



Your Future. Our Business.

Dear fellow investors,

We wish every quarter was like this. The first months of 2019 saw a solid rally in stock and bond markets around the world and this led to consistently strong results across all the Fortress funds. One key ingredient was a move by the U.S. Federal Reserve (Fed) to pause its rate increases, suggesting global interest rates may now stay lower for longer and continue to support financial markets. While this came because of concerns over economic growth which may or may not prove warranted, the overriding point to note, in our view, is that low interest rates are generally positive for stocks and the Fed has become friendly again for the first time since 2017.

As we outlined at the 9th Annual Fortress Investment Forum in March, stocks are not universally cheap, but we continue to find attractively valued areas of global and Caribbean stock markets in which to invest at prices that imply substantial future returns. Fortress Caribbean Growth Fund is pretty much fully invested and valuations among its diversified holdings imply return potential that is not dissimilar from what it was when the Fund was launched more than 20 years ago, and subsequent to which it has compounded at 8.4% per year to today. There will always be ups and downs but we are cautiously optimistic on the outlook from here.

Thank you very much for investing with us.

Sincerely,
Fortress Fund Managers

OF INTEREST THIS QUARTER:

THE CARIBBEAN GROWTH FUND

gained 5.7% in the first quarter and is up 1.1% over the past year. Global stocks recovered strongly from last year's weakness.

THE CARIBBEAN HIGH INTEREST FUND

returned 1.5% in the first quarter and is down 0.5% over the past year. Interest rates declined and the Fund made some new investments.

THE CARIBBEAN PENSION FUND

shares gained between 5.1% and 1.6% in the first quarter and have returned between -0.6% and +1.6% over the past year. Equities outpaced bonds during the quarter.



Looking to top up?

Regular monthly saving is the cornerstone of a good investment programme, but sometimes you need to top up your investments as extra savings accumulate. The Fortress Caribbean Growth Fund is once again open to lump sum investments.* This means you can top up your investment any time.

It's easy! Visit our office, pay through your online bank bill pay, SurePay, or direct monthly debit.

Call us on 431-2198 if you have any questions.

* Lump sum investments are only available in the Growth Fund up to a maximum of \$250,000 per investor, per year.



Caribbean Growth Fund

HIGHLIGHTS:

- *The Fund gained 5.7% for the first quarter and is up 1.1% over the past year.*
- *Caribbean shares were mixed while global stocks rallied back from pronounced weakness in late 2018.*

The Fund gained 5.7% during the first quarter and is up 1.1% over the past year. The net asset value (NAV) finished March 29 at \$6.0082. Net assets of the Fund were \$471 million, up from \$465 million this time last year. The Fund's annual compound rate of return since inception in 1996 is now 8.4% per year. Its portfolio remains well diversified by security, geography and currency.

After weak performance in 2018, global equities rallied to start the new year, helped by a more friendly interest rate and global trade backdrop than we had through most of last year. The Fund benefited from its substantial investments in U.S., international and emerging markets equities via the Fortress Global Funds, with solid returns in these areas driving the Fund's overall return for the quarter. The U.S. Federal Reserve (Fed) kept its target rate unchanged and made good on its December commitment to shift to a more accommodative stance. This is positive for stocks. Trade headlines especially between the U.S. and China were friendlier too but, unfortunately, we believe damage was already done last year during the height of the tensions and it may take some time for earnings growth to resume as before. The Fund's holdings remain concentrated in areas where the most attractive valuations are to be found, particularly among select international and emerging markets shares.

Caribbean stocks saw mixed returns during the quarter as Jamaica and Trinidad strengthened slightly while shares in Barbados weakened. In Barbados, Goddard Enterprises was little changed after it reported a moderation in operating results. Sagicor shares also saw little movement as the previously announced offer to acquire the company seemed to stall, while ICBL stock declined 8% during the quarter. The Barbados government's fiscal reforms and the aftermath of the domestic bond restructuring are likely to keep a lid on economic growth in the short-term but we are hopeful that the steps taken will bring better prospects in the long-term to the benefit of businesses here. In Jamaica, many shares seem fully valued to us and we continue to trim positions there on strength. In Trinidad, Massy shares had a strong quarter up 13% which benefited the Fund, and we added to a position in Agostini's as shares became available at a reasonable price. The worst of the recessionary pressure on earnings in Trinidad may have passed and valuations among our specific holdings there are undemanding. We think this leaves room for positive surprises. Access to foreign exchange remains tight in Barbados and Trinidad.

The Fund's portfolio continues to be nearly fully invested as the return prospects for its holdings from the Caribbean and around the world are substantial.

The Fund is currently open to monthly investment programmes and pensions, and to lump sum subscriptions up to \$250,000 per person per year.

