



Your Future. Our Business.

Dear fellow investors,

The fourth quarter of 2019 brought a strong finish to a strong year for the Fortress funds. The Fortress Caribbean Growth Fund reached new highs in its Net Asset Value (NAV) per share, and total assets surpassed \$500 million for the first time. Global equities were the standout performers, as our investments in the Fortress Global Funds benefited from rising markets as well as a surge in value-oriented shares relative to higher priced growth shares. Global interest rates remain low and central bank policy is friendly. Company earnings among international and emerging markets shares appear to be recovering and valuations are still very attractive in many areas. While no one can predict the future – and we certainly don't try to – the potential future returns across our regional and global equity investments still look substantial, even though 2019 may prove to be a hard act to follow.

The **10th Annual Fortress Investment Forum** is scheduled for the evening of **Wednesday, March 25, 2020** at the Frank Collymore Hall. After 10 years of hosting this event we will be looking backward as well as forward to explore what the future may hold for investors in Barbados and abroad. There will be straight talk from the Fortress team about how we are investing your money, as well as perspectives from special guests. Watch our website www.fortressfund.com and emails for details and to register in the coming weeks. We hope you can plan to join us.

Thank you very much for investing with us.

Sincerely,
Fortress Fund Managers

OF INTEREST THIS QUARTER:

THE CARIBBEAN GROWTH FUND

gained 7.2% in the fourth quarter and was up 14.9% in 2019. International and emerging markets equities showed substantial gains as did some shares in Trinidad.

THE CARIBBEAN HIGH INTEREST FUND

returned 1.0% in the fourth quarter and was up 4.4% for the full year. The Government of Barbados reached an agreement with external bondholders.

THE CARIBBEAN PENSION FUND

shares gained between 1.6% and 6.1% in the fourth quarter and returned between 5.2% and 13.1% for the full year 2019. Equity allocations posted the highest returns this year.



Is now a good time to invest?

Financial markets rarely move in a straight line. There are ups and downs, but over time the good investments tend to grow and to keep growing.

If your time horizon is measured in years not days (as it should be!) then now is *always* a good time to invest.

Call us today on 431-2198 to find out more.



Caribbean Growth Fund

HIGHLIGHTS:

- *The Fund gained 7.2% in the fourth quarter and 14.9% for all of 2019.*
- *Returns were strong in the Fund's global investments as well-valued international and emerging markets shares led the way.*

The Fund gained 7.2% in the fourth quarter and 14.9% for all of 2019. The net asset value (NAV) per share finished the year at \$6.5335. Net assets of the Fund were \$527 million, up from \$447 million this time last year. The Fund's annual compound rate of return since inception in 1996 is 8.5% per year. Its portfolio remains well diversified by security, geography and currency.

Strong performance during the quarter was driven by gains in the Fund's global investments, while closer to home returns in Caribbean stock markets were mixed. In Barbados, the announcement of GNB Financial's acquisition of a 67% stake in FirstCaribbean International Bank from CIBC at a substantial discount led to a 22% decline in FirstCaribbean's price on the Barbados Stock Exchange (BSE). FirstCaribbean is still the largest stock by weight on the BSE. During the quarter the acquisition of Sagicor Financial by Canadian company Alignvest was also completed. Most former shareholders in Sagicor elected to become shareholders in the new company. Alignvest, which has now changed its name to Sagicor Financial, trades on the Toronto Stock Exchange in Canadian dollars. As part of this transition Sagicor delisted its shares from the BSE so investors now must trade the shares in Canada, and Barbados has one fewer share listed in its market. The shares in Canada were quoted approximately 20% higher than where they ended trading on the BSE in November, so the Fund benefited from this uplift in its holding of Sagicor. Jamaican shares were little changed during the quarter after large gains earlier in the year. Trinidad shares came to life in December with stocks like Massy (+12%) and Guardian Holdings (+18%) contributing gains. The Fund had been gradually moving out of higher valued Jamaican holdings and adding to positions in Trinidad in recent months in response to the better value there.

Global stock markets continued to shrug off a range of economic concerns from trade tensions, Brexit and impeachment proceedings in the U.S. and posted a strong quarter. The U.S. Federal Reserve cut its target rate again in October and an initial trade deal between the U.S. and China appeared imminent in time for the leadup to the 2020 presidential elections. Well-valued shares outperformed higher priced growth shares during the quarter, giving an additional boost to the Fund's performance via its core holdings in the Fortress Global Funds. The Fund's two largest holdings are the Fortress Emerging Markets Fund and Fortress International Equity Fund, which were up 14.1% and 10.3% respectively in the quarter, and up 18.9% and 25.7% for the year. An abatement in trade tensions helped Japanese and Chinese shares rebound sharply, and the greater clarity around Brexit helped UK shares and sterling rally, all of which benefited the Fund. We continue to see very good value among international and emerging markets shares where valuations are attractive and earnings appear likely to improve.

