR SUBSCRIPTIONS

Application for Shares should be made by completing and signing the Subscription Agreement.

In the event that an application is made by facsimile or email, the applicant must send the signed original application to the Administrator immediately thereafter. Payment for Shares can be made by cheque, cash or debit card, all subject to anti-money laundering procedures. The Fund has the right to accept or reject (in whole or part) any subscription application for Shares. Applicants should be aware of the risks associated with sending faxed applications and that the Administrator accepts no responsibility for any loss caused due to the non-receipt of any fax or email. Unless otherwise agreed to, applications for the issuance of Shares must be received by 3:00 p.m. (Barbados time) on the Valuation Day. Shares will be held in book-entry form and in such cases, a confirmation note only will be sent to the applicant upon receipt of funds and the properly completed subscription form and acceptance of such funds by the Fund. Applications received after this time will be held in an account and treated as an application for the next Valuation Day. Payment may also be made in cash equivalents and securities, subject to the approval of the Manager.

Applicants subscribing for Shares are advised that the Shares are issued subject to the provisions of the Fund's Articles of Incorporation.

As part of the Fund's and the Administrator's responsibility for the prevention of money laundering, they will require a detailed verification of the applicant's identity and reserve the right to request a declaration of source of payment for the Shares.

The Fund and the Administrator reserve the right to request such information as they consider to be necessary to verify the identity of the applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Fund or the Administrator may refuse to accept the application and all subscription monies relating thereto or may similarly refuse to process a redemption request until proper information has been provided.

ELIGIBLE INVESTORS

Unless otherwise agreed to by the Fund, each prospective investor is required to certify that the Shares are not being acquired directly or indirectly for the account or benefit of a Restricted Person. The term "Restricted Person" as used in this Prospectus means any US Person and other persons from time to time designated as such by the Fund.

PROCEDURE FOR REDEMPTIONS

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 Administrator. Fund Shares will be redeemed at their Net Asset Value as determined at the Valuation Day next following the day on which the Fund receives the redemption order, less any applicable accrued charges and expenses referred to herein. 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 Day.

Redemption requests may initially be sent by fax or email. However, Shareholders should be aware of the risks associated with sending documentation in this manner and that the Administrator will not be responsible in the event of non-receipt of any redemption request sent by fax or email. In any event, the original signed redemption request must be submitted to the Administrator. Redemption payments will be made in Barbados dollars and will be available in cheque format.

The Fund may withhold a portion of any proceeds of redemption if necessary to comply with applicable legal or regulatory requirements. Moreover, the Directors have the right to require a compulsory redemption of all or some of the Shares held by a Shareholder at the price per Share equal to the then prevailing Net Asset Value per Share without assigning any reason therefor. The Directors may compulsorily redeem a Shareholder's Shares for any or for no reason, including, without limitation, if such Shareholder is a Restricted Person that has acquired Shares otherwise than in compliance with applicable rules and regulations. Compulsory redemptions will be made at the then prevailing NAV.

The Directors may also suspend redemptions of the Shares in circumstances where the Directors deem it to be in the interests of the Fund and continuing Fund investors to do so.

SUSPENSION OF DEALINGS AND DETERMINATION OF NET ASSET VALUE

Suspensions of dealings may be declared by the Fund's Board of Directors only in exceptional circumstances. The Directors may have to stagger redemptions in exceptional circumstances. At such times, the Fund will have regard to the interests of all Fund shareholders. If in such times, conflicts were to arise between the interests of different shareholders, the interests of ongoing shareholders will take priority over those entering or exiting the Fund.

The Fund's By-laws provide that the Directors may declare a suspension of the determination of the Net Asset Value of the Portfolio and the sale, allotment, issue or redemption of the Shares.

REGISTRATION AND TRANSFER OF SHARES

Shares are issued only in book-entry form. The Administrator maintains a current register of the names and addresses of the Shareholders, and the Administrator's entry in the share register is conclusive evidence of ownership of such Shares. Certificates representing Shares will not be issued.

Transfers of Shares by instruments in writing in the usual common form are permitted only with the prior consent of the Directors, which consent may be withheld in the absolute discretion of the Directors. Any transferee of Shares is required to furnish the same information and complete the same documents that would be required in connection with a direct subscription, including without limitation being required to complete a subscription agreement, in order for a transfer application to be considered by the Directors. Violation of applicable ownership and transfer restrictions may result in a compulsory redemption.

