



VALUE FUND



VALUE FUND

The Fortress Caribbean Property Fund Limited SCC - Value Fund realised a profit of \$881,151 for the six months ended March 31st 2016 compared to a profit of \$2.381 million in 2015. The major change is the loss of rent from the BET Building. The net asset value is \$0.77 per share compared to \$0.79 at the financial year ended September 30, 2015. The net assets are \$42.933 million compared to \$43.721 million at the end of September 2015. There were no new purchases or property sales completed during the six months ended March 31st 2016.

BET Building Joint Venture

Flow vacated the premises at BET with an effective date of October 31st 2015. The company then paid a settlement fee of \$5.9 million in January for the early surrender of the lease. There was a corresponding reduction in the value of the BET property during the quarter of the same amount. The property is now vacant and renovation work commenced on the interior of the main building during April. On June 2nd 2016, the partners of the BET Building JV accepted a conditional offer to sell the property. The offer is subject to contract and is conditional on certain planning approvals and other terms and conditions which, if received in the agreed timelines, should result in the sale of the property on or before October 31st 2016.

Other Commercial Properties

The earnings from the Value Fund's other commercial properties are in line with the prior year. There has been an increase in the vacancy at Carlisle House as two long standing tenants moved out and have not yet been replaced and the largest tenant on the first floor has recently given notice to leave later in the year. There was an independent rent review for one of the joint venture tenants which resulted in a five percent decrease in their rent on the renewal of a long term lease. The redevelopment of the Cave Shepherd Broad Street store is ongoing with increased investment by the landlord which has generated higher rents and extended lease terms which are in both the landlord's and tenants' best interests.

The operating expenses of the Fund are down 11% from the prior year due mainly to a 25% decrease in the interest expenses which stems from lower interest rates on the Fund's bond.

The Fund is actively looking for new commercial properties to add to its attractive income producing portfolio.

A dividend of \$0.03 per share was paid in December 2015. The share price of the Value Fund shares on the Barbados Stock Exchange (BSE) as at March 31st 2016 was \$0.61, a discount of 19% to the net asset value.

Value Fund Objectives

To produce annual income and long term capital gains from a diversified portfolio of income producing properties in the Caribbean. It is expected that the Value Fund will pay out a minimum of 75% of its available distributable profits.

The Fund is closed end and its shares are listed on the Barbados and Trinidad & Tobago Stock Exchanges. Net Asset Values (NAV) for each class of share are updated and published monthly at www.fortressfund.com. The trading prices on the stock exchanges may differ significantly from the shares' NAVs.

Financial Highlights

As of March 31, 2016

Value Fund:	\$42,932,570
2016 YTD Earnings:	\$881,151
Dividends per share:	\$0.03
Dividend yield:	4.92%
NAV/Share:	\$0.77
Price/Share:	\$0.61
Premium/(Discount):	(19%)

Fund Details (Bds\$)

Per Share Data	31/03/16	31/03/15
Net asset value per share	\$0.77	\$0.81
Number of shares	55,652,768	55,652,768

EXPENSES

Manager:
0.75% per annum of the net assets of the Fund
Investment Advisor:
0.75% per annum of the net assets of the Fund

MANAGER & ADMINISTRATOR

Fortress Fund Managers Limited

INVESTMENT ADVISOR & PROPERTY MANAGER

Altman Real Estate
Property Consultancy Services Inc

BANKER

CIBC First Caribbean International Bank®

ATTORNEY-AT-LAW

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

INDEPENDENT AUDITORS

Ernst & Young

INDEPENDENT VALUER

Terra Caribbean

EXCHANGE LISTINGS

Barbados Stock Exchange
Trinidad & Tobago Stock Exchange

DIRECTORS

Geoffrey Cave, Chairman
Sir Paul Altman
Anthony Audain
Sir Trevor Carmichael
Maureen Davis
Terry Hanton
Algernon Leacock
John Williams

Please see www.fortressfund.com for further important information



The CWBET Building

Location: Wildey, Barbados

Tenantable Space: 84,838 square feet

Property Type: Commercial

Market Value: \$18.775 million (entire joint venture)



Carter's Buildings & Cave Shepherd Building

Location: Various, Barbados

Property Type: Commercial

Market Value: \$66.7 million (entire joint venture)