The Fund is once again open to all new subscriptions.

FUND OBJECTIVE

Capital growth over the long term. The Fund uses a value approach to invest primarily in Caribbean and international equities.

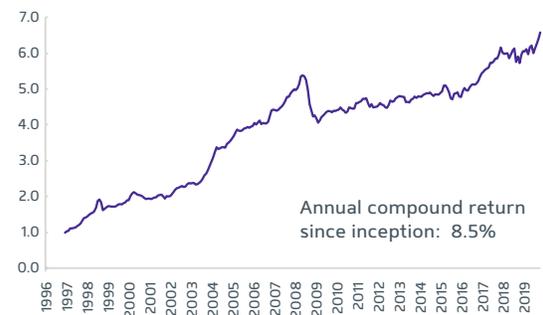
Minimum Investment	\$100
Net Asset Value per share	\$6.5335
Fund Net Assets	\$527,225,880
Fund Inception	Dec 9, 1996

INVESTMENT RETURNS

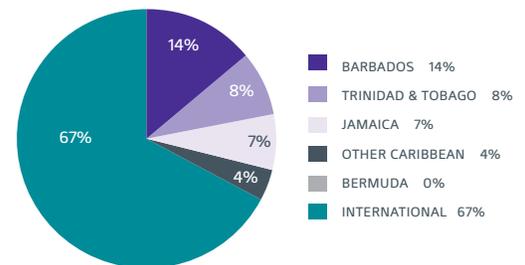
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept
Fortress	7.2%	14.9%	7.9%	6.3%	8.5%
Jamaica	0.7%	29.3%	37.2%	41.9%	9.7%
Trinidad	4.6%	13.0%	6.2%	3.8%	9.4%
Barbados	-3.8%	-7.5%	6.5%	8.0%	4.1%
MSCI World	8.7%	28.4%	13.2%	9.4%	7.1%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO DECEMBER 31ST, 2019



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

Holding	Country/Region
1 Fortress Emerging Markets Fund	International
2 Fortress International Equity Fund	International
3 Goddard Enterprises Limited	Barbados
4 Fortress Income Builder Intl Fund	International
5 Fortress OAM Overseas Fund	Europe/Asia

EXPENSES

Manager: 1.75% per annum of net assets
Custodian:
 0.0875% on first \$30M in net assets
 0.075% on amounts over \$30M in net assets
Administrator:
 0.10% on the first \$30M in net assets
 0.0875% on amounts over \$30M in net assets
Redemption Charge: none
Initial Charges: 2%

MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd.

CUSTODIAN

CIBC FirstCaribbean International Bank
 Wealth Management Division

AUDITORS

EY Barbados

ATTORNEY-AT-LAW

Clarke Gittens Farmer

DIRECTORS

Sir Geoffrey Cave, Chairman
 John Howard
 David Simpson
 John Williams
 Roger Cave, Investment Manager

Caribbean High Interest Fund



HIGHLIGHTS:

- *The Fund returned 1.0% for the fourth quarter and was up 4.4% for the full year 2019.*
- *The Government of Barbados reached an agreement with foreign bondholders and global bonds showed modest returns.*

The Fund gained 1.0% during the fourth quarter and was up 4.4% for the full year 2019. The net asset value (NAV) of the Fund's Accumulation share finished at \$2.0134, while the Distribution share finished at \$1.0081 after paying a dividend of \$0.0188 per share during the quarter. Net assets of the Fund were \$135 million, up from \$132 million this time last year. The Fund's annual compound rate of return since inception in 2002 is 4.0% per year. Its portfolio remains as diversified as possible across various issuers, industries, geographies and terms to maturity.

The Government of Barbados (GOB) completed one of the last steps in its debt restructuring after reaching a deal with external bondholders in October. Holders of US\$-denominated debt accepted reductions in principal and received new 10-year 6.5% bonds in exchange for the old bonds which had been in default. The rating agencies responded with upgrades on the debt because following the agreement GOB is no longer in default. The new bond ratings in the range of "B" still imply significant stress, though, as the agencies point out that the IMF-supported fiscal reform programme continues to meet its milestones but that broader economic growth for now remains elusive. With the GOB likely to continue obtaining its financing from multi-lateral organisations such as the IMF for the next two years, we do not expect any new government bonds in the near term. Some corporate issuance is expected in early 2020, which if priced appropriately would be a welcome opportunity to continue reducing the Fund's Barbados dollar cash levels. During the quarter we made new investments in short-term secured deposits and added marginally to our GOB Series F holdings.