SELLING RESTRICTIONS

The distribution of this Prospectus and the offering of the Shares of the Fund may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. It is the responsibility of every person wishing to make application in connection herewith to satisfy himself as to full observance of the laws of the relevant jurisdiction in connection therewith, including any governmental or other consents which may be required, or to observe any other formalities needing to be observed in such jurisdiction and to pay all transfer and other taxes required to be paid in such jurisdiction.

DETERMINATION OF NET ASSET VALUE

In accordance with the provisions of the Fund's Articles of Association, as summarised herein, and under the overall supervision and direction of the Directors, in conjunction with the Manager, the Administrator will calculate the Net Asset Value as of each Valuation Day and as of such other day or days as the Directors may select in their discretion. The Net Asset Value is equal to the Portfolio's assets less the Portfolio's liabilities, each valued

pursuant to International Financial Reporting Standards. The Net Asset Value per Share will be calculated by dividing the corresponding Net Assets by the number of Shares of the Fund then outstanding.

All debts, liabilities and Net Asset Valuations will be determined in accordance with International Financial Reporting Standards.

Prospective investors should be aware that situations involving uncertainties as to the valuation of portfolio positions could have an adverse effect on the Net Asset Value determination if judgments regarding appropriate valuations should prove incorrect. In the absence of willful malfeasance, bad faith or gross negligence, the Directors' determination of Net Asset Value is conclusive and binding on all Shareholders and prospective investors. Fees and expenses will be charged against the Portfolio in computing its Net Asset Value. Other fees and expenses will be charged based on the respective Net Asset Value or otherwise in the discretion of the Directors.

OTHER RESTRICTIONS

The Fund may borrow up to 15% of the value of the Fund's total assets subject to the approval of the Board of Directors.

The Fund is restricted from investing in shares of Cave Shepherd & Company Limited, a publicly listed company on the Barbados Stock Exchange and majority shareholder of the Manager.

DIVIDEND POLICY

Substantially all of the net investment income of the Distribution Shares will be paid out every six months to Shareholders. Payment dates are May 31st and November 30th of each year.

POTENTIAL CONFLICTS OF INTEREST

The roles of the Administrator and the Manager are both represented by Fortress Fund Managers Limited.

The Manager, each of its affiliates and the Directors may engage in other business activities and manage the accounts of clients other than the Fund including those of other collective investment vehicles. The investment strategy for such other clients may vary from or be similar to that of the Fund. The Manager, each of its affiliates and the Directors are not required to refrain from any other activity, nor must they disgorge any profits from any such activity, including acting as general partner, manager or managing agent for investment vehicles with objectives similar to those of the Fund.

EXCHANGE CONTROL

Barbados has a regime of foreign exchange control regulations administered by the Central Bank of Barbados ("CBB"). 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 CBB.

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 CBB. 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 CBB has granted the Fund 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 CBB on a quarterly basis.

MANAGEMENT

THE BOARD OF DIRECTORS

The Fund's Directors (the "Board" or the "Directors"), each of whom serves in accordance with the laws of Barbados and the Fund's Articles of Incorporation. The Directors have appointed the Manager (as defined herein) to perform and/or delegate certain management and administrative tasks on behalf of the Fund. A brief biographical description of each of the Directors follows:

Sir Geoffrey Cave

Sir Geoffrey Cave is the Chairman of Cave Shepherd & Company Limited, a public company listed on the Barbados Stock Exchange. Sir Geoffrey, who holds a Bachelor of Commerce degree from McGill University in Canada, has been the Chairman & Managing Director of Cave Shepherd and Co., Ltd for over 30 years. Sir Geoffrey has had a distinguished career in business in Barbados being involved as Director and Chairman of several of the leading public companies in Barbados.

Mr. David Bynoe

Mr. Bynoe is a former Chairman and CEO of Barbados Shipping & Trading Company Limited (now Massy Group). Mr. Bynoe is currently retired and is quite active in the business community through his involvement on several company boards.

Mr. Roger Cave

The Investment Manager, Mr. Cave holds the designation of Chartered Financial Analyst (CFA) and is a Chartered Accountant (C.A.) with four years of professional accounting experience with Coopers and Lybrand in Canada and PriceWaterhouseCoopers in Barbados. Mr. Cave completed a two-year contract with the Commonwealth Development Corporation as an Executive in their East Caribbean office before joining Cave Shepherd in

1994. He is one of the leading promoters and founding shareholders of Fortress Fund Managers Limited.

John Williams

John Williams is the Chief Executive Officer of Cave Shepherd & Co. Limited. Mr. Williams serves as a Director on the Boards of Bridgetown Cruise Terminal Inc., DGM Bank & Trust Inc., Duty Free Caribbean (Holdings) Ltd., GSC Limited and Signia Financial Group Inc.

