

Eppley Caribbean Property Fund Limited SCC
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Bridgetown
Barbados

EPPLEY
CARIBBEAN PROPERTY FUND
L I M I T E D S C C

VALUE FUND

PROSPECTUS

Invitation for Subscription of 97,448,157 Value Fund Shares
(sometimes the “Shares”) at the price of J\$46.18 per Share

The Shares are 97,448,157 Cellular Shares of the Value Fund only

June 15, 2019

A copy of this Prospectus was delivered to the Financial Services Commission of Jamaica on June 21, 2019 for the purpose of registering Eppley Caribbean Property Fund Limited SCC – Value Fund as an issuer pursuant to section 26 of the Securities Act of Jamaica. The Financial Services Commission of Jamaica has neither approved the offered securities nor has the Commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

A copy of this Prospectus was delivered to the Registrar of Companies of Jamaica for registration and was so registered pursuant to section 372(3) of the Companies Act of Jamaica on June 21, 2019. The Registrar of Companies of Jamaica accepts no responsibility whatsoever for the contents of this Prospectus.

A copy of this Prospectus was filed with the Financial Services Commission of Barbados and a receipt issued on June 21, 2019. The Financial Services Commission of Barbados has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence.

In accordance with the Companies Act, Cap. 308 of the Laws of Barbados, a copy of this Prospectus was registered with the Registrar of Corporate Affairs and Intellectual Property Office (the “Registrar of Companies of Barbados”) on June 21, 2019. However, the Registrar of Companies of Barbados and the Financial Services Commission of Barbados accept no responsibility as to the validity or the veracity of the contents of this Prospectus.



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IMPORTANT NOTICE OF INVITATION

Unless stated otherwise, terms used in this Prospectus shall have the meanings attributed to them at pages 15, 16 and 17 of this Prospectus.

THIS PROSPECTUS IS DATED JUNE 15, 2019 AND IS ISSUED BY EPPLEY CARIBBEAN PROPERTY FUND LIMITED SCC - VALUE FUND (COMPANY NO. 16921) A SEGREGATED CELL COMPANY INCORPORATED AND REGISTERED UNDER THE PROVISIONS OF THE COMPANIES ACT, CAP. 308 OF THE LAWS OF BARBADOS UNDER THE NAME FORTRESS CARIBBEAN PROPERTY FUND LIMITED WHICH BY SPECIAL RESOLUTION DATED THE 26TH DAY OF SEPTEMBER 2013 DULY FILED WITH THE REGISTRAR OF COMPANIES BARBADOS CHANGED ITS NAME TO FORTRESS CARIBBEAN PROPERTY FUND LIMITED SCC AND WHICH BY ANOTHER SPECIAL RESOLUTION DATED THE 21ST DAY OF FEBRUARY 2018 DULY FILED WITH THE SAID REGISTRAR OF COMPANIES CHANGED ITS NAME TO EPPLEY CARIBBEAN PROPERTY FUND LIMITED SCC (THE "COMPANY"). THE COMPANY IS LICENSED AS A MUTUAL FUND UNDER THE MUTUAL FUNDS ACT, CAP. 320B OF THE LAWS OF BARBADOS. THIS PROSPECTUS IS ISSUED BY EPPLEY CARIBBEAN PROPERTY FUND LIMITED SCC - VALUE FUND TO PERSONS IN JAMAICA ONLY (AND NOT WITHIN BARBADOS) AND IS NOT TO BE CONSTRUED AS MAKING AN INVITATION OR OFFER TO PERSONS IN BARBADOS OR OTHERWISE OUTSIDE OF JAMAICA TO SUBSCRIBE FOR SHARES OR OTHER SECURITIES. FOREIGN LAWS MAY PROHIBIT THE DISTRIBUTION OR PUBLICATION OF THIS PROSPECTUS AND THE MAKING OF THE INVITATION OUTSIDE OF JAMAICA.

IMPORTANT LISTING INFORMATION - JAMAICA

It is the intention of the Company to apply to the Jamaica Stock Exchange (JSE) for all of the Shares and the Existing Shares (defined herein) to be listed on the JSE. The application will be made as soon as conveniently possible following the closing of the offer and the allocation of the Shares. However, this statement is not to be construed as a guarantee that the Existing Shares or the Shares will be listed.

IMPORTANT LISTING INFORMATION - BARBADOS

The directors of the Company collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made reasonable enquiry that to the best of their knowledge and belief there are no facts the omission of which would make any statement in this Prospectus misleading.

All relevant material facts required to be disclosed under the laws of Barbados and Jamaica have been disclosed in this Prospectus.

Neither the JSE nor the Barbados Stock Exchange (BSE) takes any responsibility for the contents of this Prospectus, neither makes any representations as to its accuracy or completeness, and each expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of this Prospectus.

IMPORTANT NOTICE

Please consult your financial adviser or attorney-at-law if you do not fully understand the contents of this Prospectus or if you have any questions concerning this Prospectus.

Primary Regulation

As a mutual fund licensed under the Mutual Funds Act, Cap. 320B of the laws of Barbados, the Company and its securities (including the Value Fund Shares) are regulated by the Barbados Financial Services Commission. The offer of securities to investors in Jamaica (including the Offer the subject of this Prospectus with respect to the Value Fund Shares) are regulated by the Jamaica Financial Services Commission. In the event that the Shares and the Existing Shares are listed on the Jamaica Stock Exchange, the Company and its securities will be subject to the rules of the Jamaica Stock Exchange.

