



Your Future. Our Business.

Dear fellow investors,

The second quarter was positive for the Fortress funds, with gains across the board. As you will read in the individual fund reports, the current investment climate certainly has its challenges but there are also excellent opportunities for long term investors. In the reports we also outline some of the risks that investors are facing and how we are addressing them in the funds' portfolios.

One extra challenge we are facing in Barbados today is uncertainty surrounding the future tax deductibility of contributions to registered pension plans and Registered Retirement Savings Plans made *by individuals*. The finance minister's June budget statement seemed to remove these deductions. If implemented, these changes would have the effect of double-taxing some investors, and bringing forward or increasing the tax liabilities of others. We think this would be a backward step in the important goal of encouraging responsible, long term retirement savings for Barbadians. As a result we are engaged in dialogue to see if there may be alternative approaches that would still meet government's objectives. When we have a clearer final view of the policy position going forward, we will communicate as soon as possible with all our clients - pension, RRSP and direct mutual fund investors - with recommendations on the best way to adapt and continue saving and investing for the future.

One final note: the sixth annual **Fortress Investment Forum** is set to take place this year on the evening of Thursday, November 12th at the Frank Collymore Hall. You are invited, so please mark your calendar. Once again this year, we will answer your questions and offer some straight talk about issues that affect your savings and investments. Exact details about the programme will follow soon. We do hope you can join us on November 12th.

As always, thank you very much for investing with us.

Sincerely,
Fortress Fund Managers

OF INTEREST THIS QUARTER:

THE CARIBBEAN GROWTH FUND

returned 1.9% for the quarter and is up 3.8% so far in 2015. Jamaican shares were strong, as were those in Europe and Asia.

THE CARIBBEAN HIGH INTEREST FUND

returned 0.8% for the quarter and is up 1.1% so far in 2015. Interest rates rose in the U.S., and significant credit risks remained in the Caribbean.

THE CARIBBEAN PENSION FUND

shares showed gains for the quarter of 1.1% - 2.4% and are up 1.4% - 3.8% so far in 2015. Equities continue to lead to higher returns than bonds.

Lower bank interest rates don't mean you have to settle.

Put more of your savings to work with the **Fortress Caribbean Growth Fund** and get instant diversification and tax free growth...

...all backed by our long term track record.

Visit us at Carlisle House or call **431-2198** to learn more.





Caribbean Growth Fund

HIGHLIGHTS:

- *The Fund advanced 1.9% in the second quarter and is up 3.8% so far in 2015.*
- *Investments in Jamaica and international markets contributed to returns during the quarter.*

The Fund gained 1.9% during the second quarter of 2015 and has returned 3.8% so far in 2015 and 3.0% over the past year. The net asset value (NAV) finished June 30th at \$5.0001. Net assets of the Fund were \$381 million, up \$31 million from this time last year. The Fund's annual compound rate of return since inception in 1996 is 9.1% per year.

The second quarter saw a continuation of the recent strong advance in Jamaican shares, and small gains in other Caribbean and global markets. Some of the Fund's investments in Jamaica benefited from this move. Our holding in National Commercial Bank of Jamaica rallied 15%, Sagicor Jamaica shares gained 22%, and some positions such as Pan Jamaica and GraceKennedy had smaller gains. Even with the Jamaican stock index now up 33% over the past year, the prevailing level of valuations is still low enough to remain interesting. Business conditions do not appear to be strong yet, but they are at least stable for now, and investors are seeking diversification beyond traditional holdings of government bonds which may continue to support share prices. Elsewhere in the Caribbean, Barbados shares generally remained under pressure from difficult operating conditions, as did those in Trinidad where we continue to believe that recent oil price declines will affect company profits in a way that has not yet been factored into some share prices. Our holding in Guyanese company Demerara Bank advanced 10% during the quarter.

In spite of uncertainty from an expected U.S. Federal Reserve rate hike, the ongoing Greek financial crisis and volatility in Chinese share prices, the Fund's international investments on average contributed positively with the best performance coming from markets outside the U.S., primarily in Europe and Asia. These returns were improved by short term strength in most major currencies against the U.S. dollar. The Fund's allocation to the Fortress International Equity Fund gained 3% for the quarter and is up 10% year to date, adding outperformance to healthy market gains. Caledonia Investments, a UK-based closed end fund in which the Fund has a 2% holding, gained 13% during the quarter and is still trading at an attractive discount to its net asset value. The OAM European Value Fund added 3% during the quarter. The Fund's allocations among global markets continue to favour markets outside the U.S. where share valuations are more reasonable and currencies are significantly cheaper than recent averages.

The Fund's portfolio is well diversified in the Caribbean and globally, with holdings whose operating profitability and current share prices suggest attractive long term returns from here. As recent market behaviour shows, prices can move around - sometimes by a lot - even though underlying fundamentals remain on a relatively steady path. We are carrying approximately 13% in cash and equivalents which can be invested as opportunities arise from such market volatility.

