

Fortress Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Financial Position
As at March 31, 2018
(expressed in Barbados dollars)

	Unaudited March 31, 2018	Unaudited March 31, 2017	Audited September 30, 2017
	\$	\$	\$
Assets			
Investment properties	20,120,000	20,050,000	20,050,000
Investment in associated company	18,119,266	14,530,139	15,033,130
Loans receivable	6,500,000	6,500,000	6,500,000
Due from related parties	529,665	777,120	927,568
Accounts receivable and prepaid expenses	396,079	463,899	689,182
Financial assets at fair value through profit or loss	-	8,000	-
Cash and cash equivalents	9,594,994	13,917,337	13,534,056
Total assets	55,260,004	56,246,495	56,733,936
Liabilities			
Loans payable	10,580,000	10,580,000	10,580,000
Security and advanced deposits	244,640	341,743	289,988
Accounts payable and accrued expenses	247,390	476,388	325,054
Total liabilities	11,072,030	11,398,131	11,195,042
Total assets less liabilities	44,187,974	44,848,364	45,538,894
Equity			
Share capital	37,209,540	37,209,540	37,209,540
Retained earnings	4,106,726	4,614,634	5,273,834
Total shareholders' funds	41,316,266	41,824,174	42,483,374
Non-controlling interests	2,871,708	3,024,190	3,055,520
	44,187,974	44,848,364	45,538,894
Net asset value per share	\$ 0.74	\$ 0.75	\$ 0.76

Approved by:

Director

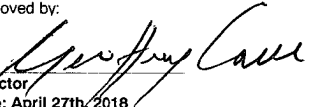
Date: April 27th, 2018

Director

Fortress Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Financial Position
As at March 31, 2018
(expressed in Barbados dollars)

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Director
Date: April 27th, 2018

Director

Fortress Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Changes in Equity
For the six month period October 1, 2017 - March 31, 2018
(expressed in Barbados dollars)

	Attributable to Fund shareholders			Total \$
	Share capital \$	Retained earnings \$	Non-controlling interests \$	
Balance- September 30, 2016	37,209,540	5,611,752	9,471,755	52,293,047
Distributions to non- controlling interests	-	-	(6,450,000)	(6,450,000)
Dividend declared (0.035 cents per share)	-	(1,947,846)	-	(1,947,846)
Income for the year	-	1,609,928	33,765	1,643,693
Balance- September 30, 2017	37,209,540	5,273,834	3,055,520	45,538,894
Distributions to non- controlling interests	-	-	(215,000)	(215,000)
Dividend declared (0.035 cents per share)	-	(1,947,846)	-	(1,947,846)
Income for the period	-	780,738	31,188	811,926
Balance- March 31, 2018	37,209,540	4,106,726	2,871,708	44,187,974

Fortress Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Comprehensive Income
For the six month period October 1, 2017 - March 31, 2018
(expressed in Barbados dollars)

	<u>Unaudited</u> <u>Six months to</u> <u>October 1, 2017- March</u> <u>31, 2018</u> \$	<u>Unaudited</u> <u>Three month period</u> <u>October 1, 2016-</u> <u>March 31, 2017</u> \$	<u>Audited</u> <u>Year ended</u> <u>September 30, 2017</u> \$
Revenue			
Net rental income	723,511	850,326	1,620,687
Share of income of investments using equity accounting	730,391	847,634	1,854,625
Interest income	18,166	12,686	33,745
Fair value gains/(losses) on investment property	27,118	(150,000)	(623,119)
Net gain on sale of investment property	-	47,205	47,205
Dividend income	-	2,750	2,750
Other income	-	8,820	8,820
Net gain on financial assets at fair value through profit or loss	-	-	15,611
Total investment income	1,499,186	1,619,421	2,960,324
Expenses			
Interest expense	241,973	241,312	479,339
Fund management fees	157,168	158,687	315,701
Investment advisor fees	157,168	158,687	315,701
Audit, listing and other professional fees	110,331	83,079	169,569
Directors and subcommittee fees	12,478	14,718	29,445
Office and administrative expenses	8,142	9,775	17,630
Impairment charge on receivable	-	-	(10,754)
Operating expenditure	687,260	666,258	1,316,631
Total comprehensive income for the period	811,926	953,163	1,643,693
Attributable to:			
Cellular property fund shareholders	780,738	950,728	1,609,928
Non-controlling interests	31,188	2,435	33,765
Total comprehensive income for the period	811,926	953,163	1,643,693
Earnings per share	\$ 0.01	\$ 0.02	\$ 0.03

Fortress Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Cashflows
For the six month period October 1, 2017 - March 31, 2018
(expressed in Barbados dollars)