Carlisle House

Location: Bridgetown, Barbados

Tenantable Space: 48,426 square feet

Property Type: Commercial

Market Value: \$10.25 million



No. 24 Broad Street

Location: Bridgetown, Barbados

Tenantable Space: 14,000 square feet

Property Type: Commercial

Market Value: \$8.8 million



Chattel Village

Location: Holetown, Barbados

Tenantable Space: 8,000 square feet

Property Type: Commercial

Market Value: \$1.155 million (leasehold interest)



Sunset Mall

Location: Sunset Crest, Barbados

Property Type: Commercial building

Market Value: \$9.8 million (entire joint venture)

Unaudited Consolidated Statement of Financial Position As At March 31, 2016 (expressed in Barbados Dollars)

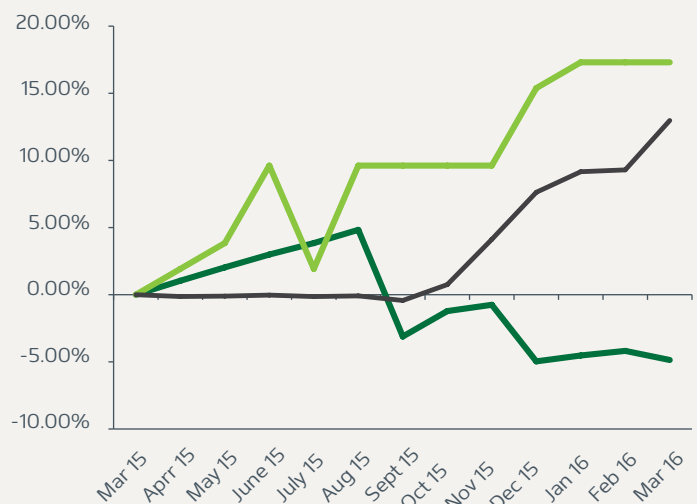
	Unaudited March 31, 2016 \$	Unaudited March 31, 2015 \$
Assets		
Investment properties	38,980,000	52,730,000
Investment in associated companies	17,524,814	15,733,920
Cash & cash equivalents	8,454,112	1,535,874
Financial assets at fair value through profit or loss	8,000	8,000
Due from related parties	225,296	-
Accounts receivable and prepaid expenses	419,996	462,765
Total assets	65,612,218	70,470,559
Liabilities		
Accounts payable and accrued expenses	334,247	502,962
Security and advanced deposits	356,929	350,061
Loans payable	10,580,000	10,361,494
Due to related party	-	29,415
Total liabilities	11,271,176	11,243,932
Total assets less liabilities	54,341,042	59,226,627
Equity		
Share capital	37,209,540	37,209,540
Retained earnings	5,723,030	7,916,960
Total shareholders' funds	42,932,570	45,126,500
Non-controlling interests	11,408,472	14,100,127
	54,341,042	59,226,627
Net asset value per share	0.77	0.81

Unaudited Consolidated Statement of Comprehensive Income For the six month period October 1, 2015 - March 31, 2016 (expressed in Barbados Dollars)

	Unaudited Six months to March 31, 2016 \$	Unaudited Six months to March 31, 2015 \$
Revenue		
Net rental income	1,329,198	3,569,427
Fair value losses on investment property	(6,395,000)	(40,000)
Share of income of investments using equity accounting	825,592	734,824
Lease surrender fee	5,925,000	-
Interest income	11,107	792
Dividend income	64	121
Other income	9,960	0
Total investment income	1,705,921	4,265,164
Expenses		
Interest expense	240,000	318,413
Fund management fees	164,670	168,328
Investment advisor fees	164,670	168,328
Professional fees	83,735	75,578
Impairment charge on receivable	-	-
Office and administrative expenses	10,143	16,728
Directors and subcommittee fees	14,718	14,259
Operating expenditure	677,936	761,634
Total comprehensive income for the period	1,027,985	3,503,530
Attributable to:		
Cellular property fund shareholders	881,151	2,381,836
Non-controlling interests	146,834	1,121,694
Total comprehensive income for the period	1,027,985	3,503,530
Earnings per share	0.02	0.04

Movement in total assets, NAV (excluding dividends), closing share price & premium/discount