FUND OBJECTIVE

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

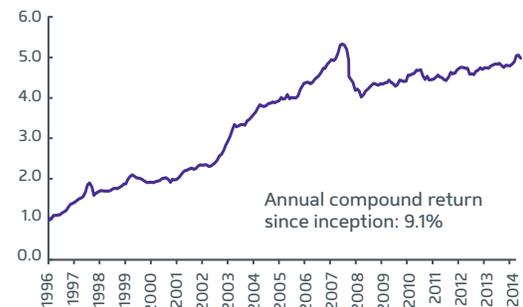
Minimum Investment	\$100
Net Asset Value per share	\$5.0001
Fund Net Assets	\$380,964,738
Fund Inception	Dec 9, 1996

INVESTMENT RETURNS

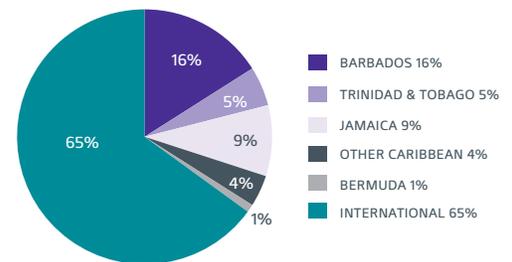
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
Fortress	1.9%	3.0%	3.8%	2.7%	9.1%
Jamaica	15.3%	32.7%	-5.1%	-3.6%	3.5%
Trinidad	0.9%	0.8%	4.7%	7.0%	11.5%
Barbados	0.0%	1.5%	-11.8%	-6.5%	3.2%
MSCI World Index	0.5%	2.0%	14.9%	13.7%	6.9%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO JUNE 30TH, 2015



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

Holding	Country/Region
1. Fortress International Equity Fund	International
2. Fortress Emerging Markets Fund	International
3. Fortress OAM Overseas Fund	Europe/Asia
4. Fortress Income Builder Int'l Fund	International
5. CS&C Joint Venture	Barbados

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

Ernst & Young

ATTORNEY-AT-LAW

Sir Henry deB. Forde, K.A., Q.C.
 Juris Chambers

DIRECTORS

Geoffrey Cave, Chairman
 David Bynoe
 Ken Emery
 Sir Fred Gollop
 John Howard
 David Simpson
 John Williams
 Roger Cave, Investment Manager

Caribbean High Interest Fund

HIGHLIGHTS:

- *The Fund gained 0.8% in the second quarter of 2015 and has returned 1.1% so far in 2015.*
- *Significant risks remain especially in Caribbean government bonds, and the Fund is very defensively positioned.*

The Fund returned 0.8% during the quarter, and has gained 1.1% so far in 2015 and 1.7% over the past year. The net asset value (NAV) of the Fund's Accumulation share finished at \$1.8674. The Distribution share finished at \$1.0067. Net assets of the Fund were \$118 million. The Fund's annual compound rate of return since inception in 2002 is 4.9% per year.

The Fund continues to operate in a challenging environment for its objective of generating returns while first and foremost preserving capital. The ongoing Caribbean government debt problems are still a huge risk and drain on the resources of companies and individuals alike, while posing clear and present danger to investors. In international markets, interest rates remain at levels near zero. In the U.S., risks seem to be rising that the U.S. Federal Reserve may be closer to increasing its target interest rate. Higher rates mean lower bond prices: the benchmark U.S. 10-year Treasury bond declined 3% in price during the second quarter as yields rose from 1.92% to 2.35%. The Fund remains very defensively positioned with respect to these risks.

In early April, the government of Grenada announced the final details of its restructuring that will see bondholders accept a 50% reduction in the face value of their investments, and the term to maturity of their bonds extended out to 2030. The fiscal problems that led to this, their second default in seven years, are not unique in the region. In Barbados, the recent budgetary statement from government underlined the financial stress that still exists. Tax revenues are stagnant in spite of increased tax rates in a number of areas in recent years, as the increased tax burden and low productivity dampen economic activity. Critically, there is still an outsized legacy burden of interest costs on the existing debt, chewing up 26 cents of every dollar in revenue. The International Monetary Fund and some local commentators have noted recently that it is practically impossible to reduce a debt burden of this magnitude without some form of debt restructuring. As the governor of Puerto Rico recently stated about his government's inability to continue servicing its debt, "This is not politics, this is math."

Against this backdrop, the Fund's investments in corporate bonds in Barbados and globally continue to perform well and to throw off yields ranging from 4 - 7%. Cash levels are still higher than we would like, resulting in a drag on the overall portfolio's return. We are actively looking for new investments to make, with reasonable yields, where the issuer has both the willingness and ability to make payments. The average gross yield to maturity of the Fund's holdings is approximately 3.7%, and the average term to maturity is very short at 2.5 years. This limits the Fund's risk if and when global interest rates rise.

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.