	Unaudited Three month period October 1, 2017- March 31, 2018 \$	Unaudited Three month period October 1, 2016- March 31, 2017 \$	Audited Year ended September 30, 2017 \$
Cash flows from operating activities			
Total comprehensive income for the period	811,926	953,163	1,643,693
Adjustment for:			
Fair value losses on investment property	(27,118)	150,000	623,119
Share of gain of investments accounted for using the equity met	(730,391)	(847,634)	(1,854,625)
Net gain on sale of investment property	-	(47,205)	(47,205)
Net gain on financial assets at fair value through profit or loss	-	-	(15,611)
Impairment charge for receivables	-	(24,708)	(10,754)
Dividend income	-	(2,750)	(2,750)
Interest income	(18,166)	(12,686)	(33,745)
Interest expense	241,973	241,312	479,339
Operating income before working capital changes	278,224	409,492	781,461
Net increase in accounts receivable and prepaid expenses	293,103	114,179	(125,058)
Net increase in loans receivable	-	(6,500,000)	(6,500,000)
Net increase/(decrease) in accounts payable and accrued expense	(77,664)	(1,828,140)	(1,979,474)
Net increase/(decrease) in due to/from related parties	397,903	(587,330)	(737,778)
Increase/(decrease) in security deposits	(45,348)	(5,309)	(57,064)
Proceeds on sale of financial assets at fair value through profit and loss	-	-	23,611
Proceeds from sale on investment property	-	16,547,205	16,547,205
Purchases/additions to investment property	(42,882)	-	(473,119)
Cash (used in)/generated from operations	803,336	8,150,097	7,479,784
Dividends received	-	6,098,750	2,750
Interest received	18,166	12,686	33,745
Interest paid	(241,973)	(241,312)	(479,339)
Net cash (used in)/generated from operating activities	579,529	14,020,221	7,036,940
Cash flows from investing activities			
Investment in associated companies	(3,051,745)	-	-
Distributions from associated companies	696,000	-	6,600,000
Net cash (used in)/ generated from financing activities	(2,355,745)	-	6,600,000
Cash flows from financing activities			
Distributions to non-controlling interests	(215,000)	(6,450,000)	(6,450,000)
Dividends paid	(1,947,846)	(1,947,846)	(1,947,846)
Net cash used in financing activities	(2,162,846)	(8,397,846)	(8,397,846)
Net (decrease)/increase in cash and cash equivalents	(3,939,062)	5,622,375	5,239,094
Cash and cash equivalents at beginning of the period	13,534,056	8,294,962	8,294,962
Cash and cash equivalents at end of the period	9,594,994	13,917,337	13,534,056

Fortress Caribbean Property Fund Limited SCC- Value Fund
Unaudited Consolidated Statement of Changes in Equity
For the six month period October 1, 2016- March 31, 2017
(expressed in Barbados dollars)

	Attributable to Fund shareholders			
	Share	Retained earnings	Non-controlling	Total
	capital \$	\$	interests \$	
Balance- September 30, 2015	37,209,540	6,511,462	11,261,638	54,982,640
Dividend declared (0.030 cents per share)	-	(1,669,583)	-	(1,669,583)
Income for the year	-	769,873	(1,789,883)	(1,020,010)
Balance- September 30, 2016	37,209,540.00	5,611,752.00	9,471,755.00	52,293,047
Distributions to non- controlling interests	-	-	(6,450,000.00)	(6,450,000)
Dividend declared (0.035 cents per share)	-	(1,947,846.00)	-	(1,947,846)
Income for the period	-	950,728.00	2,435.00	953,163
Balance- March 31, 2017	37,209,540	4,614,634	3,024,190	44,848,364

Fortress Caribbean Property Fund Limited SCC – Value Fund

The **Fortress Caribbean Property Fund Limited SCC – Value Fund** share realized a profit of \$780,738 for the six months ended March 31st, 2018 compared to a profit of \$950,728 for the same period in 2017.

The net asset value is \$0.74 per share compared to \$0.75 at the end of March 2017 and \$0.76 for the financial year ended September 30, 2017. The net assets are \$41.3 million compared to \$ 42.5 million at the end of September 2017.

The Fund now has a 30 % participation in the acquisition of the Emerald City Complex, which closed in early January 2018. The rental income generated from this acquisition has offset some of the expected decline in rents, following the sale of the Carters properties in 2017. There was a net fair value gain of \$27,118 compared to fair value losses of \$150,000 in the prior year.

A dividend of \$0.035 per share was paid in December 2017. The share price of the Value Fund shares on the **Barbados Stock Exchange (BSE)** as at March 31st, 2018 was \$0.55, a discount of 26% to the net asset value.

Subsequent to the end of the quarter, the sale of the Common shares to **Eppley Fund Managers Limited** was concluded on May 4th, 2018 and the change in the management and administration of the Fund was completed effective that date.