Date	Net Assets	Total Shares O/S	Net Asset Value/Share	Closing Share Price	Premium/Discount	BSE Local Index
31-Mar	\$45,126,500	55,652,768	\$0.81	\$0.52	-35.9%	2,194.13
30-Apr	\$45,595,257	55,652,768	\$0.82	\$0.53	-35.3%	2,191.18
31-May	\$46,044,882	55,652,768	\$0.83	\$0.54	-34.7%	2,191.83
30-Jun	\$46,476,842	55,652,768	\$0.84	\$0.57	-31.7%	2,193.49
31-Jul	\$46,861,369	55,652,768	\$0.84	\$0.53	-37.1%	2,191.09
30-Aug	\$47,306,321	55,652,768	\$0.85	\$0.57	-32.9%	2,192.20
30-Sep	\$43,721,002	55,652,768	\$0.79	\$0.57	-27.4%	2,184.71
31-Oct	\$44,576,100	55,652,768	\$0.80	\$0.57	-28.8%	2,210.65
30-Nov	\$44,787,047	55,652,768	\$0.80	\$0.57	-29.2%	2,284.52
31-Dec	\$42,886,070	55,652,768	\$0.77	\$0.60	-22.1%	2,361.47
30-Jan	\$43,084,266	55,652,768	\$0.77	\$0.61	-21.2%	2,395.13
29-Feb	\$43,238,490	55,652,768	\$0.78	\$0.61	-21.5%	2,398.10
31-Mar	\$42,932,570	55,652,768	\$0.77	\$0.61	-20.9%	2,478.82



Investment Returns - March 31st 2016 (including dividends)

	3 months	6 months	1 year	Since inception (Oct 1st 2013)
Share price	1.7%	12.3%	23.1%	28.4%
NAV	0.1%	2.0%	-1.2%	3.5%

Returns longer than one year are annual compound returns.



DEVELOPMENT FUND



DEVELOPMENT FUND

The Fortress Caribbean Property Fund Limited SCC - Development Fund realised a loss of \$320,801 for the six months ended March 31st 2016 compared to a loss of \$350,638 for the same period in 2015. The net asset value is \$0.46 per share down from \$0.48 a year earlier. The net assets are \$24.91 million compared to \$25.23 million for the financial year ended September 30, 2015. There were no asset sales during the six months ended March 31st 2016. The share price of the Development Share on the Barbados Stock Exchange (BSE) as at March 31st 2016 was \$0.19, a discount of 58% to the net asset value.

Villas on the Green

There were no further sales of units at Villas on The Green in the past six months. The communal pool was completed in December and has enhanced the attractiveness of the overall development which should assist with the sales of the remaining units. The annual running costs of this development continue to be one of the largest expenses for the Development Fund.

Lower Estate & Limegrove

In November and December, the Fund had accepted offers for the sale of two lots at Lower Estate and the villa unit at Limegrove. The transactions were at the contractual stage but unfortunately early in 2016 both

purchasers decided not to complete the purchases. This was very disappointing as the combined sales' values were in excess of two million dollars.

Other Opportunities

Earlier in the year the Fund partnered with a regional company to bid for a development being sold by a receiver on behalf of a bank but our bid was unsuccessful. We have recently been approached by a group for an interesting joint venture investment on one of the Fund's sites which is currently being evaluated by the investment advisors.

The new clubhouse at Apes Hill is well advanced and this will hopefully accelerate the sales there where the Fund has two excellent properties.

The Barbados economy is finally expected to show some growth this year on the back of increased tourist arrivals. The low mortgage interest rates and the growing concerns of the unsustainable level of Barbados government debt should boost investor interest in property assets where there are limited investment alternatives for trapped local savings.

Management's focus remains on realising value from sales of the Fund's properties.

Development Fund Objectives

Realise value in the medium term on its portfolio of development properties in the Caribbean, and return capital to shareholders. It is not expected that the Fund will pay a regular dividend.

The Fund is closed end and its shares are listed on the Barbados Stock Exchange. Net Asset Values (NAV) for each class of share are updated and published monthly at www.fortressfund.com. The trading prices on the stock exchange may differ significantly from the shares' NAVs.

