

HIGH INTEREST FUND PROSPECTUS



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Fortress Caribbean High Interest Fund
Prospectus & Information Circular
April 2008



This document is a prospectus and information circular for the issue of an unlimited number of shares of two classes, namely Redeemable Distribution Shares and Redeemable Accumulation Shares, in the Fortress Caribbean High Interest Fund (the "Fund"). The shares of each class shall collectively and exclusively constitute the Fund Shares. The Fund has issued Common shares, which are not available to the public, to The Manager.

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

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

WARNING

IMPORTANT

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

If you are in any doubt about the contents of this offering document, you should consult your bank manager, an attorney, accountant or other financial adviser.

The price of shares and the income distributed from them (where income is distributed) are subject to fluctuation.

DEFINITIONS

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

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

SECTION ONE - DIRECTORS, INVESTMENT MANAGERS & ADVISORS

DIRECTORS

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

ATTORNEY-AT-LAW

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

REGISTERED OFFICE

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

CUSTODIAN

FirstCaribbean International Bank Limited
 Wealth Management Division
 Broad Street
 Bridgetown
 Barbados

BANKER

FirstCaribbean International Bank Limited
 Broad Street
 Bridgetown
 Barbados

FUND MANAGERS & ADMINISTRATOR

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

SECRETARY

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

INDEPENDENT AUDITORS

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

SECTION TWO - ABOUT THE FUND

Fortress Caribbean High Interest Fund Limited is a mutual fund investment company incorporated in Barbados and licensed under the Mutual Funds Act 2002-22 as well as the Companies Act Cap 308 of the laws of Barbados. The Fund has been established to provide an avenue for investment in domestic, regional and international markets and may invest in both quoted and unquoted securities equity and debt securities of companies and governments.

The Fund aims to achieve the highest level of income compatible with the preservation of capital by investing in medium to high grade debt and equity securities issued by corporate and government entities with a short to medium term maturity profile principally in the Caribbean Region. The Fund offers to investors two classes of Fund shares; Redeemable Accumulation shares and Redeemable Distribution shares.

Fortress Fund Managers Limited (the "Manager") is a Barbados-based investment management company of which the shareholders are Cave Shepherd & Co. Limited, Barbados Shipping & Trading Co Ltd (BS&T), The Nation Corporation, and Island Securities Limited.

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

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

Management

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

Dealings & Settlement

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

Calculation And Publication Of Net Asset Value

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

Minimum Investment Amount

The minimum initial investment is BDS \$500. The minimum monthly investment is BDS \$100.00 for direct debit deductions or BDS \$100 otherwise.

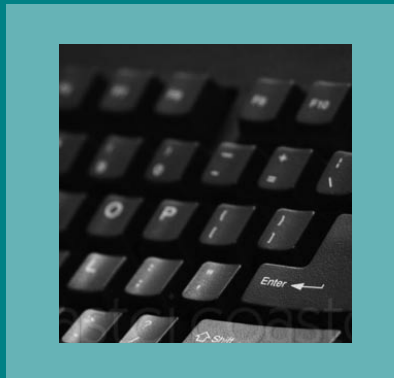
Charges

There is no initial fee of any amount being invested into the Fund. There is a redemption charge of up to 2% on amounts withdrawn from the Fund. Shares held in the Fund for two years or more will not be subject to this charge.

Annual management fee charges are 0.75% per annum of the net assets of the Fund.

Accounting period and Shareholders' statements

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



DIRECTORS & ADMINISTRATION

MANAGER SHAREHOLDERS & FUND DIRECTORS

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

MANAGER AND ADMINISTRATOR

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

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

CAVE SHEPHERD & CO. LIMITED

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

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

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

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

THE NATION CORPORATION

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

ISLAND SECURITIES LIMITED

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

MR. KEN EMERY

An independent consultant and adviser specializing in the development of mutual funds and related investment products, Mr. Emery retired as Technical Director of the Save & Prosper Securities Ltd. in the U.K. where he worked for 26 years. During his distinguished



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

MR. C DAVID BYNOE

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

BOARD OF DIRECTORS

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

VIEWING OF PROSPECTUS AND MATERIAL CONTRACTS

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

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

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



FirstCaribbean is also responsible for the settlement of all transactions.

