



Your Future. Our Business.

Dear fellow investors,

After a difficult start to the year, financial markets had a strong and very welcome recovery in the second quarter. The Fortress funds posted healthy returns and have continued to advance in recent weeks. Unfortunately, our scorecard for the year is not yet positive overall, with the Caribbean Growth Fund showing a decline for the year and the Caribbean High Interest Fund a small gain. The ups and downs of the last few months gave us some opportunities to add to select stock and bond holdings at attractive prices. We are close to fully invested and, as the economic healing begins, we are constructive on the long-term prospects for the funds' portfolios.

We say "long-term" here because an important aspect of today's situation is that, even with recent improvement, the economic and financial market outcomes in the short-term are still highly uncertain. What exactly lies ahead in the tug-of-war between COVID-19, politics, economic healing, and immense stimulus, is completely unknown. Thankfully, we do not need to know. Over the course of years, not days or weeks, portfolios of high-quality shares can be expected to resume their overriding growth in profits and share prices. Not all areas of today's markets hold such good prospects, though, due to their high current valuations, or underappreciated risks. If you are a long-term investor this is a time for discernment and appropriate caution, but also for optimism. It so happens that the biggest pocket of outsized potential long-term returns today is in the very kinds of well-valued shares where we have focused since Fortress began in 1996.

Thank you very much for investing with us.

Sincerely,
Fortress Fund Managers

OF INTEREST THIS QUARTER:

THE CARIBBEAN GROWTH FUND

gained 7.5% in the second quarter but is still down 8.9% over the past year. Global share prices rebounded while Caribbean markets were mostly weaker.

THE CARIBBEAN HIGH INTEREST FUND

returned 4.2% in the second quarter and is up 2.5% over the past year. Corporate bond prices recovered as global central banks kept rates near zero and bought bonds.

THE CARIBBEAN PENSION FUND

shares gained between 4.7% and 6.8% in the second quarter and have returned between -5.8% and +0.6% over the past year. Equity and fixed income investments both posted strong recoveries after a weak start to the year.

If you keep in touch, so can we.

Regulations require that we keep client records current, so remember to update us when you move, get a new email address or any of your other important information changes.

We're always only an email or phone call away:
invest@fortressfund.com or 431-2198.



Caribbean Growth Fund



HIGHLIGHTS:

- *The Fund gained 7.5% in the second quarter and is down 8.9% over the past year.*
- *Global investments recovered sharply led by large U.S. technology companies while Caribbean shares were mostly weaker.*

The Fund gained 7.5% in the second quarter and is down 8.9% over the past year. The net asset value (NAV) per share finished the quarter at \$5.5812. Net assets of the Fund were \$462 million, down from \$484 million this time last year. The Fund's annual compound rate of return since inception in 1996 is 7.6% per year. Its portfolio remains well diversified by security, geography and currency.

The strong performance in the quarter was driven by the returns of the Fund's global investments, while returns in Caribbean stock markets were mixed. Jamaica shares registered modest gains for the quarter (+2.9%), while Trinidad shares declined marginally (-1.2%), and Barbados shares fared the worst (-8.2%). The Fund's position in Goddard Enterprises was affected by the lack of commercial air travel due to COVID-19, as a significant portion of the company's revenues is tied to commercial flights. The shares fell 9.2% in the quarter. Sagcor Financial declined 17.9% during the quarter and the company subsequently announced an issuer bid, signalling that it believes its shares to be undervalued. Other big movers among the Fund's regional holdings included Guardian (+10.5%) and Massy (+10.3%). With regards to Guyana, the situation continues to be uncertain. The stock market remains closed and there is still no clarity on the official winner of the most recent election. Given the Caribbean region's exposure to international travel and tourism, the economic fallout from COVID-19 may take longer to recover from and share prices may likewise take longer to see a recovery.

After one of the fastest and most severe declines in history, global equity markets came back strongly in the second quarter. Many countries took steps towards reopening their economies, which provided a much-needed sentiment boost to equity markets. Better than anticipated economic data, unprecedented government and central bank support, and hopes for a vaccine, all contributed to a global equity market rally that defied expectations, as company earnings generally came under severe pressure. The U.S. was the star performer, with technology shares leading the way. Among the Fund's global allocations, the Templeton Asian Smaller Companies Fund (+27.5%), the Fortress US Equity Fund (+24.8%), the Fortress International Equity Fund (+14.8%), and the Fortress Emerging Markets Fund (+9.8%) all performed well during the quarter. In this current environment, the multi-year divergence between growth shares and value shares has become even more stretched, suggesting substantial potential excess returns to value-based strategies and potential vulnerability to higher priced areas. We continue to see very good value especially among international and emerging markets shares where valuations are attractive, and earnings appear likely to improve. With two-thirds of the Fund invested outside of the Caribbean, the Fund is well positioned to benefit from the eventual global economic recovery, in whatever form that takes.