Financial Highlights

As of March 31, 2016

Development Fund:	\$24,912,156
2016 YTD Earnings:	(\$320,801)
Earnings per share:	(\$0.01)
Dividends per share:	nil
NAV/Share:	\$0.46
Price/Share:	\$0.19
Premium/(Discount):	(58%)

Fund Details (Bds\$)

Per Share Data	31/03/16	31/03/15
Net asset value per share	\$0.46	\$0.48
Number of shares	54,549,676	54,869,676

EXPENSES

Manager:
0.375% per annum of the net assets of the Fund
Investment Advisor:
0.375% per annum of the net assets of the Fund

MANAGER & ADMINISTRATOR

Fortress Fund Managers Limited

INVESTMENT ADVISOR & PROPERTY MANAGER

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Sir Trevor Carmichael
Maureen Davis
Terry Hanton
Algernon Leacock
John Williams

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Holder's Site

Location: St. James, Barbados
 Size: 158,000 square feet
 Property Type: Residential

Carrying Value: \$1.38 million



Lion Castle Lot 21

Location: Lion Castle, Barbados
 Size: 45,865 square feet
 Property Type: Undeveloped residential lands

Carrying Value: \$782,000



Apes Hill Polo Villa

Location: Waterhall, Barbados
 Size: 2,686 square feet (floor area)
 7,500 square feet (land area)
 Property Type: Residential unit

Carrying Value: \$1.30 million
 (furnished)



Villas on the Green

Location: Cap Estate, St. Lucia
 Size: 18 acres
 Property Type: Residential Development

Carrying Value: \$6.3 million
 (buildings \$3.7 million;
 lands \$2.6 million)



Wotton Lands

Location: Wotton, Barbados
 Size: 6.2 acres
 Property Type: Undeveloped commercial lands

Carrying Value: \$5.52 million



Rockley Central Area

Location: Rockley, Barbados
 Property Type: Undeveloped lands

Carrying Value: \$2.07 million
 (entire joint venture, remaining lands)



Lower Estate Lands

Location: Lower Estate, Barbados
 Size: 539,310 square feet
 Property Type: Commercial subdivision - 14 lots

Carrying Value: \$7.5 million
 (entire joint venture)



Rockley Cane Garden

Location: Rockley, Barbados
 Size: 151,781 square feet (gross)
 Property Type: Undeveloped lands

Carrying Value: \$1.84 million



Apes Hill Land

Location: St. James, Barbados
 Size: 20,800 square feet
 Property Type: Undeveloped Residential lands

Fair Market Value: \$874,000



Lime Grove Hillside Villa

Location: Lime Grove, Barbados
 Size: 3,433 square feet (floor area)
 Property Type: Residential unit

Carrying Value: \$1.15 million



Canouan Land

Location: Canouan Island, St. Vincent
 Size: 3.92 acres
 Property Type: Undeveloped residential lands

Carrying Value: \$8.6 million
 (entire joint venture)

N.B. These properties are being held for future sale. These are carried at the lower of cost and net realisable value which does not represent list prices.

Unaudited Consolidated Statement of Financial Position As At March 31, 2016 (expressed in Barbados Dollars)

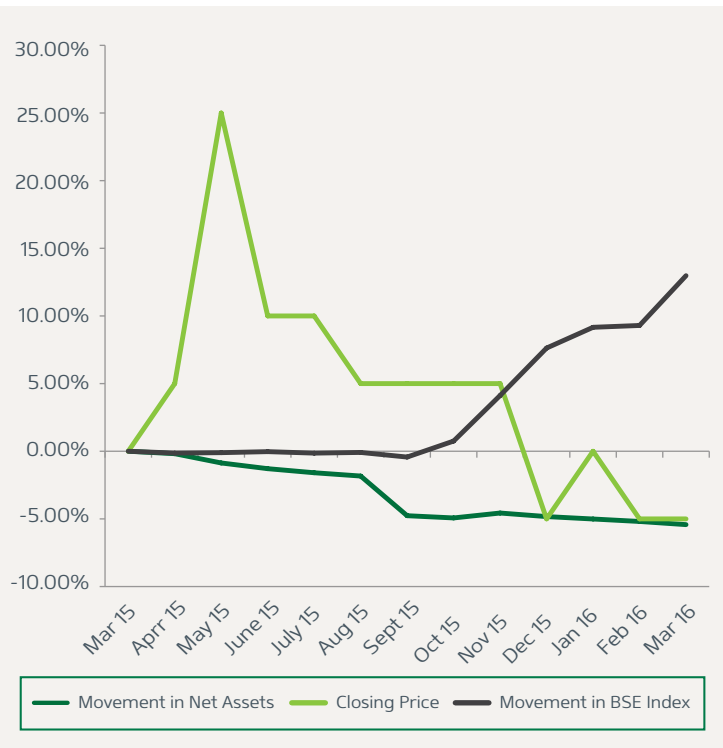
	Unaudited March 31, 2016 \$	Unaudited March 31, 2015 \$
Assets		
Real estate available-for-sale	20,168,175	21,816,507
Investment in associated companies	4,877,040	4,742,333
Cash and cash equivalents	1,367,119	212,413
Investments	-	720,510
Accounts receivable and prepaid expenses	428,079	670,904
Due from related parties	186,942	929,415
Total assets	27,027,355	29,092,082
Liabilities		
Accounts payable and accrued expenses	453,157	1,290,537
Security and advanced deposits	1,160,567	913,200
Due to related parties	290,364	-
Loans payable	211,111	393,138
Total liabilities	2,115,199	2,596,875
Total assets less liabilities	24,912,156	26,495,207
Equity		
Share capital	28,731,519	28,900,064
Retained earnings	(3,819,363)	(2,404,857)
Total shareholders' funds	24,912,156	26,495,207
Net asset value per share	0.46	0.48

