



Your Future. Our Business.

Dear fellow investors,

With positive returns across the board in the second quarter the Fortress funds all reached new all-time highs in net asset values and total assets. Year to date returns remained strong in most markets where we invest, including Caribbean and global stocks and bonds. This is not to say there have not been challenges. Barbados is still digesting the effects of its government bond restructuring, trade tensions have diminished global economic activity, and interest rates in most developed markets are now back to historic lows. But here in the Caribbean and around the world there continue to be profitable, growing companies in which to invest, whose shares are still trading at reasonable prices. The Caribbean Growth Fund's portfolio is priced to continue generating what we expect to be meaningful returns in the coming years. The Fund is once again open to lump sum subscriptions so you can add to your investment with us any time.

We were encouraged by the recent announcement in Barbados that foreign currency accounts would become more widely available. More options here at home for those with independent access to foreign currency can allow a more robust ecosystem to develop for the benefit of all. Over time we think it will prove useful for individuals and companies to have the ability to act in foreign currencies where appropriate, to invest abroad or grow their businesses. We will report more as we learn more. For now, an initial step seems to have been made along what we hope will be a path to a more mature capital market in Barbados.

Thank you very much for investing with us.

Sincerely,
Fortress Fund Managers

OF INTEREST THIS QUARTER:

THE CARIBBEAN GROWTH FUND

gained 1.9% in the second quarter and is up 5.2% over the past year. Jamaica had another strong quarter and global stocks showed positive returns.

THE CARIBBEAN HIGH INTEREST FUND

returned 1.0% in the second quarter and is up 1.0% over the past year. Global interest rates continued to decline and are back at historic lows.

THE CARIBBEAN PENSION FUND

shares gained between 1.1% and 1.7% in the second quarter and have returned between 1.2% and 4.5% over the past year. Equities outpaced bonds again during the quarter.

Low interest rates got you down?

Think and invest for the long-term.

The Caribbean Growth Fund does just that.

It has generated a compound annual rate of return of **8.4%** per year over the last 22 years, turning every \$1 into more than \$6.

Invest any time in a way that suits you:

Regular monthly savings programme, or invest any amount by cheque, at Surepay or via bill pay online at CIBC FirstCaribbean.





Caribbean Growth Fund

HIGHLIGHTS:

- *The Fund gained 1.9% for the second quarter and is up 5.2% over the past year.*
- *Jamaican shares had another strong quarter and global stocks strengthened on hopes for central bank easing.*

The Fund gained 1.9% during the second quarter and is up 5.2% over the past year. The net asset value (NAV) finished June 28 at \$6.1238. Net assets of the Fund were \$484 million, up from \$460 million this time last year. The Fund's annual compound rate of return since inception in 1996 is 8.4% per year. Its portfolio remains well diversified by security, geography and currency.

Jamaican stocks had another strong quarter, adding to their recovery in recent years. The Fund's largest holdings in Jamaica, PanJam Investments and NCB Financial Group, added 16% and 30% respectively and smaller positions such as GraceKennedy also saw gains. Jamaican shares have continued to rally into early July and our response has been to trim positions gradually. Underlying fundamentals have indeed improved in Jamaica – at both the company and broader economy levels – but shares have gone from being some of the best bargains in the world in 2015 to now trading at valuations that are above global averages and therefore have diminished potential for future returns. Shares in Barbados and Trinidad, were little changed in the second quarter, showing slight gains on balance, and the Fund's holdings in Guyana were mixed. In Barbados, Sagicor Financial shares were well-supported following shareholder approval of its scheme of arrangement that would see it acquired by Canadian company Alignvest. Most current shareholders elected to roll their investments into shares in the new structure, which is expected to use its increased capital from regional and Canadian investors to grow operations in the Caribbean. In Guyana, shares of Banks DIH declined 9% on thin volume, while those in Demerara Bank and Demerara Distilleries were up 5% and 6% respectively. We still see good value in certain Guyanese shares, and have been adding to positions in Trinidad where fundamentals appear to be stabilising and valuations are relatively undemanding.