Mr. John Howard

John Howard, a Chartered Accountant (ACA) and Chartered Financial Analyst (CFA), is President of Summit Asset Management Limited where he has responsibility for a global portfolio of assets. Before then, he was Finance Director with Barrick International Bank Corporation, the global treasury operation for Barrick Gold. He was also previously Vice President, Business Advisory Services, for PwC in the region. Mr. Howard is also a past President of the Barbados International Business Association (BIBA) and a past Director of Invest Barbados, an economic development agency of the government of Barbados.

Mr. David Simpson

David Simpson is Founder and Managing Director of Prestige Accounting Inc., a professional accountancy and finance training company. He was admitted to the membership of the ACCA in December 2003 and became a Fellow in December 2008. He was also admitted to the membership of the Institute of Chartered Accountants of Barbados (ICAB) in April 2004 and was elected to its council in 2005.

Mr. Simpson spent over 15 years in the audit and accounting fields working with Brian F. Griffith & Co. Chartered Accountants and the Fair Trading Commission in Barbados.

FUNCTIONARIES

THE MANAGER

The Fund has engaged Fortress Fund Managers Limited as the Manager (the "Manager") of the Fund under an agreement dated 14th May 2002 (the "Management Agreement"). The Manager manages and invests the Fund's assets.

The Manager is a company with limited liability registered under the laws of Barbados on 14 August 1996. The Manager is not incorporated with a limited duration. The address of the Manager's principal place of business is First Floor Carlisle House, Hincks Street, Bridgetown, Barbados. The main business of the Manager is the provision of investment management and ancillary services. The Manager is licensed to carry out its business by the Barbados Financial Services Commission and holds a Securities Company license which is renewed annually.

The Manager has been a registered securities company since 1996. In addition to serving as the Fund's Manager, Fortress Fund Managers Limited manages and administers other investment funds domiciled in Barbados, Cayman Islands and the British Virgin Islands.

The shareholders of the Manager are the Nation Corporation, Cave Shepherd and Company Limited, Island Securities Limited and Fortress Staff Share Scheme.

Cave Shepherd & Co., Ltd is a public company listed on the Barbados Stock Exchange. Its principal business is retail, being the leading department store in Barbados. However, it is also involved in property rental and third-party processing of debit and credit card transactions.

The Nation Corporation is the largest media company in Barbados. Its principal subsidiary, the Nation Publishing Co. Limited publishes the leading daily newspaper in Barbados. Another subsidiary, Starcom Network Inc., operates four radio stations including the Voice of Barbados. Since January 1st, 2006, One Caribbean Media Limited, a Trinidad & Tobago publicly listed company, became the ultimate parent.

Island Securities Ltd. is a private investment company, owned by Mr. Roger Cave.

Fortress Staff Share Scheme Inc. facilitates the holding of shares in Fortress Fund Managers Limited for the employees of the Group.

EXECUTIVE MANAGEMENT TEAM

Fortress Fund Managers Limited employs an experienced team of professionals headed by Mr. Roger Cave. The executive management team for the Fund shall comprise Roger Cave and such other persons as may be deemed appropriate from time to time. A short biography of Mr. Roger Cave has been provided in the section regarding Directors of the Fund.

THE MANAGEMENT AGREEMENT

Pursuant to the terms of the Management Agreement, the Manager has agreed, *inter alia*, to manage all aspects of the Fund's investment operations in accordance with all investment parameters adopted by the Fund. The Manager may delegate any or all of its duties pursuant to the Management Agreement.

See "FEES AND EXPENSES" herein for a general description of the fees payable to the Manager.

ADMINISTRATION AGREEMENT

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

THE CUSTODIAN

The Fund has entered into an agreement (the "Custodian Agreement") with CIBC FirstCaribbean International Bank (Barbados) Limited (the "Custodian").

The Custodian is a company with limited liability incorporated under the laws of Barbados on 14 October 2002. The Custodian is not incorporated with a limited duration. The address of the Custodian's principal place of business is Broad Street, Bridgetown, Barbados. The main business of the Custodian is the provision of banking, custody and ancillary services. The Custodian has been licensed to carry out its business by the Central Bank of Barbados and holds a Part 2 Banking license.