Global bond markets showed modest returns during the quarter as medium and long-term yields rose slightly. Credit spreads remained tight, meaning that investors are not pricing in much risk of deteriorating economic activity or corporate earnings. Part of the reason for this is that monetary policy is friendly and expected to remain so: the U.S. Federal Reserve (Fed) cut its target rate another 0.25% in October, bringing it down to 1.5%-1.75%. This is lower than this time last year but is still higher than many developed markets around the world where short-term interest rates remain at, or even below, zero. There may be room for further reductions but for now the Fed has paused. Economic conditions have improved as some of the uncertainty from the ongoing U.S. - China trade tensions have abated, and the Brexit process in the UK and Europe seems to have become clearer. Further rate cuts will require a deterioration in the economic outlook or new threat. For now, yields are low globally and this will limit returns for bond investors. The Fund's gross yield is currently 3.34%, a good estimate of its medium-term return potential.

The Fund is currently open only to monthly savings programmes and pensions. It remains closed to new lump sum investments.

FUND OBJECTIVE

Income and capital preservation over the medium term. The Fund actively invests in a diversified portfolio of primarily Caribbean and international debt securities.

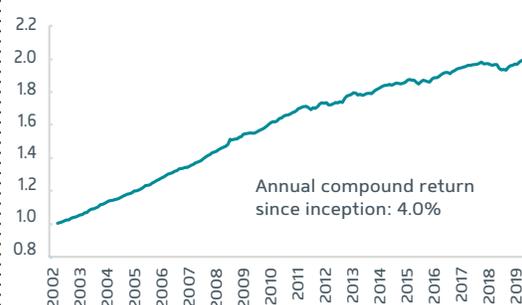
<i>Minimum Investment</i>	\$500
<i>Net Asset Value per share</i>	\$2.0134 / \$1.0081
<i>Fund Net Assets</i>	\$134,937,201
<i>Fund Inception</i>	May 17, 2002

INVESTMENT RETURNS

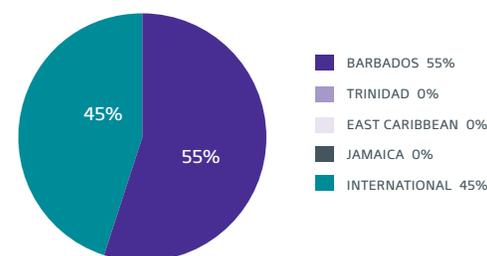
3 Months	1 Year	3 Years	5 Years	Inception
1.0%	4.4%	1.6%	1.7%	4.0%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO DECEMBER 31ST, 2019



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

Holding	Country
1 Fortress Fixed Income Fund	International
2 Deposits - CIBC FirstCaribbean Intl Bank	Barbados
3 Government of Barbados Series F Bond	Barbados
4 First Citizens Repo Jan 6, 2020	Barbados
5 GEL Note 11/30/2021	International

EXPENSES

Manager: 0.75% per annum
Custodian & Administrator:
 0.20% on first \$30M in net assets
 0.175% on next \$50M in net assets
 0.15% on amounts over \$80M in net assets
Redemption Charge:
 2% for funds held less than 6 months
 Up to 1% for funds held less than 6 months - 2 years
 Nil after 2 years
Initial Charges: none

MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd.

CUSTODIAN

CIBC FirstCaribbean International Bank
 Wealth Management Division

AUDITORS

EY Barbados

ATTORNEY-AT-LAW

Clarke Gittens Farmer

DIRECTORS

Sir Geoffrey Cave, Chairman
 John Howard
 David Simpson
 John Williams
 Roger Cave, Investment Manager



Caribbean Pension Fund

HIGHLIGHTS:

- The three classes of shares of the Pension Fund gained between 1.6% and 6.1% in the fourth quarter and returned between 5.2% and 13.1% over the full year 2019. Equity investments had a very strong quarter while bonds were little changed.
- Returns by class of share are shown in the table to the right.

When we think about planning for retirement, we often start by thinking about money. Will I have enough saved to live comfortably and to leave something for the next generation? Will my pension be enough to support my family during a decades-long retirement? Of course, these are important considerations and they're why we are in the business of helping people save and grow their money for the future, especially in long-term assets like stocks where you can expect to outrun inflation. But money is not the only part of retirement planning that benefits from a sound long-term plan. Other areas worth starting to consider now include:

- **Health and wellness.** Do you have a regular health and fitness programme including organised recreation and activities with others? These are increasingly important as we get older and the time to begin building the habits, connections and skills is right now.
- **Legal.** Is your will in order (do you have a will)? What about a Power of Attorney to allow someone else to act for you if you cannot? While these are not exciting or pleasant documents to consider there is no substitute for getting them squared away.
- **Protection.** Medical expenses can derail even the best financial plan. Do you have enough insurance against an expensive medical emergency? Does your family?
- **What next?** Retirement is less and less likely to be full-time recreation. Have you thought about how you would like to keep contributing and making use of your skills after retirement?

