



Your Future. Our Business.

Dear fellow investors,

It was a noisy summer in the investment world, as the latest news of Brexit, political protests, economic uncertainty and U.S.-China trade conflicts competed for attention and pushed markets alternately up and down. When the dust settled at the end of the quarter, though, equity investments were on balance little changed, and bonds were showing gains.

In spite of the noise, 2019 has actually been quite a good year for investors so far. As the U.S. Federal Reserve shifted gears to cut interest rates and evidence emerged that trade conflicts were not completely derailing global economies, stock (and bond) prices rebounded smartly from their December 2018 lows. While the third quarter was somewhat lacklustre for equities, the 2019 year-to-date returns across the range of Fortress funds are all strongly positive, including double digit percent gains within the Fortress Global Funds which make up a large part of the Fortress Caribbean Growth Fund's underlying investment portfolio. October has started with more gains, especially in the well-valued (and, until recently, largely overlooked) corners of the investment world where our portfolios are focused and where we continue to see substantial potential for returns in the years ahead.

We are pleased to announce that in early October the Fortress Caribbean Growth Fund re-opened fully to new subscriptions. This means you can open an account or add to your existing investment in any way that suits you, and in any amount – with a lump sum or via an automatic monthly purchase plan. Now is the time to come see us in our new offices at Radley Court.

Thank you very much for investing with us.

Sincerely,
Fortress Fund Managers

OF INTEREST THIS QUARTER:

THE CARIBBEAN GROWTH FUND

declined 0.5% in the third quarter and is up 5.8% so far in 2019. Global equities weakened slightly over the summer while Jamaican holdings rallied further.

THE CARIBBEAN HIGH INTEREST FUND

returned 0.8% in the third quarter and is up 2.8% over the past year. The Fund's yield is gradually increasing as we make new investments and cash is reduced.

THE CARIBBEAN PENSION FUND

shares returned between -0.2% and 0.7% in the third quarter and have returned between 1.1% and 2.2% over the past year. Fixed income returns were solid while equities were little changed.



We've moved to a new office!

Stop by and see us at

**Radley Court,
Upper Collymore Rock,
St. Michael.**

You can also contact us at 431-2198 or invest@fortressfund.com.



Caribbean Growth Fund

HIGHLIGHTS:

- *The Fund declined 0.5% in the third quarter and is up 5.8% so far in 2019.*
- *Strength continued in Jamaican shares while global equities moved slightly lower over the summer on trade and economic concerns.*

The Fund declined 0.5% during the third quarter and is up 5.8% so far in 2019. The net asset value (NAV) per share finished September 27 at \$6.0922. Net assets of the Fund were \$488 million, up from \$480 million this time last year. The Fund's annual compound rate of return since inception in 1996 is 8.3% per year. Its portfolio remains well diversified by security, geography and currency.

The third quarter saw mixed returns across the Fund's range of investments and the net result was little change overall. Jamaica remained one area of strength and the Fund's holdings there performed well. NCB Financial Group gained 13% while PanJam and GraceKennedy were each up 11% in the quarter. We have grown increasingly concerned this year that the relatively high valuations in Jamaica have outpaced underlying fundamentals and left prices vulnerable. During the quarter we reduced all three of the Fund's major positions there, trimming them as prices rose. We are finding better value in just about every other regional and global market. One area of increasing interest close to home is Trinidad. Share prices there were largely unchanged in the quarter and we added to positions in Massy Group and Guardian Holdings. Valuations in some Trinidadian shares are attractive: Massy, for example, is trading on a price/earnings (PE) ratio of 10x with a dividend yield of 4%. This makes it "half price" relative to major shares in Jamaica. While economic challenges remain in Trinidad, we like the low expectations embedded in today's share prices because they reduce the risk of disappointment and increase the chance of positive surprises. Barbados stocks were little changed during the quarter, with the exception of Sagicor Financial which gained 8% as the scheduled closing of its recent scheme of arrangement drew nearer. We added marginally to the Fund's holding in Sagicor during the quarter.

Global markets were volatile over the summer as further global trade conflict fanned worries of a worldwide economic slowdown. The U.S. Federal Reserve cut its target rate twice, lending support to financial markets but most global equities still finished the quarter slightly lower. Brexit uncertainty kept pressure on the British pound, on UK shares and to some extent on shares in Europe generally. The Fund's international exposure via the Fortress Global Funds continues to be focused on particularly well-valued stocks in Europe – especially the UK – Japan and select emerging markets, where single-digit PE ratios and 4% dividend yields are not uncommon. We added to these holdings during the quarter. With signs that company earnings outside the U.S. may be stabilising after two years of decline we feel the medium and long-term return potential in these areas is excellent. The Fund is pretty much fully invested, reflecting our constructive view across a range of sectors and regions.