SECTION 1 - THE INVITATION

Eppley Caribbean Property Fund Limited SCC – Value Fund is pleased to invite the public in Jamaica to subscribe for up to 97,448,157 Value Fund Shares without nominal or par value in each case subject to the terms and conditions of this Prospectus (the “Invitation”).

The number of Existing Value Fund Shares as at the date of this Prospectus is 55,652,768. Up to 97,448,157 Value Fund Shares in total are being offered pursuant to the Invitation, inclusive of 9,656,807 Value Fund Shares that are reserved for Reserved Share Applicants at the Invitation Price detailed below.

Value Fund Shares on offer in the Invitation	
Reserved Share Applicants	9,656,807 Value Fund Shares
General Public	87,791,350 Value Fund Shares

Total issued Value Fund Shares in the Event that the Invitation is successful	
Reserved Share Applicants	9,656,807 Value Fund Shares
General Public	143,444,118 Value Fund Shares (inclusive of Existing Value Fund Shares)

If any of the Reserved Shares are not subscribed for by the Reserved Share Applicants, they will become available for subscription by the general public in accordance with this Prospectus.

All 97,448,157 Value Fund Shares are priced at the Invitation Price being J\$46.18 per Value Fund Share. The Invitation Price is equivalent to the Value Fund’s Net Asset Value per share of BBD\$0.71 as contained in its latest quarterly financial statements as of March 31, 2019.

The Application List will open at 9.00 a.m. on June 28, 2019 (the “Opening Date”) and will close on July 12, 2019, at 4.30 p.m., or the closing hour for the respective location on the closing date (the “Closing Date”) subject to the Company’s right to close the Application List at any time without notice, if Applications have been received for the full amount of the 97,448,157 Value Fund Shares being offered. Applications are due within the Opening Date and the Closing Date.

Subject to the provisions below, the Company reserves the right to extend the Closing Date beyond the date stipulated above, and to accept oversubscriptions to an amount to be determined by the Board of Directors at the time of the Offer. Allotments will be on a prorated basis 6 business days after the Invitation is closed, and an announcement will be made informing of the allocation of the respective issues. **The Company also reserves the right to “upsized” the Offer (to raise additional capital of up to J\$2 billion) by offering an additional 43,310,292 Value Fund Shares in the capital of the Company to prospectus subscribers. In the event that the Offer is “upsized” notification thereof shall be made by way of advertisement in daily newspaper(s).**

Applications may be made online by visiting the link <https://goipo.jncb.com/> and following the instructions provided in Appendix 3 at the end of this Prospectus.

Applications may also be made on the original of the Application Forms, as applicable, provided in Appendix 3 and can be downloaded from the websites of the JSE at <http://www.jamstockex.com>; the Company at <http://www.eppleylimited.com> and NCB Capital Markets Limited at <http://www.ncbcapitalmarkets.com>.

The Invitation will close at 4.30 pm on the Closing Date subject to the right of the Company to: (a) close the Invitation at any time after it opens at 9.00 am on the Opening Date once the Invitation is fully subscribed; and (b) extend the Closing Date for any reason, provided that such date does not extend beyond the expiration of 40 days after the publication of the Prospectus for the purposes of section 48 of the Jamaica Companies Act and three (3) months of the issue of the Prospectus for the purposes of Section 291 of the Barbados Companies Act which provides that no shares may be allotted later than 3 months after the date of the issue of a prospectus. In the case of the extension of the Closing Date, notice will be posted on the websites of the JSE at www.jamstockex.com, NCB Capital Markets Limited at <http://www.ncbcapitalmarkets.com> and of the Company at <http://www.eppleylimited.com>.

It is the intention of the Company to apply to the JSE for admission of the 97,448,157 Value Fund Shares on the Main Market as the secondary listing(s). The applications to the JSE is dependent on the Company's ability to (i) raise at least J\$650 million as a result of the Invitation; and (ii) meet the criteria for admission.

The Company expects to receive the amount of J\$4.5 billion pursuant to this Offer. If, however the Company does not raise the required minimum of J\$650 million within forty (40) days after the date of this Prospectus, this Offer will cease and the Company will not make the application(s) for listing and all payments for the 97,448,157 Value Fund Shares will be returned to the Applicants. Further, if the Company raises the required minimum but does not meet the criteria for listing on the JSE, all payments for the 97,448,157 Value Fund Shares will be returned to the Applicants.

This Prospectus is issued by Eppley Caribbean Property Fund Limited SCC – Value Fund to the public in Jamaica only and is not to be construed as making an invitation or an offer to persons outside of Jamaica to purchase any Value Fund Shares or any securities. The foregoing statement shall not be construed to prohibit the holders of the Existing Value Fund Shares from subscribing for Value Fund Shares pursuant to the Invitation. It is not the intention of the Company to file this Prospectus or to register any of the 97,448,157 Value Fund Shares with any agency in any territory other than Barbados and Jamaica.