REGISTRAR

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

CONSENTS

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

MANAGEMENT AGREEMENT

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

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

ADMINISTRATION AGREEMENT

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

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

CUSTODIAN AGREEMENT

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

OBJECTIVE, POLICIES, RISKS AND EXPENSES

To help you decide whether this Fund is appropriate for you, this section reviews its major characteristics.

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 and equity securities issued by corporate and government entities with a short to medium term maturity profile principally in the Caribbean Region.

POLICIES

Investment Policy

In seeking to meet its investment objective, 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 maturity or quality or to shift assets into higher-yielding securities.

The Fund does not anticipate holding more than 20% of its portfolio in equities. Over the long term the Fund anticipates that the majority of its investments will be in quoted securities. However in the initial stages, given the undeveloped nature of the fixed income markets in the Caribbean, the Fund may hold a significant percentage of its portfolio in unquoted investments.

Purchases of listed securities from the stock exchanges in the Caribbean will be held in electronic form in the securities depositories (immobilised) in Barbados, Jamaica, Trinidad and the OECS.

The Fund will issue for subscription two (2) separate classes of investment shares to meet the differing needs of investors.

Dividend Policy

The Fund's policy is to distribute substantially all income attributable to holders of Distribution shares.

Valuation Policy

Quoted securities will be valued at the latest market price where there has been sufficient trading activity in the view of the Custodian for the prices to reflect fair value.

In the event that there is insufficient trading activity the securities will be valued at cost. The Custodian will continuously review yield curves and monitor significant events that may affect the value of the Fund's investments and, in consultation with the Manager, adjust the value of the investments to reflect what they consider to be fair value. Unquoted securities, will be valued on a similar basis.

Securities with a life of six months or less will be valued on a straight line basis from the cost of purchase to the value at maturity.

For all securities which are interest bearing or have a predetermined value at a defined maturity date, income will be accrued up to the day of valuation.

Leverage

It is anticipated that any borrowings by the fund will be for short term periods only and for specified reasons. The Fund may borrow an amount not greater than 20% of its total assets and may pledge up to 25% of the Fund's total assets to secure such borrowing.

RISK

The principal risks of investing in the Fund and the circumstances reasonably likely to cause the value of your investment in the Fund to decline are described below. The share price of the Fund generally changes weekly based on market conditions and other factors. Please note that there are many circumstances which

could cause the value of your investment in the Fund to decline, and which could prevent the Fund from achieving its objectives, that are not described here. The Fund will seek to obtain an optimal balance between risk and reward within the investment parameters set forth under the objective and investment policies section above.

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

Market risk

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

Interest rate risk

The Fund has exposure to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

Credit risk

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

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

Currency risk

The Fund holds assets denominated in currencies other than Barbados dollars, the designated currency of the Fund. Consequently, except where assets are denominated in United States dollars or Barbados dollars, the Fund is exposed to currency risk since the

value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. Currently the Fund's policy is not to enter into any hedging transactions.

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

Liquidity risk

This is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities in the short term. The Fund is exposed to daily cash redemptions of Redeemable Mutual Fund Shares. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily sold.

EXPENSES

Initial charge

Currently there is no initial charge on amounts invested into the Fund by investors, but the Manager may introduce at a future date an initial charge not exceeding 2% of amounts subscribed, after giving notice to the Registrar.

ANNUAL CHARGES

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

Management fees:

0.75% of net assets

Administration fees:

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

Custodian fee:

0.10% on the first \$30 million of net assets
0.0875% on the next \$50 million of net assets and
0.075% on amounts over \$80 million of net assets
These annual operating expenses will be deducted from the assets of the Fund.