The Fund's global investments generated positive returns during the quarter as holdings in the U.S., international and emerging markets mostly added between 1% and 3%. Bond yields continued to fall in developed markets as expectations grew that the U.S. Federal Reserve and European Central Bank would ease policy soon. This tended to support stock prices, but optimism was tempered by the fact that the underlying reason more stimulus might be warranted is that trade frictions have depressed business capital investment and caused disruption as companies are forced to reconstruct their supply chains. This factor will likely be a headwind for corporate earnings growth in some sectors, but it will not affect all companies equally and many continue to adjust and operate well. No one can predict what is next for trade or monetary policy. Our focus remains on simply investing in good companies at good prices. The valuations and underlying fundamentals of the Fund's diversified holdings continue to be consistent with meaningful long-term returns.

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

FUND OBJECTIVE

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

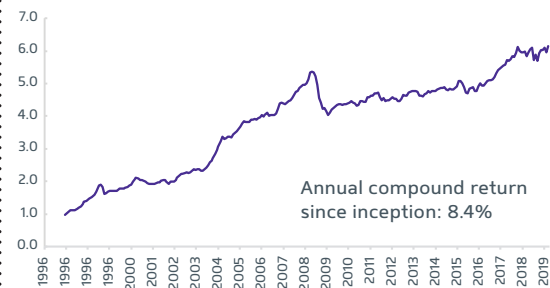
Minimum Investment	\$100
Net Asset Value per share	\$6.1238
Fund Net Assets	\$484,161,418
Fund Inception	Dec 9, 1996

INVESTMENT RETURNS

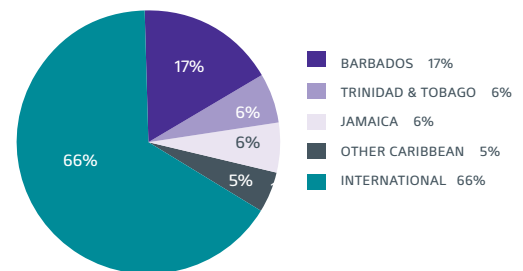
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept
Fortress	1.9%	5.2%	7.5%	4.8%	8.4%
Jamaica	16.2%	51.9%	41.6%	41.3%	9.6%
Trinidad	5.0%	13.4%	6.0%	2.6%	9.4%
Barbados	0.6%	11.2%	9.1%	8.7%	4.4%
MSCI World	4.2%	6.9%	12.4%	7.2%	6.9%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO JUNE 30TH, 2019



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

Holding	Country/Region
1 Fortress Emerging Markets Fund	International
2 Fortress International Equity Fund	International
3 Goddard Enterprises Limited	Barbados
4 Fortress Income Builder Intl Fund	International
5 Fortress OAM Overseas Fund	Europe/Asia

EXPENSES

Manager: 1.75% per annum of net assets
Custodian:
 0.0875% on first \$30M in net assets
 0.075% on amounts over \$30M in net assets
Administrator:
 0.10% on the first \$30M in net assets
 0.0875% on amounts over \$30M in net assets
Redemption Charge: none
Initial Charges: 2%

MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd.

CUSTODIAN

CIBC FirstCaribbean International Bank
 Wealth Management Division

AUDITORS

EY Barbados

ATTORNEY-AT-LAW

Clarke Gittens Farmer

DIRECTORS

Sir Geoffrey Cave, Chairman
 David Bynoe
 John Howard
 David Simpson
 John Williams
 Roger Cave, Investment Manager

Caribbean High Interest Fund

HIGHLIGHTS:

- *The Fund gained 1.0% for the second quarter and is up 1.0% over the past year.*
- *Global interest rates continued to decline as trade tensions provided a headwind to economic growth.*

The Fund gained 1.0% during the second quarter and is up 1.0% over the past year. The net asset value (NAV) of the Fund's Accumulation share finished June 28 at \$1.9771, while the Distribution share finished at \$1.0084. Net assets of the Fund were \$137 million, up from \$133 million this time last year. The Fund's annual compound rate of return since inception in 2002 is 4.1% per year. Its portfolio remains as diversified as possible across various issuers, industries, geographies and terms to maturity.