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.

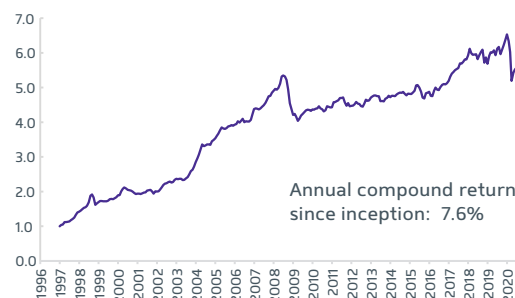
Minimum Investment	\$100
Net Asset Value per share	\$5.5812
Fund Net Assets	\$461,826,192
Fund Inception	Dec 9, 1996

INVESTMENT RETURNS

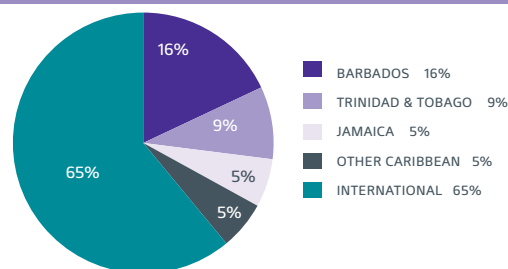
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept
Fortress	7.5%	-8.9%	0.1%	2.2%	7.6%
Jamaica	2.9%	-23.4%	14.4%	26.6%	7.9%
Trinidad	-1.2%	-6.0%	2.8%	1.2%	8.7%
Barbados	-8.2%	-11.7%	-0.4%	5.7%	3.6%
MSCI World	21.4%	3.4%	7.3%	7.5%	6.7%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO JUNE 30TH, 2020



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

Holding	Country/Region
1 Fortress International Equity Fund	International
2 Fortress Emerging Markets Fund	International
3 Fortress Income Builder Intl Fund	International
4 Goddard Enterprises Limited	Barbados
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
 Maria Nicholls
 Tracey Shuffler
 David Simpson
 John Williams
 Roger Cave, Investment Manager

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

Caribbean High Interest Fund



HIGHLIGHTS:

- *The Fund gained 4.2% in the second quarter and is up 2.5% over the past year.*
- *Bond prices recovered during the past quarter and credit spreads narrowed as global central bank liquidity supported financial markets.*

The Fund gained 4.2% in the second quarter and is up 2.5% over the past year. The net asset value (NAV) of the Fund's Accumulation share finished at \$2.0264, while the Distribution share finished at \$1.0148. Net assets of the Fund were \$134 million, down from \$137 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.

After severe weakness in Q1, the second quarter saw corporate bond markets rally substantially as the U.S. Federal Reserve (Fed) and other central banks provided unprecedented support. After dropping its target interest rate to zero at the outset of the COVID-19 pandemic, the Fed injected trillions of dollars into the U.S. financial system, providing the liquidity needed to resume normal market functioning. They have also signalled that there is no intention to raise rates anytime soon and have committed to maintain stimulus measures – which will include purchases of Treasury securities, U.S. corporate bonds, and mortgage-backed securities – until the economy recovers from the COVID-19 fallout. Against this backdrop, credit spreads tightened significantly – spreads on “BB”-rated bonds, for example, declined from 6.5% to 4.6% – and corporate bond prices rallied as a result, contributing to the Fund's return.

On the back of the Fed-supported market, many companies whose businesses were affected by the pandemic raised capital by issuing bonds. Airlines, cruise operators, entertainment resorts and department stores were among the businesses hit hardest, and there was a flurry of activity in the corporate bond market as companies sought to lock in funding. Given market sentiment, many of these bond issues came with very attractive yields. We took advantage of this opportunity and added select corporate bonds to the portfolio, where we believe that the return potential of the assets more than compensates us for the risks. As spreads tightened and prices rallied meaningfully, we began trimming some positions, and expect to trim more if spreads tighten further.