The Existing Value Fund Shares are already listed on the Barbados Stock Exchange and the Trinidad & Tobago Stock Exchange. As at the date of this Prospectus the Existing Value Fund Shares trade on the Barbados Stock Exchange and on the Trinidad & Tobago Stock Exchange. Following the Invitation all of Value Fund Shares (i.e. the Existing Value Fund Shares and the Value Fund Shares, the latter the subject of this Offer) will be available for trading on the Jamaica Stock Exchange, the Barbados Stock Exchange and the Trinidad & Tobago Stock Exchange.

Use of proceeds:

Eppley Caribbean Property Fund Limited SCC – Value Fund intends to use the proceeds of the issue to: (a) purchase a portfolio of commercial properties in Jamaica and Barbados, (b) repay the Bridge Financing (defined below) (used for the purchase of commercial properties in Jamaica subsequent to March 31, 2019), (c) fund its pipeline of future purchases of commercial properties across the Caribbean, and (d) pay the fees and expenses associated with the Invitation. The proceeds of the issue will not be utilized for the acquisition of a business by a purchase of assets or shares as described in regulation 45 (2) of the Securities Regulations, 2002 of the laws of Barbados and regulation 20 of the Companies Regulations, 1984 of the laws of Barbados. Further details on the intended use of the proceeds of the Invitation are contained in the Message from the Chairman and summarized below:

Uses	Amount (J\$ millions)
Purchase of portfolio of tenanted commercial properties in Jamaica and Barbados	1,304
Repayment of Bridge Financing (used for the purchase of tenanted commercial properties in Jamaica subsequent to March 31, 2019)	589
Funding for acquisition pipeline of commercial properties across the Caribbean	2,499
Fees and expenses of the Invitation	108
Total	4,500

All properties that will be purchased with the proceeds of the Invitation (or that were recently purchased with the proceeds of the Bridge Financing) will be acquired at prices at or below recent independent appraisals and at net operating income (NOI) yields in line with or above the Fund's current portfolio.

Information on the properties and their purchase prices are summarized below:

USE OF PROCEEDS ¹	SQUARE FEET	OCCUPANCY	ESTIMATED NOI (J\$ MILLIONS)	EXPECTED PURCHASE PRICE (J\$ MILLIONS)	ESTIMATED NOI YIELD	OWNERSHIP
Prospective Class A Office	20,167	77%	51	598	8.5%	100%
Empire Shopping Centre	37,318	100%	39	437	9.0%	100%
Angels Industrial Estate	120,000	100%	46	381	12.0%	100%
227 Marcus Garvey Drive	27,245	100%	16	208	7.5%	100%
Alamac Warehouse	39,093	100%	24	269	9.0%	100%
Immediate property purchases	243,823	95%	176	1,893	9.3%	
Fees and expenses of the Invitation				108		
Funding for future purchases				2,499		
Total use of proceeds				4,500		

¹ Prospective Class A Office Building reflects a written offer and acceptance, all other properties listed are the subject of executed sale and purchase agreements.

Prospective Class A Office Building

Class A office building located on the south coast of Barbados consisting of over 20,000 square feet. The anchor tenant is a global professional services firm with a long-term lease in place.

Empire Shopping Centre



Empire Shopping Centre is a retail and office complex located in the heart of the Cross Roads commercial district in Kingston. The building has frontages on both Half Way Tree Road and Retirement Road and spans more than 37,000 square feet. The facility's anchor tenant is Sampars supermarket that occupies the premise under a long-term lease which expires in 2027. Sampars is a retail chain owned and operated by Derrimon Trading Company, a publicly listed company on the Jamaican Stock Exchange.

Other tenants include Island Grill a leading local fast food chain, Sagicor Financial, Access Financial Services a company listed on the JSE and various other medical, professional services and retail firms.

Angels Industrial Estate



Angels Industrial Estate is an industrial complex conveniently located in Angels, St. Catherine near to major highways and large residential and retail developments. The complex's location facilitates efficient distribution logistics to Kingston, Portmore and the north coast of Jamaica.

The property comprises 120,000 square feet of warehouse space. The facility has been previously occupied by New Era Homes and Wisynco and is currently leased to T. Geddes Grant, a distributor of agriculture, merchandise, pharmaceuticals and office equipment in Jamaica and is a subsidiary of Musson (Jamaica) Limited under a triple net lease that expires in August 2019.

Alamac Warehouse



Alamac Warehouse is a warehouse facility comprising over 39,000 square feet located in Fontabelle, St. Michael, Barbados. The facility is located near to the Port of Barbados, with access points to Bridgetown, the west coast of Barbados and the ABC highway.

Alamac Warehouse's main tenant is Laparkan, a regional logistics and freight forwarding company that occupies the premise under lease that expires in 2021.

227 Marcus Garvey Drive



227 Marcus Garvey Drive is a manufacturing and warehouse facility comprising over 27,000 square feet located on Marcus Garvey Drive near the Kingston Freeport Container Terminal, the Tinson Pen Aerodrome and access points to Kingston, Portmore and major highways. The building is currently tenanted by Musson (Jamaica) Limited under a lease that expires in 2023. Under the terms of the lease the tenant is responsible for all insurance and maintenance expenses.