Investors in the Pension Fund typically select from three different classes of shares, based on personal circumstances and risk tolerance. These classes differ in how their assets are spread across the major asset classes of equities, bonds, and real estate and other assets. The graphs below show how each of the classes (AA, CC, CS) is allocated currently. The reports on the Caribbean Growth Fund and Caribbean High Interest Fund on pages two and three of this quarterly report give you a direct look into the performance, positioning and outlook for the major underlying investments in the Pension Fund.

Fortress is a leading provider of investment management and pension administration services to defined contribution (DC) and defined benefit (DB) pension plans of all sizes.

In addition, our proprietary pension products serve companies and employees both before and after retirement:

Fortress Multi-Employer Pension Plan

- Complete outsourced solution helps companies bypass the expense and burden of maintaining a standalone pension plan.
- Each company selects their own suite of plan details including eligibility, vesting periods, contribution rates, and retirement age.
- As a participant, you select your own investment option from the three classes of the Fortress Caribbean Pension Fund.

Personal Pension (RRSP)

- Individual account for investing your own pension savings.
- If you change employers your accumulated pension savings can be transferred into an RRSP and remain invested as you select.

INNOVA Lifestage Income Plan

- An alternative to low rates on fixed annuities after retirement.
- You stay invested even in retirement and draw down a variable monthly pension from your own investment account.
- Any undrawn amount forms part of your estate.

The Fortress Caribbean Pension Fund is the primary investment offering behind all our pension products and for company defined contribution pension plans.

EXPENSES

Manager: 0.50% per annum of net assets at the Fund level.
 Fees from the underlying Fortress funds in which the Fund invests are capped at between 0.25% and 0.50% per annum of net assets, depending on the fund.
Custodian: \$7,500 per year paid by the Fund as a whole.
Administrator: 0.03% per annum.
Sales Charge: None
Redemption Charge: none

MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd

CUSTODIAN

CIBC FirstCaribbean International Bank
 Wealth Management Division

AUDITORS

EY Barbados

ATTORNEY-AT-LAW

Clarke Gittens Farmer

FUND OBJECTIVE

Capital growth, income and security over the long term, as appropriate to each class of share. The Fund invests in equities, fixed income, and real estate assets primarily via the other Fortress funds.

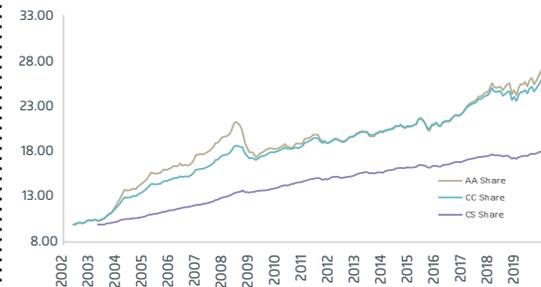
Net Asset Value Per Share: \$27.35 / \$26.17 / \$18.10 (AA/CC/CS)
Fund Net Assets: \$335,455,412

INVESTMENT RETURNS

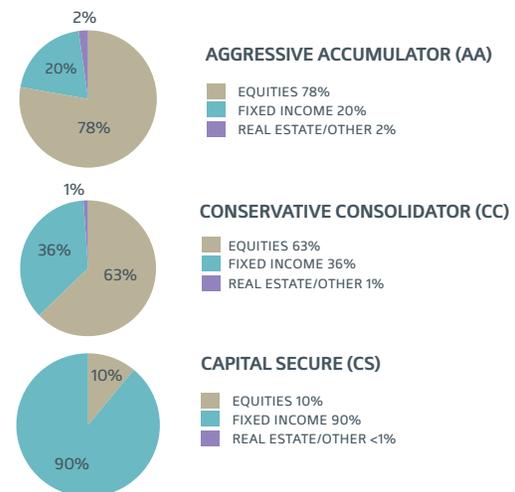
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
AA Share	6.1%	13.1%	7.0%	5.7%	5.9%
CC Share	4.9%	11.1%	5.5%	4.7%	5.6%
CS Share	1.6%	5.2%	2.2%	2.2%	3.6%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO DECEMBER 31ST, 2019



ASSET ALLOCATION



DIRECTORS

Sir Geoffrey Cave, Chairman
 René Delmas
 John Howard
 Desmond Kinch
 David Simpson
 John Williams
 Roger Cave, Investment Manager

Please see our **Fund Prospectus** for further important information.