Closer to home, we added to our holdings of Government of Barbados bonds – at discounts that correspond to yields in the 7-10% range – and made new investments in short-term secured deposits in Barbados. These moves further reduced the cash position and increased the yield of the Fund. As global credit spreads narrowed, the valuations of our local corporate bond holdings moved upwards. This also contributed to the Fund's performance during the quarter. With credit spreads again relatively tight and global central banks committed to keeping rates low for the foreseeable future, bond investors should expect continued lower returns going forward. The Fund's gross yield is currently 3.3%, 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

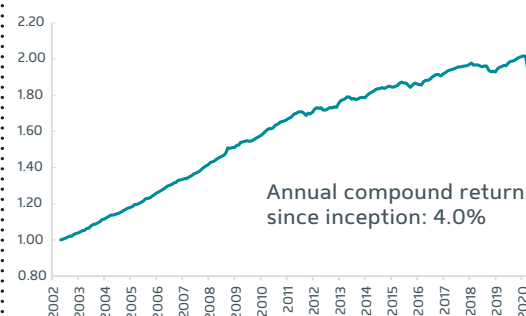
Income and capital preservation over the medium term. The Fund actively invests in a diversified portfolio of primarily Caribbean and international debt securities.

Minimum Investment	\$500
Net Asset Value per share	\$2.0264 / \$1.0148
Fund Net Assets	\$133,698,196
Fund Inception	May 17, 2002

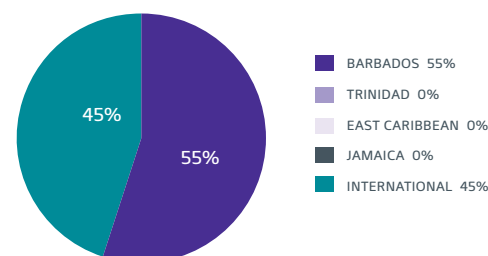
INVESTMENT RETURNS

3 Months	1 Year	3 Years	5 Years	Inception
4.2%	2.5%	1.3%	1.6%	4.0%
*periods longer than 1 year are annual compound returns				

NAV SINCE INCEPTION TO JUNE 30TH, 2020



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

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

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
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 Tracey Shuffler
 David Simpson
 John Williams
 Roger Cave, Investment Manager

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

Caribbean Pension Fund



HIGHLIGHTS:

- The three classes of shares of the Pension Fund gained between 4.7% and 6.8% in the second quarter and are showing returns of between -5.8% and +0.6% over the past year. Financial markets had a strong recovery after a weak start to the year.
- Returns by class of share are shown in the table to the right.

We all change jobs at least a few times in our lives as conditions demand or as we advance to greener pastures. And when we change jobs our pensions are an important consideration because they can and ideally should travel with us. The process for this is simple. As a participant in a defined contribution pension plan, here is what typically happens if you leave your current employer:

1. The company advises Fortress of your departure and based on the rules of the company's plan we determine what the specific options are for your accumulated pension account.
2. We send you a formal letter outlining your options. You let us know what you choose, and we then act on your instructions.
3. You enroll in the pension plan of your new employer if they have one and keep saving and investing.

Your options may vary depending on the rules of the plan and how long you have been participating. They can include: transferring the pension account to your new employer's pension plan (many are already established with Fortress); transferring the investments into a locked-in Registered Retirement Savings Plan, at Fortress or another institution if you choose; and in some limited cases receiving a cash refund of your contributions. Whatever you choose, remember that saving and investing for retirement is a process where every year counts and it's important to keep at it.

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.

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: \$24.35 / 23.86 / \$17.80
(AA/CC/CS)

Fund Net Assets: \$314,347,180

INVESTMENT RETURNS

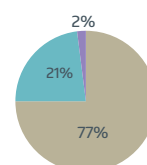
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
AA Share	6.8%	-5.8%	1.0%	2.5%	5.0%
CC Share	6.2%	-4.4%	0.6%	2.2%	4.9%
CS Share	4.7%	0.6%	0.9%	1.5%	3.4%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO JUNE 30TH, 2020

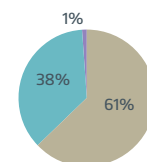


ASSET ALLOCATION



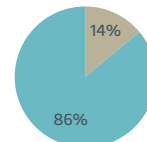
AGGRESSIVE ACCUMULATOR (AA)

EQUITIES 77%
FIXED INCOME 21%
REAL ESTATE/OTHER 2%



CONSERVATIVE CONSOLIDATOR (CC)

EQUITIES 61%
FIXED INCOME 38%
REAL ESTATE/OTHER 1%



CAPITAL SECURE (CS)

EQUITIES 14%
FIXED INCOME 86%
REAL ESTATE/OTHER <1%

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

DIRECTORS

Sir Geoffrey Cave, Chairman

René Delmas

John Howard

Desmond Kinch

Maria Nicholls

Tracey Shuffler

David Simpson

John Williams

Roger Cave, Investment Manager

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