A summary of leases of the properties that have recently been purchased with the proceeds of the Bridge Financing or that will be purchased with the proceeds of the Invitation are as follows:

PROPERTY	MAIN LESSEE(S)	LEASE TYPE	CURRENCY DENOMINATION	LEASE EXPIRATION
Prospective Class A Office Building	Global professional services firm and local professional service firms	Operating	BBD	2022
Empire Shopping Centre	Island Grill; Derrimon Trading; Sagicor Financial; Access Financial Services ²	Triple Net	USD/JMD	Derrimon's anchor lease expires 2027. Nearest lease expiration occurs in 2019.
Angels Industrial Estate	T. Geddes Grant Distributors	Triple Net	USD	August, 2019
227 Marcus Garvey Drive	Musson Jamaica Limited	Tenant pays maintenance and insurance	JMD	2023
Alamac Warehouse	Laparkan Enterprises; Paul's Enterprise - Lucky Horseshoe; Facey Telecom;	Operating	BBD	Laparkan's anchor lease expires in 2021. Remaining leases currently in effect on a month-to-month basis; renewal discussions are underway for longer tenors.

In addition to the above Acquisition Properties which are the subject of offers to purchase and/or executed agreements for sale, **Eppley Caribbean Property Fund Limited SCC – Value Fund** also intends to use the proceeds of the Offer to finance additional commercial property acquisition opportunities across the Caribbean. These opportunities concern retail, office, hospitality and industrial assets primarily in Barbados, Cayman Islands, Guyana, Jamaica and Trinidad and Tobago. The opportunities have been sourced mainly through proprietary channels and reflect ongoing active negotiations between the Company and potential vendors. Furthermore, these acquisition opportunities are consistent with the returns on the Value Fund's existing portfolio and its strategy of continuing to diversify its holdings geographically.

² Remaining tenants include: Advanced Insurance Adjusters, Prestige Medical and Torpedo Investments.

SECTION 2 - KEY DATES

Please see Appendix 3 with information concerning the completion of applications for Shares. Appendix 3 provides alternative procedures for submission. The Invitation will open at 9.00 am on the Opening Date and will close at 4:30 p.m. on the Closing Date subject to the right of Eppley Caribbean Property Fund Limited SCC – Value Fund to: (a) close the Invitation at any time after 9:00 a.m. on the Opening Date once the Invitation is fully subscribed, and (b) shorten or extend the Closing Date for any reason provided that it does not extend beyond the expiration of forty (40) days in Jamaica and three (3) months in Barbados after the publication of this Prospectus for the purposes of sections 48 of the Jamaica Companies Act and section 291 of the Barbados Companies Act, respectively. In either case the Company will arrange for a notice to be posted on the websites of the JSE - www.jamstockex.com, NCB Capital Markets Limited at <http://www.ncbcapitalmarkets.com> and the Company at <http://www.eppleylimited.com>.

The below timetable is indicative and will be implemented on a best efforts basis, with the Directors however reserving the right (in consultation with the Arranger and Broker) to change the dates that the Invitation opens and closes based on market conditions and other relevant factors as determined by the Arranger and the Company, subject always to statutory and regulatory obligations.

DESCRIPTION	DATES
Prospectus	June 15, 2019
Opening Date	June 28, 2019
Closing Date	July 12, 2019 subject to the right of the Company to designate an earlier or later date in the circumstances set out in this Prospectus
Details and basis allocation announced	Within 6 business days of the Closing Date
Expected dispatch of investor statements and any refund if required	Within 10 days of the Closing Date
Expected commencement of trading (if the Invitation is successful)	Within 15 days of the Closing Date

SECTION 3 - MESSAGE FROM CHAIRMAN

Dear Prospective Investors,

Eppley Caribbean Property Fund Limited SCC- Value Fund is pleased to invite you to apply to subscribe for up to 97,448,157 Value Fund Shares, which includes 9,656,807 Reserved Shares in the capital of the Company on the terms set out in this Prospectus.

The Company is a closed-end mutual fund listed on the Barbados Stock Exchange and the Trinidad and Tobago Stock Exchange.

The Invitation and the contents of this Prospectus relate solely to the Value Fund.

The objective of the Value Fund is to generate investment returns by owning and operating commercial real estate assets in the Caribbean, primarily through income.

The Value Fund owns a portfolio of tenanted retail and office properties in Barbados. The Value Fund's six properties consist of 269,848 square feet with an average occupancy of 90% mostly under long-term triple net leases.

The average capitalization rate of the Value Fund's properties based on their current appraised values and actual net operating income in the most recent fiscal year ended September 30, 2018 is 7.8%. If the Value Fund had owned its existing portfolio for the full year, the average net operating income yield of its properties would have been 8.3%.

In May 2018, Eppley Fund Managers Limited took over control of the Company.

Eppley Fund Managers Limited is a company incorporated and registered as a mutual fund administrator under the laws of Barbados and is a wholly-owned subsidiary of Eppley Limited, an investment company focused on credit, mezzanine, and real estate opportunities throughout the Caribbean and Central America. Eppley Limited invests on its own account and on behalf of investors in its funds and is focused on private markets like credit and real estate where inefficiencies are most pronounced and where its strengths of originating, negotiating and structuring investments are most highly rewarded. As a listed investment company, Eppley Limited's financial performance and its investment track record are in the public domain. Eppley Limited has produced cumulative average annual returns for its investors of over 34% since its IPO in July 2013 including dividends and the appreciation of the price of its shares.