The Fund is once again open to all new subscriptions.

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	\$6.0922
Fund Net Assets	\$487,505,671
Fund Inception	Dec 9, 1996

INVESTMENT RETURNS

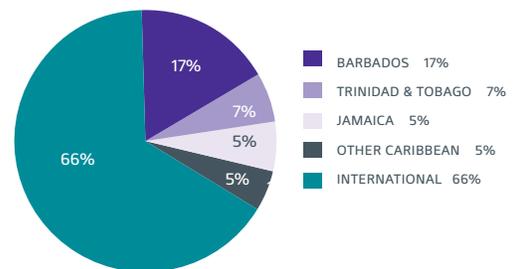
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept
Fortress	-0.5%	0.0%	6.1%	4.8%	8.3%
Jamaica	6.9%	43.7%	43.7%	42.8%	9.8%
Trinidad	0.5%	15.2%	6.4%	2.9%	9.3%
Barbados	-0.4%	-0.6%	8.4%	8.9%	4.3%
MSCI World	0.7%	2.4%	10.8%	7.8%	6.8%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO SEPTEMBER 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 returned 0.8% for the third quarter and is up 2.8% over the past year.*
- *The portfolio's yield is gradually increasing as we invest cash following the Government of Barbados bond restructuring last year.*

The Fund gained 0.8% during the third quarter and is up 2.8% over the past year. The net asset value (NAV) of the Fund's Accumulation share finished September 27 at \$1.9930, while the Distribution share finished at \$1.0166. Net assets of the Fund were \$137 million, up from \$132 million this time last year. The Fund's annual compound rate of return since inception in 2002 is 4.0% per year. Its portfolio remains as diversified as possible across various issuers, industries, geographies and terms to maturity.

Global bond prices rallied in the third quarter and the Fund's portfolio benefited from these gains across its international holdings. The U.S. Federal Reserve (Fed) cut its target rate twice and U.S. Treasury 10-year yields moved down from 2.0% down to 1.7%, nearing the all-time lows last seen in 2012 and 2016. The Fed is easing because of concerns over global economic growth, and the impact on capital investment of the ongoing trade conflicts. While 1.7% might sound like a low yield (and it is), it is worth remembering that 10-year government bonds in most of Europe, and in Japan, are still trading at negative yields. With corporate yield spreads still tight bond investors of all kinds have a struggle on their hands to earn a meaningful – or even positive – rate of return still while taking reasonable risks. Much of the Fund's international bond exposure is accomplished via the US\$ Fortress Fixed Income Fund. In that fund we are keeping the average term to maturity relatively short and investing in inflation-linked bonds to protect capital against potentially higher interest rates or inflation in the future.

In Barbados, where more than half the Fund's portfolio is invested directly, our corporate bond holdings continued to generate steady income and contribute to the overall return of the Fund. We received steady monthly payments from our position in Government of Barbados Series F bonds. Cash levels remained relatively high at 20% of the portfolio but have now dropped by nearly half from where they were last year leading up to the Government of Barbados debt restructuring. During the quarter we invested in a short-term repurchase agreement backed by a range of bonds and continued to participate directly in the secondary market for new Government of Barbados debt as we and other participants try to help it develop. Government continued to make progress on its IMF-supported reform programme. It was also announced in October that government reached an agreement with a major group of its external creditors. As the economic healing continues, we are hopeful that corporate bond issuers will return to the market and that there will be opportunities to add more high-quality bonds to the portfolio. The Fund's gross yield is currently 3.3%, 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.