Unaudited Consolidated Statement of Comprehensive Income For the six month period October 1, 2015 - March 31, 2016 (expressed in Barbados Dollars)

	Unaudited Six months to March 31, 2016 \$	Unaudited Six months to March 31, 2015 \$
Revenue		
Net gain on financial assets at fair value through profit or loss	-	3,638
Share of profit/(loss) of investments using equity accounting	(16,867)	6,371
Interest income	3,872	22,500
Other income	-	932
Total investment income	(12,995)	33,441
Expenses		
Impairment loss on real estate available for re-sale	-	-
Net carrying costs of real estate available for re-sale	150,117	151,405
Fund management fees	47,232	49,318
Investment advisor fees	47,232	49,318
Audit, listing and other professional fees	48,423	67,401
Net loss on sale of real estate available for re-sale	-	-
Interest expense	2,222	50,896
Impairment charge on receivable	-	-
Office and administrative expenses	4,300	7,002
Directors and subcommittee fees	8,280	8,739
Operating expenditure	307,806	384,079
Total comprehensive income for the period	(320,801)	(350,638)
Earnings per share	(0.01)	(0.01)

Movement in total assets, NAV (excluding dividends), closing share price & premium/discount

Date	Net Assets	Total Shares O/S	Net Asset Value/Share	Closing Share Price	Premium/Discount	BSE Local Index
31-Mar	\$26,495,207	54,869,676	\$0.48	\$0.20	-58.58%	2,194.13
30-Apr	\$26,447,196	54,869,676	\$0.48	\$0.21	-56.43%	2,191.18
31-May	\$26,265,681	54,869,676	\$0.48	\$0.25	-47.77%	2,191.83
30-Jun	\$26,153,940	54,869,676	\$0.48	\$0.22	-53.85%	2,193.49
31-Jul	\$26,074,098	54,869,676	\$0.48	\$0.22	-53.70%	2,191.09
31-Aug	\$26,009,698	54,869,676	\$0.47	\$0.21	-55.70%	2,192.20
30-Sep	\$25,232,957	54,869,676	\$0.46	\$0.21	-54.33%	2,184.71
31-Oct	\$25,189,231	54,869,676	\$0.46	\$0.21	-54.26%	2,210.65
30-Nov	\$25,137,897	54,549,676	\$0.46	\$0.21	-54.43%	2,284.52
31-Dec	\$25,068,810	54,549,676	\$0.46	\$0.19	-58.66%	2,361.47
31-Jan	\$25,021,633	54,549,676	\$0.46	\$0.20	-56.40%	2,395.13
29-Feb	\$24,973,736	54,549,676	\$0.46	\$0.19	-58.50%	2,398.10
31-Mar	\$24,912,156	54,549,676	\$0.46	\$0.19	-58.40%	2,478.82



Investment Returns - March 31st 2016 (including dividends)

	3 months	6 months	1 year	Since inception (Oct 1st 2013)
Share price	0.0%	-9.5%	-5.0%	-13.1%
NAV	-0.6%	-0.7%	-5.4%	-7.2%

Returns longer than one year are annual compound returns.