As at September 30, 2018 the Value Fund's assets consisted entirely of retail and office properties in Barbados. Since 2008, the Barbados economy has been negatively impacted by series of events including the global financial crisis, BREXIT and most recently a homegrown recession. As a result of these events, the fair value of the Value Fund's Barbadian properties decreased significantly. For example, Carlisle House, a landmark commercial office building on the waterfront in Bridgetown owned by the Value Fund which was appraised at BBD\$12.3 million in 2008 was carried on the Value Fund's books at just BBD\$7.5 million in its most recent audited accounts.

Following historic elections in May 2018, Prime Minister of Barbados The Honourable Mia A. Mottley Q.C., LL.B. won a commanding majority, became the first female Prime Minister in Barbados' history and has since embarked on an aggressive program of economic and tax reforms. For example, in November 2018, the Mottley administration lowered the domestic corporate income tax in Barbados from 30% to 5%. Remarking on recent economic developments in Barbados, the IMF stated in a December 2018 release: *"Barbados has made an excellent start in implementing its ambitious and comprehensive economic reform program. The country's international reserves, which reached a low of US\$220 million (5-6 weeks of import coverage) at end-May 2018, have more than doubled since then, amounting to more than US\$500 million in early December. This has helped to rebuild confidence in the country's macro-economic framework."* The Directors believe that the Value Fund's properties in Barbados are of a high-quality and are well-positioned to appreciate should the Barbadian economy continue to recover.

Nevertheless, Eppley Fund Managers Limited's strategy is to significantly expand the scale and scope of the Value Fund. To improve long-term returns to the Value Fund shareholders, the Directors believe that the Value Fund's holdings should be diversified across the Caribbean and include other types of commercial real estate. Additionally, the Directors believe that growing the size of the Value Fund's portfolio will generate economies of scale and unlock operating efficiencies that will improve the quality of the Value Fund's earnings.

The Invitation is an important step in achieving these strategic objectives. The Directors intend to use the proceeds of the Invitation to purchase a portfolio of investment properties which have already been identified and to repay short-term loans we used to finance recent acquisitions. These acquisitions will add Jamaican properties to our portfolio and will broaden our exposure to industrial assets.

We also have developed a strong pipeline of additional commercial property acquisition opportunities across the Caribbean. These opportunities concern retail, office, hospitality and industrial assets primarily in Barbados, Cayman Islands, Guyana, Jamaica and Trinidad and Tobago. Active negotiations are underway regarding these opportunities with Eppley Fund Managers Limited and potential vendors. The opportunities have been sourced mainly through our proprietary channels such as Eppley Limited's long-standing commercial relationships throughout the region. We also intend to use the proceeds of Invitation to fund these and other acquisition opportunities consistent with the Value Fund's investment strategy and target returns.

In accordance with the Articles of the Company, the Value Fund Shares are being offered at a price equal to the net asset value per Value Fund Share which as at March 31, 2019 is J\$46.18 denominated in Jamaican dollars. The Value Fund's net asset value per share is determined using the independently appraised value of the Value Fund's six underlying real estate properties less its debt and all other liabilities.

The Existing Value Fund Shares are already listed on the Barbados Stock Exchange and the Trinidad & Tobago Stock Exchange. Recently, they have traded mostly in low volumes. As at the date of this Prospectus the Existing Value Fund Shares trade on the Barbados Stock Exchange at a price of BBD\$0.54 and on the Trinidad & Tobago Stock Exchange at a price of TT\$1.70 or below net asset value. Following the Invitation, it is intended that the Existing Value Fund Shares will also be listed on the Jamaica Stock Exchange, the largest and most active stock exchange in the Caribbean. The Directors believe that this will more closely align the price of the Value Fund Shares with the fundamental intrinsic value of its property portfolio. Listing on the Jamaica Stock Exchange will also allow investors to buy and sell the Value Fund Shares in a jurisdiction free from foreign exchange controls for the first time. While the price of the Value Fund Shares will fluctuate as do the prices of all marketable securities, should the Value Fund Shares continue to trade at discounts to net asset value for prolonged periods the Company is permitted to repurchase shares in accordance with the Company's Value Fund share buyback policy.

In summary, the Invitation presents the following investment opportunities to investors: (a) exposure to a large, diversified regional portfolio of tenanted, income-producing commercial real estate assets in the form of liquid securities listed on the Jamaica Stock Exchange and two other regional stock exchanges; (b) a fund managed by an experienced investment manager with a transparent public track record; and (c) investment at a price per Value Fund Share equivalent to book value or the most recent independently appraised net asset value.

How to Make an Application for Shares

Prospective investors who are interested in subscribing for any of the 97,448,157 Value Fund Shares should read this Prospectus in its entirety, and then complete the Application as indicated in Appendix 3 (selecting one of two alternative procedures indicated).

On behalf of the Board of the Company,



Nicholas A. Scott (Chairman)

SECTION 4 - DISCLAIMER: FORWARD-LOOKING STATEMENTS

Save for the historical financial information contained in this Prospectus, certain matters discussed in this Prospectus contain forward-looking statements including but not limited to statements of expectations, future plans or future prospects, and financial projections. Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made. Although the Board of Directors believes that in making any such statements its expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be different or materially different from those projected. Prospective investors in the Company are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they have been made. Future events or circumstances could cause actual results to differ or differ materially from historical or anticipated results.