Other Expenses

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

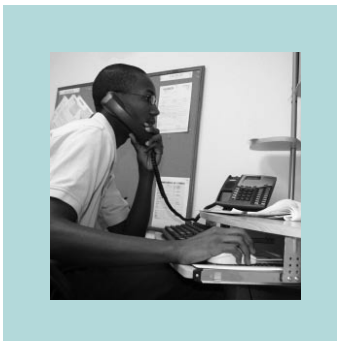
Redemption charges

There is a redemption charge of up to 2% on amounts withdrawn from the Fund. Fund shares held in the Fund for two years or more will not be subject to this charge. However, the Manager reserves the right to a period of notice of no less than three (3) months for redemptions of \$500,000 or more. Subject to the Manager's discretion, redemptions of \$500,000 and more may be paid in specie.

In order to protect the integrity of the Fund, the Manager reserves the right to charge an encashment fee of up to 2% for withdrawal of funds placed for 6 months or less.

Brokerage costs

Buying and selling of securities in Barbados is handled by The Manager, which holds a seat on the BSE. The Manager trades for the account of Fortress Caribbean High Interest 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. Trades on the JSE, the TTSE and in other territories are handled by other brokers and the Fund incurs market brokerage costs. The Custodian is responsible for all settlement.



ACCOUNTS AND STATEMENTS

Dealings And Settlement

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

Accounting Period and Member Statements

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

quarterly intervals. In addition, shareholders will be sent unaudited quarterly and audited annual reports.

SOME BASICS OF FIXED INCOME INVESTING

Is a fund's yield fixed or will it vary?

It will vary. The yield is calculated every week by dividing the fund's net income per share expressed at annual rates, by the share price times 100. Since both income and the share price will fluctuate, a fund's yield will also vary. The share price will fluctuate if the prices of the underlying fixed income securities fluctuate.

The prices of these securities will change if the interest rates and/or the issuer ratings change.

Is the yield the same as total return?

No. A fund's total return is the aggregate of the dividends paid, capital gains or losses and the change in the share price for a given period. Income is always a positive contributor to total return but the capital value of the underlying investment can rise or fall.

What is meant by a security's maturity date?

The stated maturity date is when the issuer is due to repay the principal value of the instrument to the investor. The portfolio of a fixed interest fund has no real maturity, but rather a weighted average maturity. This number is an average of the stated maturity dates of the underlying securities.

How is a fixed interest security's price affected by changes in interest rates?

When interest rates rise, a bond's price usually falls and vice versa. In general the longer a bond's maturity the greater the price increase or decrease in response to a given change in rates.



SECTION THREE - INVESTING WITH FORTRESS

INVESTMENT POLICIES AND PRACTICES

This section takes a detailed look at some of the types of securities and the various types of investment practices that may be used in day to day portfolio management.

Investment Policy and Guidelines

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

Generally the Fund will invest in a diversified portfolio selected from government securities, corporate bonds, commercial paper, certificates of deposit, preference shares and zero coupon bonds.

In addition to the above noted instruments the Fund Manager will also consider asset backed securities, debentures, high yielding equities and loan notes and other mutual funds whose underlying portfolio comprises bonds, debentures or any of the above noted securities. The Fund Manager will also take into account the effect of currency risk on the dollar value of the above instruments.

Use of Derivatives

The Manager may use various derivative strategies to try to improve the Fund's returns or to protect its assets. Derivatives may also be used to try to reduce risk and to increase return consistent with the Fund's overall objective. Instruments such as futures, options, foreign currency forward contracts and options on

futures involve costs and can be volatile. The Manager will consider other factors such as cost in deciding whether to employ a particular strategy or use any particular instrument. The Manager does not guarantee that the instruments to implement these strategies will be available.

Investment Restrictions

In view of the relatively undeveloped nature of the fixed interest secondary market in the Caribbean and the lack of quoted fixed interest securities a proportion of the Fund may be invested in unquoted instruments.

With the exception of government securities and pooled investments which themselves have a spread of investments, not more than 10% of the Fund's net assets will be invested in the securities of any single issuer.



OPENING A NEW ACCOUNT

Minimum Investment Amount

The minimum initial investment amount is \$500. Once you have opened your account you may choose among the various payment options.

