



Your Future. Our Business.

Dear Fellow Investors,

The first quarter of 2016 was one of the most volatile on record in global stock markets, with fear and panic in January and February giving way to a rally in March.

The Fortress funds showed gains for the quarter, after holding their value well during the market weakness and we took some opportunities to add to investments during the panic selling and lower prices. We think it's important to remember that during times like this the companies in our portfolios keep on generating earnings and paying dividends day in and day out, regardless of what the markets are doing. There will be more periods of volatility - maybe even soon - but over the years owning shares in good businesses, purchased at fair prices, will inevitably generate rewards for investors.

We were very encouraged by recent news reports that the Government of Barbados was considering reinstating individual allowances for pensions. We know our clients would join us in wholeheartedly supporting the return of the kinds of tools and incentives, available widely in other countries, to help citizens build financial security for retirement. We will advise you as we hear more.

Thank you very much for investing with us.

Sincerely,
Fortress Fund Managers

OF INTEREST THIS QUARTER:

THE CARIBBEAN GROWTH FUND

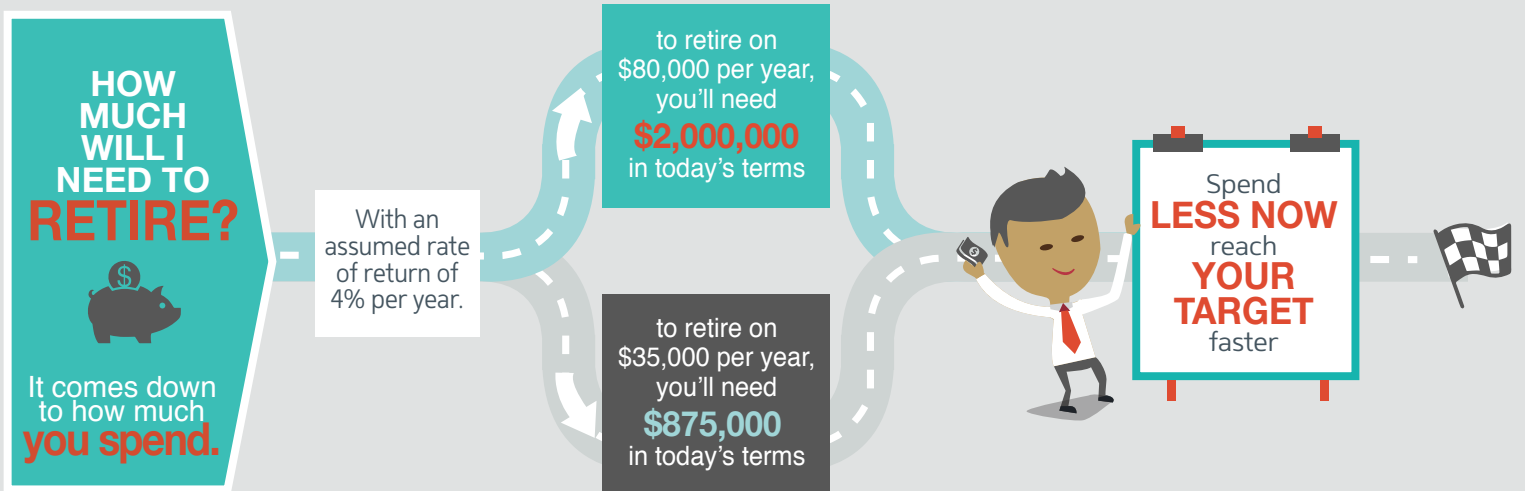
gained 0.7% during the quarter while global stock markets had a hugely negative and volatile start to the year.

THE CARIBBEAN HIGH INTEREST FUND

returned 0.6% during the first quarter, an annual rate of 2.4%. Barbados Government bonds were downgraded again.

THE CARIBBEAN PENSION FUND

shares returned -0.1% to +0.5% during the first quarter. The 2016 edition of the Fortress Pension News will be out soon.



Caribbean Growth Fund

HIGHLIGHTS:

- *The Fund gained 0.7% during the quarter while global stock markets had a hugely negative and volatile start to the year.*
- *Stress continued to develop in Trinidad & Tobago with economic recession and a weaker currency. Barbados share prices improved.*

The Fund gained 0.7% during the first quarter of 2016 and is unchanged over the past year. The net asset value (NAV) finished March 31st at \$4.9104. Net assets of the Fund were \$370 million. The Fund's annual compound rate of return since inception in 1996 is now 8.6% per year. Its portfolio remains well diversified by security, geography and currency.

As the saying goes, "Trouble don't set up like rain." The year started with a swift selloff that included equally the U.S., international and emerging markets. At the bottom in February, major markets were down 12% from their December 31 levels on concerns that included higher interest rates from the U.S. Federal Reserve (Fed), a Chinese economic slowdown, and fears of a renewed European banking crisis in the face of bankruptcies in the hard hit energy and commodities sectors. By quarter end, markets had snapped back substantially. During this volatile time, the Fund's diversified portfolio and substantial cash helped it hold its value relatively well.