When used in this Prospectus, the words “anticipates”, “believes”, “expects”, “intends” and similar expressions, as they relate to the Company, are intended to identify those forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Once this Prospectus has been signed by or on behalf of the Company, and prior to the admission of the Company to the Main Market of the JSE, the Company undertakes no obligation to update publicly or revise any of the forward-looking statements in light of new information or future events, including changes in the Company’s financial or regulatory position, or to reflect the occurrence of unanticipated events (subject to any legal or regulatory requirements for such disclosure to be made). There are important factors that could cause actual results to differ or differ materially from those in the forward-looking statements, certain of which are beyond the Company’s control. These factors include, without limitation, economic, social and other conditions prevailing both within and outside of Jamaica, including:

- actual rates of growth of the Barbadian, Jamaican and regional economies, instability, high domestic inflation and unemployment;*
- interest rates or exchange rate volatility;*
- adverse climatic events and natural disasters;*
- unfavourable market receptiveness to new products and services;*
- changes in any legislation or policy adversely affecting the revenues or expenses of the Company or its tax or regulatory status in Barbados;*
- exchange control restrictions in Barbados;*
- any other factor negatively impacting on the realization of the assumptions on which the Company’s financial projections are based;*
- other factors identified in this Prospectus;*
- factors as yet unknown to the Company.*

Neither the Jamaica FSC, the Barbados FSC, nor any government agency or regulatory authority in Jamaica or Barbados has made any determination on the accuracy or adequacy of the matters contained in this Prospectus. Prospective subscribers are advised to read this entire Prospectus carefully before making an investment decision about this offer. Each recipient’s attention is specifically drawn to the Risk Factors in this Prospectus. Prospective subscribers are also advised to consult with their stockbroker, licensed investment advisor, attorney-at-law, accountant, tax advisors or other professional advisors before making an investment decision or for any clarification as to the contents of this Prospectus.

SECTION 5 - DEFINITIONS

Acquisition Properties	A portfolio of tenanted commercial properties in Jamaica and Barbados acquired or intended to be acquired by the Company from the proceeds of the Bridge Financing and/or the subscriptions for Value Fund Shares pursuant to this Invitation, brief details in relation to such properties and the agreements/arrangements for the purchase thereof (where applicable) are set forth in Appendix 2.
Allotment	The allotment of the 97,448,157 Value Fund Shares to successful Applicants by the Company.
Applicant	A person (being an individual or a body corporate) resident in Jamaica and outside of Barbados who submits an Application and includes a Reserve Share Applicant.
Application Form	The forms of application as may be used by all Applicants who wish to make an offer to subscribe for 97,448,157 Value Fund Shares in the Invitation, as applicable, as indicated in Appendix 3.
Application List	The application list in respect of the Invitation.
Arranger	NCB Capital Markets Limited (“NCBCM”), a securities dealer duly licensed under the laws of Jamaica with offices at “The Atrium”, 32 Trafalgar Road, Kingston 10.
Articles	The Articles of Incorporation of the Company dated May 7, 1999 together with articles of amendments thereto dated September 26, 2013 and May 10, 2018.
Audited Financial Information	The financial information of the Company audited by Ernst & Young Limited.
Barbados FSC	The Financial Services Commission of Barbados.
Board of Directors	The Board of Directors of the Company, details of which are set out in the “Profiles of Board of Directors” at Section 10 below.
Barbados Companies Act	Companies Act, Cap. 308 of the Laws of Barbados.
Barbados Mutual Funds Act	Mutual Funds Act, Cap. 320B of the Laws of Barbados.
Barbados Securities Act	The Securities Act, Cap. 318A of the Laws of Barbados.
Bridge Financing	Bridge loan/financing for the benefit of the Company, arranged by NCB Capital Markets Limited for purposes of facilitating the acquisition by the Company of a portfolio of commercial properties in Jamaica and Barbados, intended to be repaid with the proceeds of subscriptions for the Value Fund Shares.
Broker	NCB Capital Markets Limited (“NCBCM”), a securities dealer, duly licensed under the laws of Jamaica, with offices at “The Atrium”, 32 Trafalgar Road, Kingston 10, Jamaica.
BSE	The Barbados Stock Exchange Inc., a company incorporated under the laws of Barbados with its registered and principal office at 8th Avenue, Belleville, St. Michael, 11114 Barbados.
cellular shares or Cellular Shares (as referred to in the Articles)	Cellular shares (as defined in the Barbados Companies Act) of the Company which are divided in its Articles into two (2) classes of shares which are designated as “Value Fund Shares” and Development Fund Shares”.