(1) Lump Sum Payments

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

(2) Open A Monthly Savings Investment Plan

You decide how much you can afford to invest each month (minimum \$100), complete our direct debit form and return it to us. We will debit your bank account on the 10th day of every month and purchase an equivalent amount of Fund Shares based on the value of the Fund on the valuation date immediately following.

(3) Security exchange plan

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

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

(4) Third Party Dividend Reinvestment Plan

If you own shares in a publicly traded company and you would like to reinvest any dividend received into

the Fund, you can simply mandate your dividends (minimum \$100) to the Fund which will credit you with the number of Fund shares purchased by the proceeds of such mandated dividends.

Rights reserved by the Manager

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

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

PURCHASING SHARES

The purchase price for a Fund Share is equal to the net asset value, which is calculated at the close of business on the valuation day next following the receipt of an application for the purchase of shares. The Manager may at a future date introduce an initial charge of not more than 2%, after giving notice to the Registrar.

Investors wishing to purchase Fund shares must complete an application form, which may be obtained from:

- (a) Fortress Fund Managers Limited
- (b) Any FirstCaribbean International Bank Limited Branch

If an application is received and approved and the necessary funds received before 3:00 p.m. on a valuation day, then the purchase order will be processed that day using the net asset value for shares as of that valuation day. Orders received on a day which is not a valuation day, will be processed using the net asset value as determined on the next valuation day.

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

Individual Subscribers

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

Corporate Subscribers

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

Partnerships and Unincorporated Entities

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

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

Trustees and Executors

- The same information as required for individual subscribers (with appropriate variations for a deceased person) or corporate subscribers in respect of:-
- the Trustee(s), settler(s), protector(s)/controller(s) or similar person holding power to appoint or remove the trustee and where possible the names or classes

of beneficiaries;

- The person(s) with powers to add beneficiaries, where applicable
- The person providing the funds, if not the ultimate settler
- An explanation of the source of the funds comprised in the estate or trust fund.

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

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

REDEEMING SHARES

A Fund Shareholder may cash in any or all of the Fund Shares owned by such Fund Shareholder in accordance with the redemption policy of the Fund at any time by delivering a written request for redemption on the appropriate form to the Fund Manager. However in the event that a redemption results in a remaining balance of less than 500 shares the Manager reserves the right to redeem the total holding.

Fund Shares will be redeemed at their net asset value as determined at the valuation date next following the day on which the Fund receives the redemption order. If a redemption request is received before 3:00 p.m. on a valuation day, the redemption will be processed on that valuation day. Redemption requests received after 3:00 p.m. or on a day, which is not a valuation day, will be processed at the next valuation date.

Provided the Fund Shareholder has delivered all the documentation required, payment will be mailed in accordance with written instructions within seven (7) business days of the relevant valuation date. The investor may be asked to provide such reasonable documentation as the Fund Manager may require in completing the redemption request.

In the event of unusual circumstances and the Fund receives redemption requests of more than 20% of the Fund's assets within a period of 30 consecutive days, the directors of the Fund reserve the right to suspend redemptions, and to hold a special meeting of the Fund to determine the future of the Fund, including the liquidation of the Fund's assets.

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

REDEMPTION CHARGE

Currently there is no initial charge on amounts invested in the Fund but there is a redemption charge of up to 2% on amounts withdrawn from the Fund. Investments held in the fund for two years or more will not be subject to this charge. However, the Fund Manager reserves the right to a period of notice of no less than three (3) months for redemptions of \$500,000 and over.

In order to protect the integrity of the Fund, withdrawal of funds placed for 6 months or less may at the discretion of the manager be subject to an encashment fee of 2%.

Dividend policy

Income will be paid out every six months to holders of Distribution Shares on May 31st and November 30th each year.

No dividends will be paid to the holders of Redeemable Accumulation Shares but the income will be reinvested to increase the net asset value.

The Manager however reserves the right to make distributions on some or all classes of shares if circumstances change e.g. if legislation or regulation changes.