Trinidad has been near the centre of the global storm, as the lower oil price has also hurt the economy there; it recently entered recession and the currency remains under pressure, down 3% in the first quarter. Closer to home, some Barbados companies saw share price increases from generally depressed levels. Goddard Enterprises increased 10% for the quarter, while ICBL gained 19%, Sagicor 12% and CIBC FCIB 5%. The Fund benefited from holdings in all of these. The proceeds of the Banks Holdings takeover have now hit bank accounts, and with low savings interest rates investors are looking for alternatives. Unfortunately, liquidity remains poor so putting large sums to work in the market is still extremely difficult.

During the quarter, the Fund added to its position in Sagicor Financial as earnings show signs of stabilising and the share price and dividend remain reasonably attractive. We moved out of our position in Sagicor Jamaica during the quarter following its substantial rally over the past year, and took partial profits on some other Jamaican holdings. We also took sales in Massy Group and generally reduced Trinidad (and Trinidad dollar) exposure even further. Among global investments, we were slow but steady buyers during the weakness in January and February.

The Fund's portfolio has valuations that range from good to excellent, implying healthy long-term returns from here. Within the Caribbean, we currently favour Barbados and Jamaica over Trinidad, and among global investments, we favour select areas of international and emerging markets over most of the fully priced U.S. market. Given the potential for spill over from further weakness in the U.S. market, the Fund remains relatively defensive in the near term with cash of approximately 20%.

FUND OBJECTIVE

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

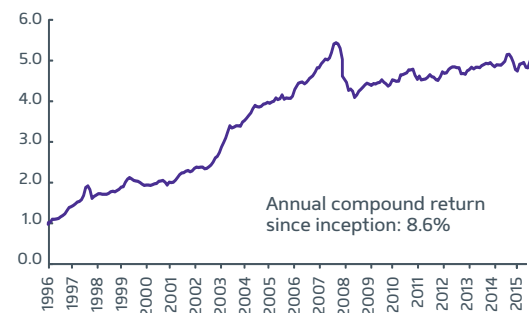
Minimum Investment	\$100
Net Asset Value per share	\$4.9104
Fund Net Assets	\$370,091,097
Fund Inception	Dec 9, 1996

INVESTMENT RETURNS

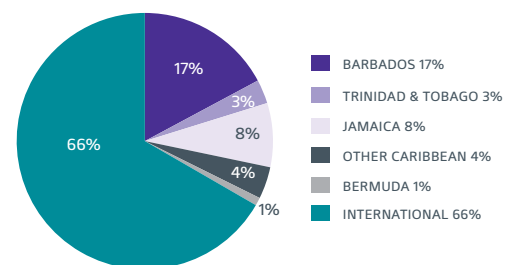
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept
Fortress	0.7%	0.0%	1.0%	1.3%	8.6%
Jamaica	0.8%	73.4%	14.8%	4.6%	6.0%
Trinidad	-5.1%	-5.2%	0.2%	4.8%	11.1%
Barbados	5.0%	13.0%	-7.0%	-5.9%	4.0%
Global Index	-0.2%	-2.9%	7.4%	7.1%	6.7%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO MARCH 31ST, 2016



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 returned 0.6% during the first quarter, an annual rate of 2.4%. It has returned 1.1% over the past year.*
- *Barbados government bonds were downgraded again by Moody's to "Caa1", a level close to default.*

The Fund returned 0.6% during the first quarter of 2016 and is up 1.1% over the past year. The net asset value (NAV) of the Fund's Accumulation share finished at \$1.8744. The Distribution share finished at \$1.0104. Net assets of the Fund were \$114 million. The Fund's annual compound rate of return since inception in 2002 is now 4.6% per year. It remains as diversified as possible by issuer, geography and currency, with approximately 52% invested in Barbados and 48% invested globally.

The year started with the widely accepted belief that the next interest rate hike from the U.S. Federal Reserve (Fed) was just around the corner, even as other parts of the world found new ways to cut rates and provide greater economic stimulus. This split in policy direction contributed to a collapse in commodity prices and many emerging markets currencies in late 2015 and early 2016, along with broader turmoil in equity and credit markets. In February, the Fed backed down and suggested it was concerned enough about the weakness in global markets to set aside its plans to hike, for now. Markets stabilised and bond yields resumed falling on the news. Japan pushed yields lower, joining the "negative rates" club in the first quarter. Yields on government 10-year bonds in Japan, the U.S. and Germany are now -0.13%, 1.80% and 0.15% respectively. We are once again left with lower interest rates than many would have thought possible in the U.S. and much of the developed world.

In the Caribbean, government creditworthiness remained the focus in the first quarter and it continued to deteriorate. Trinidad is feeling stress due to global as well as regional issues, as the lower oil price pressures its terms of trade and economic activity generally. Bond rating agency Moody's put Trinidad on negative watch in March and subsequently downgraded it in early April. Moody's also slapped Barbados with another downgrade in early April, dropping it to "Caa1", 10 notches below the "A3" rating it carried as recently as 2009 and only three notches above default. Clearly the risks are rising and levelheaded thought must be given to what form a durable resolution of this situation will take because the status quo is untenable.