CIBC FirstCaribbean is a major Caribbean bank headquartered in Barbados offering a full range of financial services in Corporate, Retail, International Wealth Management and Capital Markets banking. It is the largest, regionally-listed bank in the English speaking Caribbean, with assets of over US\$10 billion as of October 31, 2014. CIBC FirstCaribbean was formed in 2002 with the merger of CIBC West Indies Holdings and Barclays Bank PLC Caribbean operations. In December 2006 CIBC became the majority owner and in June 2011, the company was co-branded under the name CIBC FirstCaribbean.

The Fund assets, present and future, shall be taken into custody by the Custodian and shall be registered in the name of the Custodian.

CORPORATE SECRETARY

Hanna M. Chrysostom, a practising attorney-at-law, has been appointed as Corporate Secretary to provide corporate secretarial services to the Fund. She is responsible for

ensuring the integrity of the Fund's governance framework and offers legal advice and conducts legal research for the Fund.

Ms. Chrysostom is also the Corporate Secretary for Cave Shepherd & Co. Limited and Fortress Fund Managers.

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.

- Cave Shepherd & Company Limited
- The Nation Corporation
- CIBC FirstCaribbean International Bank
- Ernst & Young Services Limited
- Clarke Gittens Farmer
- Fortress Fund Managers Limited
- Island Securities Ltd
- Fortress Staff Share Scheme Inc.
- Hanna M. Chrysostom

FEES AND EXPENSES

SALES CHARGE

Subscriptions may be subject to a charge of up to 2% calculated as a percentage of the total amount subscribed by an applicant for Shares. The charge will be deducted from the applicant's subscription payment for purposes of determining the net amount available for investment in Shares. Waivers of this charge are at the sole discretion of the Directors. The charge is in place to cover distribution costs.

FEES OF THE MANAGER

Management Fee. Pursuant to the Management Agreement, the Manager receives an annual fee (the "Management Fee") of 0.75 % of the Net Asset Value (as defined herein) of the Fund. The Management Fee will be calculated and paid weekly (unless a fee deferral election is made), in arrears on each Valuation Day.

ADMINISTRATOR FEES

For performing and supervising the performance of corporate and administrative services necessary for the operation and administration of the Fund (other than the making of investment decisions), the Administrator will receive an administration fee equal to 0.10% per annum of the aggregate Net Asset Value of the Fund on the first \$30 million, 0.0875% on the next \$50 million and 0.075% on the amount in excess of \$80 million.

DIRECTORS' FEES

Each Director who is not an officer or employee of the Manager or related companies receives a flat annual fee for serving in such capacity. The Directors' fee will be in accordance with reasonable and customary directors' fees.

CUSTODIAN FEES

For its Custodian services, the Custodian will receive fees in accordance with the following schedule as of the date of this Prospectus:

- 0.10% on the first \$30 million of net assets
- 0.0875% on the next \$50 million in net assets
- 0.075% on amounts over \$80 million in net assets

BROKERAGE

Buying and selling of securities in Barbados is handled by the Manager, which holds a seat on the Barbados Stock Exchange ("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 other jurisdictions are handled by other brokers and the Fund incurs

brokerage costs.

OTHER FEES AND OPERATING EXPENSES

The Manager is responsible for providing all personnel, office space and facilities required for the performance of its services. The Fund bears all other expenses incidental to its operations and business, including (i) fees and charges of custodians, (ii) interest and commitment fees on loans and balances, (iii) income taxes, withholding taxes, transfer taxes and other governmental charges and duties, (iv) fees of the Fund's Administrator, legal advisors, independent auditors, printing and stationery costs (v) Directors' fees and expenses, (viii) all similar ongoing operational expenses. Each Director of the Fund who is not an officer or employee of the Manager or related companies may receive fees from the Fund for serving in such capacity.

CERTAIN RISK FACTORS

When evaluating the merits and suitability of an investment in the Shares, prospective investors should give careful consideration to all of the risk factors described in this section headed "CERTAIN RISK FACTORS" and the following risk factors that are relevant to the Fund. Such risk factors are not purported to be a comprehensive summary of all the risks associated with an investment in the Shares. Rather, they are only certain risks to which the Fund is subject and that the Manager wishes to encourage prospective investors to consider and discuss in detail with their professional advisors.