Rights reserved by the Manager

Due to the lack of an active primary and secondary market for debt securities in Barbados and the wider Caribbean, and in order to protect existing shareholders in the Fund, The Manager reserves the right to restrict new investment into the Fund until such time as new potential investments become available or existing shareholders redeem their shares. In such cases, the Manager will accept subscriptions from potential investors on a "1st come/1st served" basis, in the exact order in which they are received.

SECTION FOUR - ABOUT YOUR ACCOUNT

SHARES AND NET ASSET VALUES

The Fund is structured as an open-ended Mutual Fund and is authorised to issue a maximum of 1,000 Common Shares. The Fund is also authorised to issue an unlimited number of Redeemable Distribution Shares and an unlimited number of Redeemable Accumulation Shares (collectively called "The Fund Shares"), with the authority to issue fractional shares.

Classes of Shares

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



Redeemable Fund Shares

The Fund Shares are intended for investors (the "Fund Shareholders") and are designed to meet their differing investment needs. Each class of Fund Shares is entitled to share in the net income and net capital gains of the Fund.

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

- (1) Disposal of the Assets of the Fund.
- (2) Any change or abrogation of the rights attached

to the shares or any variation affecting the rights attached to the Fund Shares.

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

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

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

Redeemable Distribution Shares

This class of shares will distribute substantially all of its income accruing to the investors in the form of dividends, which will be paid out to shareholders semi-annually.

These shares will be redeemable at any time at the option of the shareholder, subject to a fee not exceeding 2% if redeemed within two (2) years.

Redeemable Accumulation Shares

This class of shares will not pay dividends but this income will be retained to the benefit of the net asset value of that class of shares. These shares will be redeemable at any time at the option of the shareholder, subject to a fee not exceeding 2% if redeemed within two (2) years.



How are Net Asset Values (NAVs) calculated?

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

The net asset value of each class of share is determined by valuing the total assets proportionate to that class of share less liabilities. This amount is then divided by the number of shares outstanding in that particular class. Under normal trading conditions this will be determined by the closing price for listed securities on the stock exchanges.

Quoted securities will be valued at the latest market price where there has been sufficient trading activity in the view that the Custodian for the prices to reflect fair value.

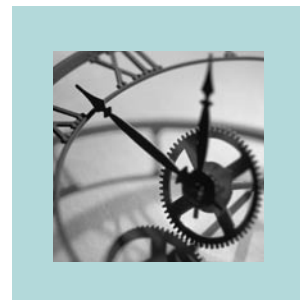
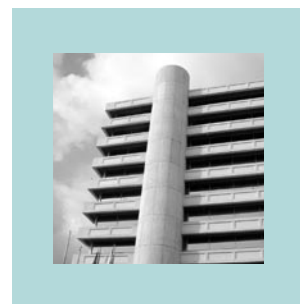
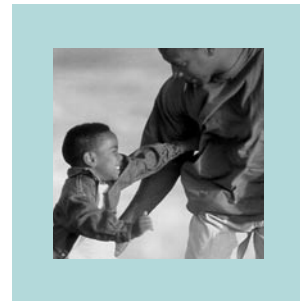
In the event that there is insufficient trading activity the securities will be valued at cost. The Custodian will continuously review yield curves and monitor significant events that may affect the value of the Fund's investments and, in consultation with the Manager, adjust the value of the investments to reflect what they consider to be fair value. Unquoted securities, will be valued on a similar basis.

Where fixed term bonds such as zero coupon bonds are purchased at more than or less than face value, the premium or discount will be amortised over the period to maturity. The bond is therefore recorded at the amount expected to be realised at maturity or at an earlier call date.

Government securities, corporate bonds and debentures may also be sold either at a discount or a premium.

Due to the absence of an active secondary market in the Caribbean, pricing of these securities, it is expected that most of the debt securities will be accounted for at amortised cost. This discount or premium will also be amortised over the period to maturity.

Commercial paper generally has a term of 90 days or less. In most cases cost approximates market and any discount or premium would be immaterial.