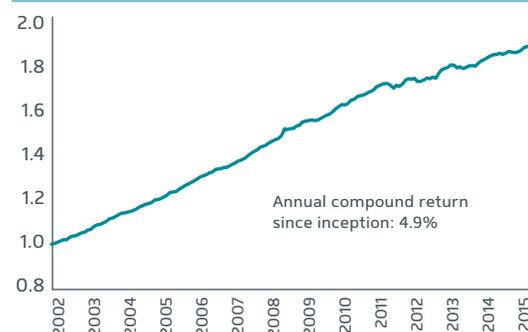
<i>Minimum Investment</i>	\$500
<i>Net Asset Value per share</i>	\$1.8674 / \$1.0067
<i>Fund Net Assets</i>	\$117,779,144
<i>Fund Inception</i>	May 17, 2002

INVESTMENT RETURNS

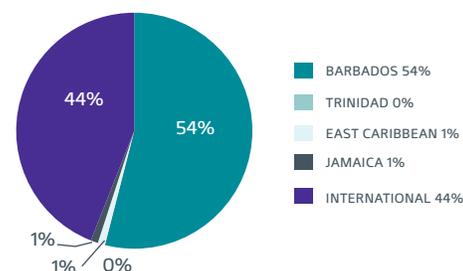
3 Months	1 Year	3 Years	5 Years	Inception
0.8%	1.7%	2.8%	2.9%	4.9%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO JUNE 30TH, 2015



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

<i> Holding </i>	<i> Country </i>
1. Sagicor 6.5% Preferred Shares	Barbados
2. Legg Mason Asian Opportunities Debt Fund	International
3. Franklin Templeton Global Bond Fund	Global
4. GEL 4.75% 30 Nov 2015	Barbados
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

Ernst & Young

ATTORNEY-AT-LAW

Sir Henry deB. Forde, K.A., Q.C.
 Juris Chambers

DIRECTORS

Geoffrey Cave, Chairman
 David Bynoe
 Ken Emery
 Sir Fred Gollop
 John Howard
 David Simpson
 John Williams
 Roger Cave, Investment Manager



Caribbean Pension Fund

HIGHLIGHTS:

- Shares of the Pension Fund showed gains during the quarter of 1.1% - 2.4%, and are up between 1.4% and 3.8% so far in 2015.
- Returns by class of share are shown in the table to the right.

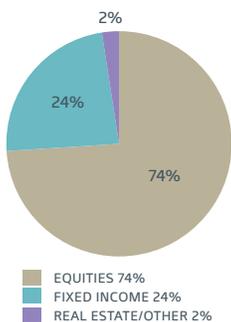
Saving and investing for retirement is a long term project that spans 20, 30, 40 years or more. The formula for securing your retirement is simple and it is the same year in and year out, regardless of what is going on in daily life or in the financial markets. That formula is: **Spend less than you earn, and invest the difference sensibly.** That's it. Plans like pensions and RRSPs can help you save and then structure your investments, as can regular savings in mutual funds like Fortress, real estate and other areas. Inside and outside of your pension, we are here to help you structure a saving and investing programme to get you where you want to be.

The 2015 edition of the *Fortress Pension Newsletter* is now available for you to read on our website at www.fortressfund.com/pensionnews. Have a look for useful news and tips on topics like what happens with your pension after you retire, what market volatility means for your savings, and five investing myths debunked.

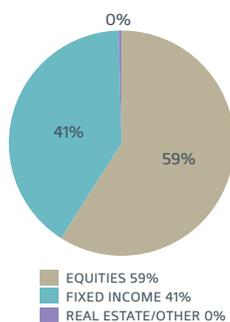
Please let us know if you have any questions about your pension or mutual fund investment.

Investors in the Pension Fund typically select from three different classes of share, 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.

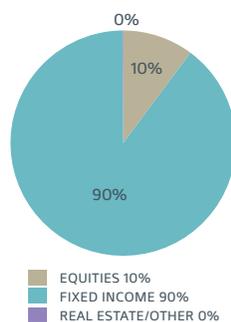
AGGRESSIVE ACCUMULATOR (AA)



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: No charge at the Fund level.
Sales Charge: None
Redemption Charge: none

MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd

CUSTODIAN

CIBC FirstCaribbean International Bank®
 Wealth Management Division

AUDITORS

Ernst & Young

ATTORNEY-AT-LAW

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 Juris Chambers.

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 (est.): \$21.50 / \$21.43 / \$16.49
 (AA/CC/CS)

Fund Net Assets (est.): \$222,871,689

INVESTMENT RETURNS

	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
AA Share	2.4%	3.1%	4.2%	3.0%	6.0%
CC Share	2.1%	3.1%	3.9%	3.2%	6.0%
CS Share	1.1%	2.0%	2.9%	2.9%	4.2%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO JUNE 30TH, 2015



BENEFITS AT A GLANCE

Company Pension (DC Scheme):

- Contributions earn a tax allowance up to certain maximums based on your income.
- 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):

- Contributions earn tax allowance up to \$10,000 per year depending on your income.
- 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

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

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