Company or Eppley	Eppley Caribbean Property Fund Limited SCC, (Company No. 16921) a segregated cell company licensed as a mutual fund under the Barbados Mutual Funds Act and incorporated under the provisions of the Barbados Companies Act under the name Fortress Caribbean Property Fund Limited which by Special Resolution dated September 26, 2013 duly filed with the Registrar of Companies of Barbados changed its name to Fortress Caribbean Property Fund Limited SCC and which by another Special Resolution dated February 21, 2018 duly filed with the said Registrar of Companies of Barbados changed its name to Eppley Caribbean Property Fund Limited SCC .
Closing Date	The date on which the offer in respect of the Invitation closes, being 4:30 p.m. on July 12, subject to the right of the Company to shorten or extend the period, during which the Invitation will remain open, in the circumstances set out in this Prospectus.
Commissions	The Jamaica FSC and the Barbados FSC.
Directors	The directors of the Company.
Eppley or Company	Eppley Caribbean Property Fund Limited SCC, (Company No. 16921) a segregated cell company licensed as a mutual fund under the Barbados Mutual Funds Act and incorporated under the provisions of the Barbados Companies Act under the name Fortress Caribbean Property Fund Limited which by Special Resolution dated September 26, 2013 duly filed with the Registrar of Companies of Barbados changed its name to Fortress Caribbean Property Fund Limited SCC and which by another Special Resolution dated February 21, 2018 duly filed with the said Registrar of Companies of Barbados changed its name to Eppley Caribbean Property Fund Limited SCC .
Existing Value Fund Shares	The 55,652,768 Value Fund Shares which are currently listed on the BSE and the TTSE.
Invitation	The invitation to subscribe for 97,448,157 Value Fund Shares on the terms and conditions set out in this Prospectus.
Invitation Price	J\$46.18 being the Value Fund's Net Asset Value per share as of March 31, 2019 denominated in Jamaican dollars.
Invitation is successful	The Company raises at least the equivalent of J\$650 million from subscriptions by Applicants by the Closing Date.
Jamaica Companies Act	The Companies Act of Jamaica.
Jamaica Securities Act	The Securities Act of Jamaica.
JSE	The exchange operated by the Jamaica Stock Exchange Limited, a company incorporated under the laws of Jamaica with its registered and principal office at 40 Harbour Street, Kingston, Jamaica.
JCSD	Jamaica Central Securities Depository, a wholly owned subsidiary of the Jamaica Stock Exchange (JSE) incorporated under the laws of Jamaica to provide depository and settlement services for securities traded electronically on the floor of the Jamaica Stock Exchange using a book entry system.
Jamaica FSC	The Financial Services Commission of Jamaica.
Main Market	The main trading platform of the JSE.
Opening Date	The date on which the offer in respect of the Invitation opens, being 9:00 a.m. on June 28, 2019.
Prospectus	This document which constitutes a prospectus for the purposes of the Jamaica Companies Act, the Barbados Companies Act, the Jamaica Securities Act and the Barbados Securities Act and the same is referred to herein as the or this "Prospectus".

Registrar & Paying Agent	Barbados Central Securities Depository Inc. (as “Registrar”) and Jamaica Central Securities Depository (as “Sub-Registrar”) the latter providing services of Registrar and Paying Agent for the Company in Jamaica for the purposes of the listing of the Shares on the JSE in conjunction with arrangements made with the Barbados Central Securities Depository.
Reserved Share Applicants	<p>The four entities listed below (or their nominees), all of which are vendors of properties being purchased by the Value Fund in connection with the Invitation and all of whom have agreed to accept Value Fund Shares at the Invitation Price as total or partial consideration, are collectively referred to in this Prospectus as the “Reserved Entities”:</p> <p>Alamac Investments Limited – a company incorporated under the laws of Barbados (with director(s) in common with the Company)</p> <p>Paynter (Jamaica) Limited - incorporated under the laws of Jamaica (with director(s) in common with the Company)</p> <p>Stony Hill Capital Limited - incorporated under the laws of St. Lucia (with director(s) in common with the Company)</p> <p>Kish Holdings Limited (incorporated under the laws of St. Lucia)</p>
Reserved Shares	The 9,656,807 Value Fund Shares in the Invitation initially reserved for priority application from the Reserved Share Applicants.
Shares or Value Fund Shares	97,448,157 Cellular shares of the class designated in the Articles of the Company as “Value Fund Shares” and which constitute one of the segregated cells of the Company known as the “Value Fund”.
Value Fund Shareholders	Holders of Value Fund Shares in the capital of the Company.
Terms & Conditions	The terms and conditions of the Invitation set out in of this Prospectus.
TTSE	Trinidad & Tobago Stock Exchange.
Value Fund	One of the segregated cells of the Company established by its Articles and known as the “Value Fund”.

SECTION 6 - SUMMARY OF KEY INFORMATION

The following summary information is derived from and should be read in conjunction with, and is qualified in its entirety by, the full text of this Prospectus, including the Appendices.

Recipients are advised to read this entire Prospectus carefully before making an investment decision about the transactions herein. Each recipient's attention is specifically drawn to the Risk Factors in Section 14 of this Prospectus and the disclaimers at the beginning of this Prospectus.

If you have any questions arising out of this Prospectus or if you require any explanations, you should consult your stock broker, licensed investment advisor, attorney-at-law, accountant or other professional advisor.