FUND OBJECTIVE

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

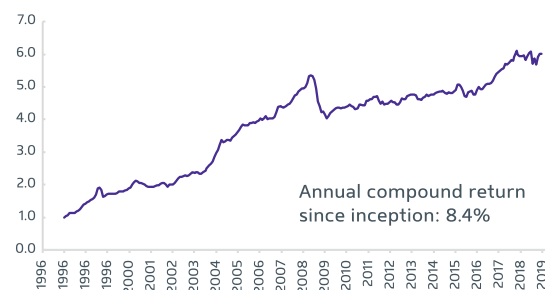
Minimum Investment	\$100
Net Asset Value per share	\$6.0082
Fund Net Assets	\$471,282,193
Fund Inception	Dec 9, 1996

INVESTMENT RETURNS

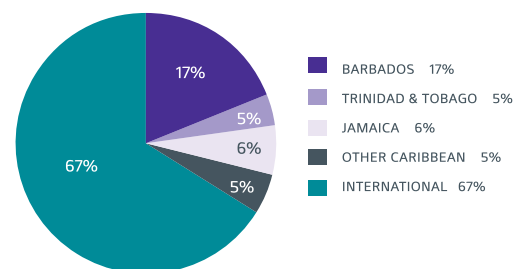
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept
Fortress	5.7%	1.1%	7.0%	4.8%	8.4%
Jamaica	3.3%	31.5%	34.5%	34.7%	8.9%
Trinidad	2.4%	5.1%	4.6%	1.4%	9.3%
Barbados	-4.0%	0.8%	9.6%	4.9%	4.4%
MSCI World	12.6%	4.6%	11.3%	7.4%	6.7%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO MARCH 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
 David Bynoe
 John Howard
 David Simpson
 John Williams
 Roger Cave, Investment Manager

Please see our [Fund Prospectus](#) for further important information.



Caribbean High Interest Fund

HIGHLIGHTS:

- *The Fund returned 1.5% for the first quarter and is down 0.5% over the past year.*
- *Global bonds rallied as the U.S. Federal Reserve (Fed) paused, and the Fund deployed some of its accumulated cash in Barbados.*

The Fund gained 1.5% during the first quarter and is down 0.5% over the past year. The net asset value (NAV) of the Fund's Accumulation share finished March 29 at \$1.9575, while the Distribution share finished at \$0.9984. Net assets of the Fund were \$136 million, up from \$131 million this time last year. The Fund's annual compound rate of return since inception in 2002 is now 4.1% per year. Its portfolio remains as diversified as possible across various issuers, industries, geographies and terms to maturity.

When the Fed switched to a more friendly stance in late December not only did it give some relief to credit markets, but it also pushed interest rates lower on longer term maturity bonds. U.S. Treasury 10-year yields for example declined from 2.69% to 2.41% and bond prices correspondingly rose. The Fund benefited during the quarter from the rallying bond market and from some of the same improvement in risk appetite that lifted stock markets. Corporate bonds, which had begun to price in recession risk late last year, recovered nicely and have led the way in returns so far in 2019. Spreads have returned to historically tight levels which once again warrant some caution and a focus on primarily high-quality credits. We feel that the recent quieting of trade frictions will allow global economic growth to resume its prior upward trend after last year's interruption. If this happens, interest rate increases may eventually re-enter the picture. The average term to maturity of the Fund's portfolio remains relatively short to limit its sensitivity to interest rate changes.

The Fund's stable of local Barbados dollar corporate bonds continued to generate steady returns during the quarter with low-to-mid single digit yields. A few corporate issuers are looking at the market to issue bonds and we will see in coming months whether they come at attractive levels for investors. The local capital market remains dominated by government bonds and the Government of Barbados (GoB) continued to work on its restructuring of international bonds and to execute its domestic fiscal reform programme. It is important to note that the credit remains stressed and likely will for some time until the economic recovery builds. As investors know, the Fund had only minimal exposure to the GoB bonds prior to the default; there is consequently the potential to add exposure selectively now that the risk/reward proposition has shifted. Some of the newly issued post-restructuring GoB bonds changed hands for the first time during the quarter and we made a start in building a position in the Series F issue at prices that reflect the risks but also recognise the clear time horizon over which principal is repaid. As expected, the average yield of the Fund's portfolio is gradually increasing as we move out of cash and into higher yielding instruments. We are hopeful this process can continue in the coming months if appropriate investments can be found. The Fund's gross yield is currently 2.9% which we think is a good estimate of its medium-term annual return potential.

The Fund is currently open only to monthly investment 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.

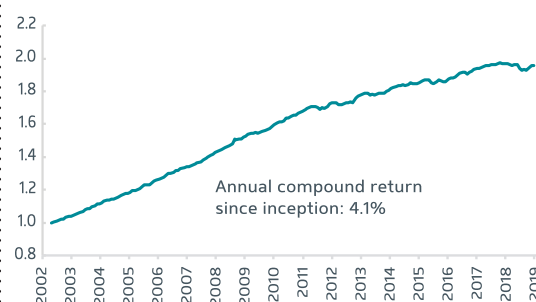
<i>Minimum Investment</i>	\$500
<i>Net Asset Value per share</i>	\$1.9575 / \$0.9984
<i>Fund Net Assets</i>	\$135,881,565
<i>Fund Inception</i>	May 17, 2002