Interest rates declined around the world during the second quarter as expectations intensified that the U.S. Federal Reserve (Fed) would cut its target rate. This led to positive returns on most global bonds. 10-year U.S. Treasury yields declined from 2.4% to 2.0% during the quarter and parts of the yield curve "inverted", meaning that some longer maturity bonds now yield less than those with shorter maturities. This says that investors are expecting large rate cuts from the Fed and that they are expecting them soon. Time will tell if these expectations are correct. It is worth noting that if economic data fail to support such swift easing by the Fed bond yields could rise and prices fall. In this environment it is especially important for the portfolio to be robust to a range of possible outcomes. We are keeping the average term to maturity of the Fund's holdings relatively short, limiting sensitivity to interest rate changes. and we are including inflation-linked bonds as well because their unique sensitivities can be helpful if inflation rises. Credit spreads remain at historically tight levels, limiting the amount of extra yield that can be earned from holding bonds issued by riskier companies. This leaves little room for error and as a result we continue to favour high-quality credits.

In Barbados, the Fund's corporate bond investments generated steady returns and our recently initiated holdings in select Government of Barbados (GOB) issues also contributed positively. The process of restructuring of the GOB US\$ bonds remains a work in progress, but the post-restructuring dust is settling in the domestic market. Rating agency Moody's upgraded GOB from Caa3 to Caa1, recognising some initial improvement in creditworthiness but also the significant distance yet to travel back to investment grade. Domestic GOB bonds have been listed again on the Barbados Stock Exchange and some prices are now being posted. We are participating and doing what we can to facilitate secondary trading. As a result of recent investments, cash in the Fund has declined and its running yield is gradually increasing. The challenge remains that global rates are again at historic lows and the investment options in Barbados that meet the Fund's objectives are limited. This will continue to dampen returns for the foreseeable future. The Fund's gross yield is currently 2.9%, a good estimate of its medium-term annual return potential.

The Fund is currently open only to monthly investment programmes and pensions. It remains closed to new lump sum investments.

FUND OBJECTIVE

Income and capital preservation over the medium term. The Fund actively invests in a diversified portfolio of primarily Caribbean and international debt securities.

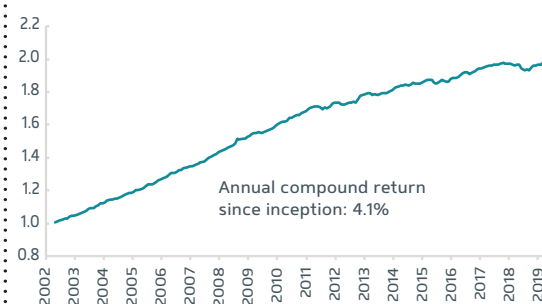
<i>Minimum Investment</i>	\$500
<i>Net Asset Value per share</i>	\$1.9771 / \$1.0084
<i>Fund Net Assets</i>	\$136,562,545
<i>Fund Inception</i>	May 17, 2002

INVESTMENT RETURNS

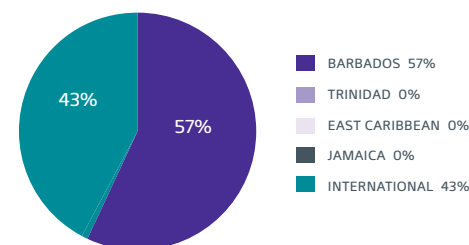
3 Months	1 Year	3 Years	5 Years	Inception
1.0%	1.0%	1.5%	1.5%	4.1%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO JUNE 30TH, 2019



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

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

EXPENSES

Manager: 0.75% per annum
Custodian & Administrator:
 0.20% on first \$30M in net assets
 0.175% on next \$50M in net assets
 0.15% on amounts over \$80M in net assets
Redemption Charge:
 2% for funds held less than 6 months
 Up to 1% for funds held less than 6 months - 2 years
 Nil after 2 years
Initial Charges: none

MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd.

CUSTODIAN

CIBC FirstCaribbean International Bank
 Wealth Management Division

AUDITORS

EY Barbados

ATTORNEY-AT-LAW

Clarke Gittens Farmer

DIRECTORS

Sir Geoffrey Cave, Chairman
 David Bynoe
 John Howard
 David Simpson
 John Williams
 Roger Cave, Investment Manager



Caribbean Pension Fund

HIGHLIGHTS:

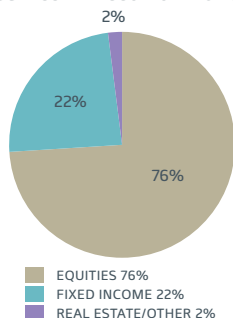
- The three classes of shares of the Pension Fund rose between 1.1% and 1.7% in the second quarter and gained between 1.2% and 4.5% over the past year. Equity allocations remained the biggest drivers of return.
- Returns by class of share are shown in the table to the right.