1. **Market Risk.** There is a risk that the price of security held by the Fund will fall due to changing economic conditions, currency exchange rates, interest rates, political or market conditions or by disappointing earnings results.
2. **Credit Risk.** Prices of securities react to the economic conditions of the company that issued the security. The Fund's investments in securities of an issuer may rise or fall based on the issuer's actual or anticipated earnings, changes in management and potential for takeovers and acquisitions.
3. **Foreign Markets Risk.** Investing in foreign securities involves risks relating to political, social or economic developments abroad as well as risks resulting from the differences between the regulations to which the issuers and the markets are subject.
4. **Concentration Risk.** The Fund may invest a substantial amount of its assets in issuers located in a single country or a limited number of countries. If the Fund concentrates its investments in this manner, it assumes the risk that economic, political and social conditions in those countries will have a significant impact of its investment performance.
5. **Emerging Markets Risk.** Emerging markets are generally defined as countries in the initial stages of their industrialization cycles with low per capita income. The markets of emerging countries are often less liquid and more volatile than the markets of developed countries with more mature economies. All the risks of investing in foreign securities are described herein are heightened when investing in emerging markets countries.
6. **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.
7. **Liquidity Risk.** This is the risk that the Fund may encounter difficulty meeting its financial obligations in a timely fashion due to the illiquidity of its underlying investments. The Fund is subject to weekly subscriptions and redemptions of Fund Shares. It therefore seeks to invest to the extent possible in securities that are traded in an active secondary

market and may be readily bought or sold as necessary. In certain market conditions though, such liquidity may be universally diminished.

8. **Currency Risk.** The Net Asset Value per share of the Fund will be computed in Barbados Dollars. However, the Fund may hold investments in currencies other than Barbados Dollars which may rise or fall due to the exchange rate fluctuations of individual currencies. In the case of funds invested into other funds or placed with third-party managers, the concern surrounds the potential of currency changes on the components of the Fund. The Fund will not generally hedge exposures to currency risk as over the long-term research has shown that the costs of doing so usually outweigh the benefits. From time to time, however, currencies do sometimes move to extreme levels relative to their respective purchasing power parity levels and relative to the value of other currencies. Although not a core activity of the Fund, it is possible that during such times of a currency's perceived over/under-valuation, the Fund's Manager may hedge the Fund's exposure to such a currency.
9. **Restriction of Free Movement of Capital:**
 - a) The Fund's principal jurisdiction of registration is Barbados where the Fund is incorporated. In Barbados, there are foreign currency controls in place. This has the effect of limiting the opportunities the Fund can gain on exposure to the more liquid markets observed outside of the Caribbean region;
 - b) The Caribbean markets, in particular, are illiquid and are characterised by limits on capital flows among currencies and countries. Certain assets in the Fund, therefore, may not be immediately tradeable at all times and this may affect the Fund's ability to absorb subscriptions and/or pay redemptions in a timely fashion.
10. **Illiquidity of Shares.** Transfer of Shares are restricted; there is no market for Shares and, accordingly, Shares may be disposed of only through the redemption procedures described within the Prospectus. Under exceptional circumstances, such redemption procedures may entail a significant delay in redemptions.
11. **Notice Required.** A Shareholder must give prior written notice to the Administrator to make a partial or total redemption of its Shares. During such notice period, the Shareholder's investment remains at risk and may decrease in value from the date that notice of redemption is made to the Administrator until the effective date of redemption.
12. **Compliance.** The Fund must comply with various legal requirements, including requirements imposed by the securities laws, tax laws and pension laws in various jurisdictions. Should any of those laws change over the life of the Fund, the legal requirements to which the Fund and the Shareholders may be subject could differ materially from current requirements.

13. **Forced Liquidation.** Substantial redemptions by Shareholders within a short period of time could require the Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Fund's capital. The resulting reduction in the Fund's capital could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base. Additionally, such substantial redemptions may increase the share of the Fund's fees and expenses payable by the remaining Shareholders.
14. **Conflicts of Interest.** The Fund and the Manager are subject to various conflicts of interest as set forth in the section of the Prospectus entitled "POTENTIAL CONFLICTS OF INTEREST."
15. **Need for Independent Advice.** The Manager has consulted with counsel, accountants and other experts regarding the formation and on-going operation of the Fund. Each prospective investor should consult his own legal, tax and financial advisors regarding the desirability of an investment in the Fund.
16. **Allocation of Shareholder Loss.** No Shareholder will be liable for losses or debts of the Fund beyond that Shareholder's investment nor may any Shareholder be assessed or otherwise required to invest more than his/her initial investment.
17. **Economic and Business Conditions.** General economic and business conditions may affect the Fund's activities. Interest rates, the prices of securities and participation by other investors in the financial markets may affect the value of securities purchased by the Fund. Unexpected volatility or liquidity in the markets in which the Fund directly or indirectly holds positions could impair the Fund's ability to carry out its business and could cause it to incur losses