INVESTMENT RETURNS

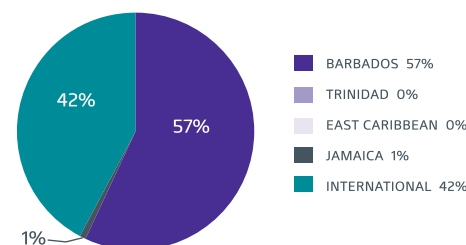
3 Months	1 Year	3 Years	5 Years	Inception
1.5%	-0.5%	1.5%	1.5%	4.1%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TOMARCH 31ST, 2019



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

<i>Holding</i>	<i>Country</i>
1 Deposits - CIBC FirstCaribbean Intl Bank	Barbados
2 Fortress Fixed Income Fund	International
3 Government of Barbados Series F Bond	Barbados
4 Legg Mason Asian Opportunites Debt Fund	International
5 PIMCO Global Investment Grade Credit Fund	Global

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
 David Bynoe
 John Howard
 David Simpson
 John Williams
 Roger Cave, Investment Manager

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



Caribbean Pension Fund

HIGHLIGHTS:

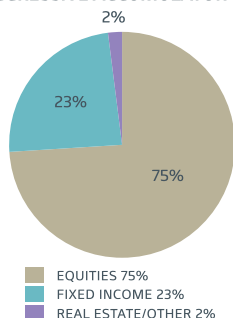
- The three classes of shares of the Pension Fund rose between 5.1% and 1.6% in the first quarter and returned between -0.6% and +1.6% over the past year. Equity allocations were the biggest drivers of return.
- Returns by class of share are shown in the table to the right.

The last several months of volatility in financial markets is a reminder of how unpredictable their ups and downs can be, especially in the short term. Global markets were strong across the board in the first quarter, but this followed on the heels of a selloff in late 2018. Caribbean stocks especially in Guyana and Jamaica, meanwhile, saw large gains last year but have had only lacklustre performance so far this year. We think proper portfolio diversification is an essential ingredient especially for very long-term pension investing, and this diversification is a significant strength of the Fortress funds. The different sensitivities reduce the overall risk of the Pension Fund because they cut the chances that everything will go down (or up) at once and allow investors to keep the focus where it matters – on the long-term.

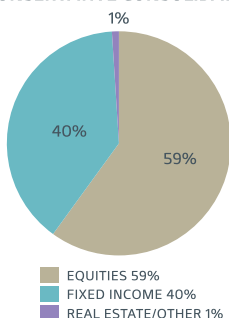
On the taxation front, unfortunately the recent Barbados budget did not announce a correction to the current double taxation of pensions. We remain hopeful that one will be coming soon because the machinery of pensions everywhere is predicated on at least minimal tax efficiency and/or outright incentives. For pensions here in Barbados to be more tax-burdensome than direct investments in similar underlying vehicles is baffling, and represents an unsustainable additional strain on everyone's pension savings.

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.

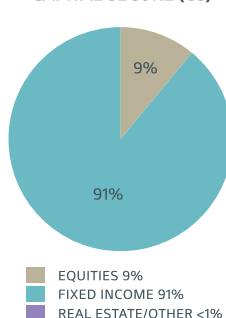
AGGRESSIVE ACCUMULATOR (AA)



CONSERVATIVE CONSOLIDATOR (CC)



CAPITAL SECURE (CS)



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: \$25.40 / \$24.55 / \$17.49
(AA/CC/CS)

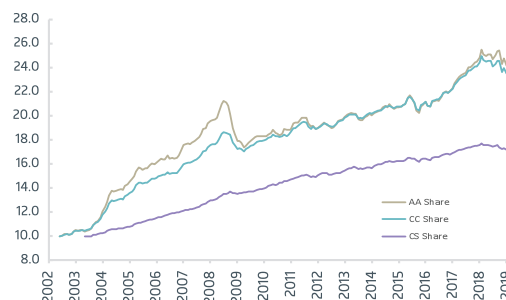
Fund Net Assets: \$310,284,516

INVESTMENT RETURNS

	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
AA Share	5.1%	1.6%	6.3%	4.5%	5.7%
CC Share	4.2%	0.0%	4.9%	3.7%	5.5%
CS Share	1.6%	-0.6%	1.9%	1.8%	3.6%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO MARCH 31ST, 2019



BENEFITS AT A GLANCE

Company Pension (DC Scheme):

- Choose from three easy, professionally managed options to get the class of share that suits you.
- 25% of your pension can be withdrawn tax free at retirement.
- Employers match employee contributions up to certain amounts.

Personal Pension (RRSP):

- Choose from the same three easy, professionally managed options to get the class of share that suits you; or pick your mix of Fortress funds.
- Up to \$25,000 may be withdrawn tax free for the purchase of a first house.
- Flexibility to withdraw funds as necessary, provided tax paid in year of withdrawal.

Fortress is a leading provider of DB and DC pension management and administration services to companies of all sizes, and to individuals via the Personal Pension Plan (RRSP).

DIRECTORS

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

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