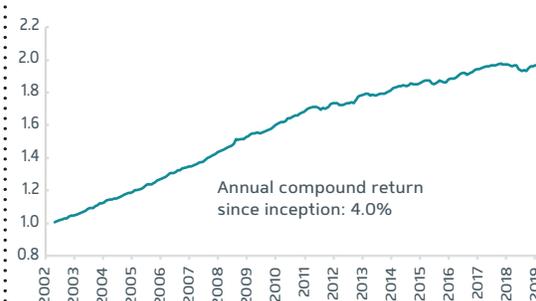
<i>Minimum Investment</i>	\$500
<i>Net Asset Value per share</i>	\$1.9930 / \$1.0166
<i>Fund Net Assets</i>	\$136,795,892
<i>Fund Inception</i>	May 17, 2002

INVESTMENT RETURNS

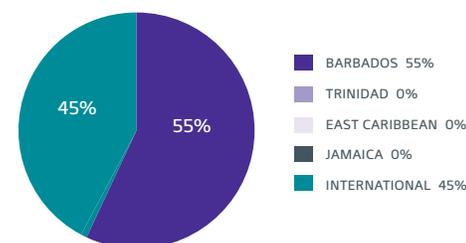
3 Months	1 Year	3 Years	5 Years	Inception
0.8%	2.8%	1.4%	1.6%	4.0%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO SEPTEMBER 30TH, 2019



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

Holding	Country
1 Fortress Fixed Income Fund	International
2 Deposits - CIBC FirstCaribbean Intl Bank	Barbados
3 Government of Barbados Series F Bond	Barbados
4 First Citizens Repo Jan 6, 2020	Barbados
5 Legg Mason Asian Opportunitites Debt Fund	International

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

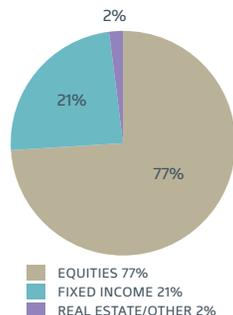
HIGHLIGHTS:

- The three classes of shares of the Pension Fund returned between -0.2% and +0.7% in the third quarter and gained between 1.1% and 2.2% over the past year. Fixed income returns were solid in the quarter while equities were little changed.
- Returns by class of share are shown in the table to the right.

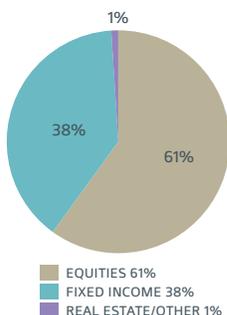
We are often asked what's the difference between "saving" and "investing". Both play a part in the magic formula for financial security: *Spend a lot less than you earn and invest the rest sensibly for the long-term.* "Saving" is the happy result when you spend less than you earn – it's your surplus to use in the future. You'll want to keep some of this in a liquid account for life's inevitable surprises and emergencies. The rest, though, is what's available to put to work in long-term investment. "Investing" is placing money today in productive, long-term assets with the expectation of having more money earned or repaid in the future. Long-term assets include real estate, stocks, bonds and mutual funds. By owning and contributing to these over many, many years – and not reacting to the ups and downs of their market prices – you can usually earn compounded returns well above the rates paid on deposit accounts and, just as importantly, above the rate of inflation. This matters because even inflation of 4% per year will cut the value of your dollar in half every 14 years. Retirement savings especially need to be invested to outrun inflation. Pensions are an easy way to make this happen: your savings drop directly into well-diversified, professionally managed funds of long-term assets and, if your employer offers a match on your contributions, that means each of your contributions starts with a substantial "return" right out of the gates.

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.

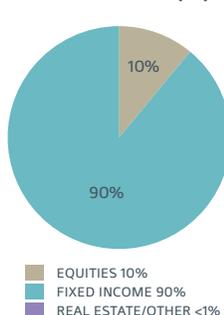
AGGRESSIVE ACCUMULATOR (AA)



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: \$25.78 / \$24.94 / \$17.80 (AA/CC/CS)

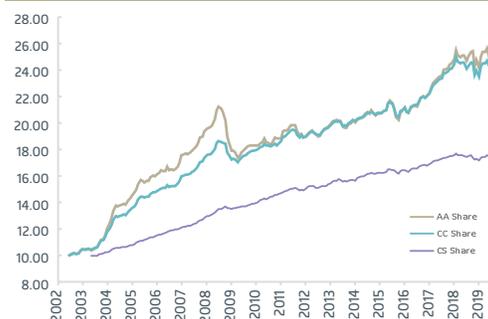
Fund Net Assets: \$317,741,211

INVESTMENT RETURNS

	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
AA Share	-0.2%	1.1%	5.4%	4.5%	5.6%
CC Share	0.0%	1.4%	4.2%	3.7%	5.4%
CS Share	0.7%	2.2%	1.8%	1.9%	3.6%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO SEPTEMBER 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.