TAX CONSIDERATIONS

What are the tax considerations for the Fund as a whole?

CORPORATION TAX

The Fund is licensed as an authorised mutual fund under the Mutual Funds Act, 2002-22 of Barbados (the "Act"). In calculating the assessable income of the Fund for tax purposes, the Act provides for a deduction of up to a 100% of the income that is designated to be income of the Fund Shareholders. All of the profits of the Fund are designated to the Fund Shareholders and consequently the Fund will not be subject to corporation tax.

WITHHOLDING TAX

The Fund is subject to withholding tax of 12.5% on interest income received from local sources. Whether the Fund pays taxes on receipts from Caricom countries will be determined on a case by case basis depending on the terms of the agreement for the purchase of the security.

CAPITAL GAINS TAX

There is no capital gains tax in Barbados and therefore all capital gains earned by the Fund Shareholders will not be subject to tax.

DIVIDENDS

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

Residents of countries outside of CARICOM are subject to a general withholding tax of 15%.

PROPERTY TRANSFER TAX & STAMP DUTY

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

TAXATION OF SHAREHOLDERS

The Fund's dividend policy is to pay out income every six months. Any dividends paid by the Fund to individuals resident shareholders in Barbados will be subject to a final withholding tax of 12.5%. Companies resident in Barbados are not subject to tax on dividends received from the Fund. Residents of countries outside of CARICOM are subject to a general withholding tax of 15%.

The Fund's policy in respect of the Accumulation Shares is to reinvest all income into additional investments of the Fund. There is no capital gains tax in Barbados and therefore individuals resident in Barbados will not be subject to capital gains tax on profits realised from investing in the Fund.

PERSONAL INCOME TAX

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

EXCHANGE CONTROLS

Barbados has a regime of exchange control regulations administered by the Central Bank of Barbados. 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 that have delegated authority to sell foreign exchange on behalf of the Central Bank of Barbados. Since 1975, Barbados has maintained a fixed exchange rate of approximately BDS\$2.00:US\$1.00.

Capital transactions by non-residents involving the purchase of shares in Barbadian corporations or

the acquisition of real property and the payment of dividends or interest or the repayment of foreign currency debt are subject to the prior approval of the Central Bank of Barbados. Similar requirements exist for residents of Barbados to invest abroad or borrow in foreign currency.

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



SECTION FIVE - *GENERAL INFORMATION*

- The extracts included in this prospectus from referenced sources were not prepared for specific inclusion in this prospectus.
- Fractional shares of the company may be issued.
- No share certificates in the usual format and style will be issued by the company, but the company shall issue to each Fund shareholder a statement showing the number of Fund Shares held by each such person.
- Save as disclosed there is no closing date for applications made pursuant to this prospectus, the purchase price for a share shall be equal to the net asset value which is calculated at the close of business on the valuation day next following the receipt of an application for the purchase of shares.
- The Fund, upon the advice of the Manager, may from time to time, close the subscription list for new shares of the Fund or limit the amount of investment per investor.
- Except for funds authorised pursuant to subsection (1) of section 4 of the Act, no money should be paid to any intermediary in Barbados who is not a licensed mutual fund administrator or the representative duly appointed under Part IV of the Regulations or broker. Dealer, broker and dealer, investment counsel or underwriter licensed under the Securities Act 2001-13.

GLOSSARY OF FINANCIAL TERMS

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

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

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

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

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

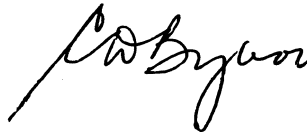
TERMS AND CONDITIONS

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

This prospectus is dated April 21, 2008



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



Mr. C. David Bynoe



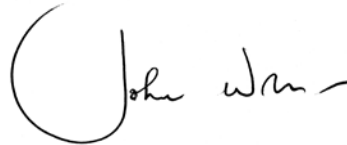
Sir Fred Gollop K.A., Q.C.



Mr. Ken Emery



Mr. G. Anthony King



Mr. John Williams



Mr. Roger Cave



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