Pensions are an important part of the benefits many employers offer their employees to help save and invest for the future in a steady, organised way. But as anyone involved in the administration of these plans will tell you, the plans do not “run themselves”. Every year they involve work, and plenty of it: from individuals within the organisation, as well as the involvement of trustees, actuaries, auditors and other service providers. These efforts are all aimed at ensuring the plan satisfies regulatory requirements and filings, as well as communicates effectively with participants. For many larger companies this effort is a finely tuned machine; for others it is a greater weight to carry. Thankfully, this is no longer the only way. Fortress now offers a simpler option. The Fortress Multi-Employer Pension Plan allows employers who are members of the plan to step away from the day-to-day administration of their pension scheme while still ensuring employees receive a high-quality pension product, appropriate resources and reporting, and all at reasonable cost.

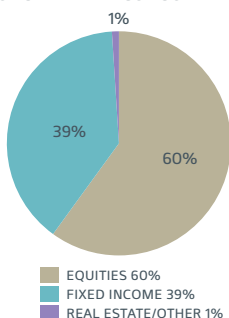
Contact our Pensions department to learn more and discover if this new option may be useful to make life easier for your company.

Investors in the Pension Fund typically select from three different classes of shares, based on personal circumstances and risk tolerance. These classes differ in how their assets are spread across the major asset classes of equities, bonds, and real estate and other assets. The graphs below show how each of the classes (AA, CC, CS) is allocated currently. The reports on the Caribbean Growth Fund and Caribbean High Interest Fund on pages two and three of this quarterly report give you a direct look into the performance, positioning and outlook for the major underlying investments in the Pension Fund.

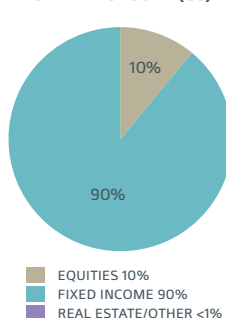
AGGRESSIVE ACCUMULATOR (AA)



CONSERVATIVE CONSOLIDATOR (CC)



CAPITAL SECURE (CS)



EXPENSES

Manager: 0.50% per annum of net assets at the Fund level. Fees from the underlying Fortress funds in which the Fund invests are capped at between 0.25% and 0.50% per annum of net assets, depending on the fund.
Custodian: \$7,500 per year paid by the Fund as a whole.
Administrator: 0.03% per annum.
Sales Charge: None
Redemption Charge: none

MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd

CUSTODIAN

CIBC FirstCaribbean International Bank
Wealth Management Division

AUDITORS

EY Barbados

ATTORNEY-AT-LAW

Clarke Gittens Farmer

FUND OBJECTIVE

Capital growth, income and security over the long term, as appropriate to each class of share. The Fund invests in equities, fixed income, and real estate assets primarily via the other Fortress funds.

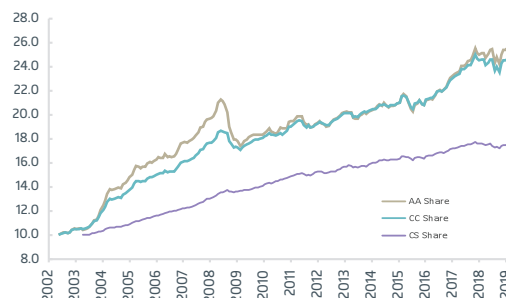
Net Asset Value Per Share: \$25.85 / \$24.94 / \$17.69 (AA/CC/CS)
Fund Net Assets: \$318,091,608

INVESTMENT RETURNS

	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
AA Share	1.7%	4.5%	6.7%	4.4%	5.7%
CC Share	1.6%	3.3%	5.2%	3.7%	5.5%
CS Share	1.1%	1.2%	2.1%	1.8%	3.6%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO JUNE 30TH, 2019



BENEFITS AT A GLANCE

Company Pension (DC Scheme):

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

Personal Pension (RRSP):

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

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

DIRECTORS

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

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