The segment of the Fund's portfolio invested in global currencies outside the U.S. dollar benefited this quarter from some long overdue U.S. dollar weakness, and the improvement in corporate bonds generally helped prices improve slightly even among the relatively short maturity holdings in the portfolio. The average term of the Fund's portfolio is 2.8 years, and the average gross yield is 3.9%. The Fund's conservative positioning especially with respect to Caribbean government debt continues to limit its yield in the medium term for the sake of capital preservation.

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.

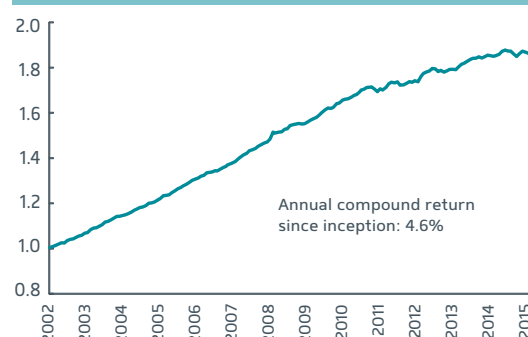
<i>Minimum Investment</i>	\$500
<i>Net Asset Value per share</i>	\$1.8744 / \$1.0104
<i>Fund Net Assets</i>	\$113,826,494
<i>Fund Inception</i>	May 17, 2002

INVESTMENT RETURNS

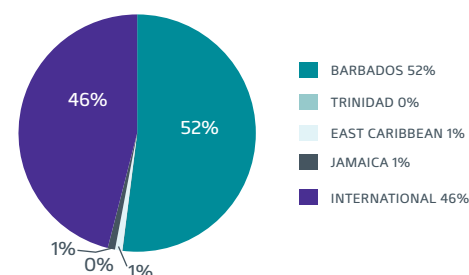
3 Months	1 Year	3 Years	5 Years	Inception
0.6%	1.1%	1.7%	2.1%	4.6%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO MARCH 31ST, 2016



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

<i>Holding</i>	<i>Country</i>
1. Legg Mason Asian Opportunities Debt Fund	International
2. Sagicor 6.5% Preferred Shares	Barbados
3. GEL 4.5% 30 Nov 2017	Barbados
4. Franklin Templeton Global Bond Fund	Global
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

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 Juris Chambers

DIRECTORS

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

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

Caribbean Pension Fund

HIGHLIGHTS:

- Shares of the Pension Fund returned -0.1% to +0.5% during the first quarter as equity returns were muted by global volatility and bond returns were as expected.
- Returns by class of share are shown in the table to the right.

Each year we publish the Fortress Pension News for our pension clients and all pension plan participants. It has short articles, reminders and questions and answers on a range of topics, all having to do with the lifelong project of saving and growing your money for retirement. The 2016 edition will be out soon, featuring topics such as:

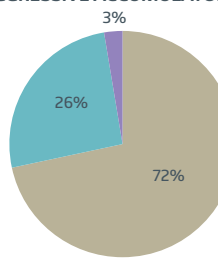


- Supplementing your pension savings
- Inflation and your investments
- How to think about stock market volatility
- Calculating and monitoring your personal and family net worth
- What retirement might look like - it's up to you.

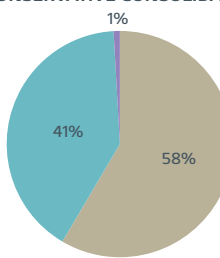
Watch for it on our website, or ask your HR administrator for a copy - a limited number will be sent to participating companies to share with plan participants.

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.

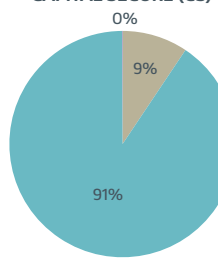
AGGRESSIVE ACCUMULATOR (AA)



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

Sir Henry deB. Forde, K.A., Q.C.
 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.): \$21.18 / \$21.16 / \$16.43 (AA/CC/CS)

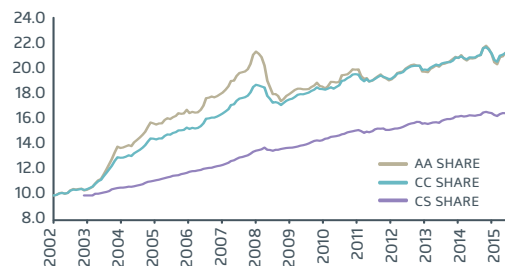
Fund Net Assets (est.): \$227,241,351

INVESTMENT RETURNS

	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
AA Share	-0.1%	0.8%	1.5%	1.7%	5.6%
CC Share	0.4%	1.2%	1.8%	2.1%	5.6%
CS Share	0.5%	1.2%	1.8%	2.0%	4.0%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO MARCH 31ST, 2016



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

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

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