Issuer:	Eppley Caribbean Property Fund Limited SCC (in respect of the Value Fund only)
Issue:	97,448,157 Value Fund Shares (inclusive of 9,656,807 Reserved Shares) for subscription
Security:	Value Fund Shares without nominal or par value each having a subscription price of J\$46.18 each in the capital of the Company
Offer Price:	J\$46.18 per Value Fund Share
How Payable:	In full on Application
No. of Value Fund Shares:	97,448,157
Offer Capitalization:	J\$4.5 billion
Rationale for Reserved Shares:	The Reserved Share Applicants have agreed to accept Value Fund Shares at the Invitation Price as total or partial consideration for the purchase of the Acquisition Properties.
Use of Proceeds:	The net proceeds from the Invitation derived by the Company will be used by the Company to repay the Bridge Financing, purchase the Acquisition Properties and provide funds for its pipeline of future commercial real estate acquisition opportunities and pay the fees and expenses associated with the Invitation. Further details on the intended use of the proceeds of the Invitation by the Company are contained in the Message from the Chairman.
Dividends:	The Directors pursue a dividend policy providing for an annual dividend of between 75% and 100% of rental income net of operating expenses, taxes and financing costs known as Funds from Operations ("FFO") subject to the need for reinvestment in the Company from time to time, statutory provisions and the discretion of Directors.
Intention to List:	The Company intends to apply to the JSE for the listing on the Main Market of all of the Value Fund Shares, and the Existing Value Fund Shares and to make such application as soon as conveniently possible following the closing of the Invitation and the allocation of the Value Fund Shares.
Timetable:	<p>The below timetable is indicative and will be implemented on a best efforts basis, with the Directors however reserving the right (in consultation with the Arranger and Broker) to change the dates that the offer opens and closes based on market conditions and other relevant factors.</p> <ul style="list-style-type: none"> i. Distribution of Prospectus – June 21, 2019 ii. The Opening Date – 9:00am on June 28, 2019 iii. The Closing Date (Applications to be received by) – 4:30pm on July 12, 2019 iv. Allocations will be determined within 6 business days of the Closing Date v. Where applicable, refunds will be distributed to the Broker within 7 days of the Closing Date
Interpretations	All currency amounts referred to in this Prospectus are in Jamaican dollars unless stated otherwise.

SECTION 7 - ADVISORS TO THE OFFER

<p>Issuer: Eppley Caribbean Property Fund Limited SCC</p> <p>1st Floor, Carlisle House Hincks Street Bridgetown Barbados Tel: 246.417.5600</p>	<p>Arranger: NCB Capital Markets Limited</p> <p>“The Atrium” 32 Trafalgar Road Kingston 10, Jamaica Tel: 876.960.7108</p>
<p>Auditors: Ernst & Young Limited</p> <p>Chartered Accountants One Welches Welches, St. Thomas Barbados Tel: 246.430.3900</p>	<p>Broker: NCB Capital Markets Limited</p> <p>“The Atrium” 32 Trafalgar Road Kingston 10 Jamaica Tel: 876.960.7108</p>
<p>Legal Advisors to the Company: Barbados Clarke Gittens Farmer</p> <p>Attorneys-at-Law “Parker House” Wilkey Business Park St. Michael BB14006 Barbados Tel: 246.436.6287</p>	<p>Legal Advisors to the Arranger: Patterson Mair Hamilton</p> <p>Attorneys-at-Law Temple Court 85 Hope Road, Kingston 6, Jamaica Tel: 876.920.4000</p>

CORPORATE INFORMATION

<p>Directors:</p> <p>Nicholas Scott P.B. Scott Melanie Subratie Roger Cave Sharon Donaldson Jeffrey Hall Damian J. Duncan Richard Luck</p>	<p>Registered Office:</p> <p>1st Floor Carlisle House Hincks Street Bridgetown Barbados</p>
<p>Company Secretary:</p> <p>Sharon Donaldson</p>	<p>Investment Advisor/Mutual Fund Administrator:</p> <p>Eppley Fund Managers Limited 1st Floor Carlisle House Hincks Street Bridgetown Barbados</p>
<p>Independent Auditors:</p> <p>Ernst & Young Limited Chartered Accountants One Welches Welches, St. Thomas Barbados Tel: 246.430.3900</p>	<p>Financial year:</p> <p>September 30, 2018</p>
<p>Legal Advisers - Barbados:</p> <p>Clarke Gittens Farmer Attorneys-at-Law “Parker House” Wilkey Business Park St. Michael BB14006 Barbados Tel: 246.436.6287</p>	<p>Legal Advisers – Jamaica:</p> <p>Patterson Mair Hamilton Attorneys-at-Law “Temple Court” 85 Hope Road Kingston 6 Jamaica Tel: 876.920.4000</p>

SECTION 8 - INFORMATION ABOUT THE COMPANY

Eppley Caribbean Property Fund Limited SCC (Company No. 16921) is a segregated cell company incorporated under the provisions of the Barbados Companies Act and licensed as a mutual fund under the Barbados Mutual Funds Act. The registered office of the Company is at 1st Floor, Carlisle House, Hincks Street, Bridgetown, Barbados.

The Company was incorporated in 1999 as the Fortress Caribbean Property Fund. The Company was converted from a company incorporated under the Barbados Companies Act to a segregated cell company under the Barbados Companies Act pursuant to its certificate of amendment dated October 1, 2013. The Company is authorised to issue an unlimited number of cellular shares divided into two (2) classes and designated as “Value Fund Shares” and “Development Fund Shares”, respectively. The Value Fund Shares constitute one of the segregated cells of the Company known as the “Value Fund” and the Development Fund Shares constitute the other segregated cell of the Company known as the “Development Fund”. The Value Fund and the Development Fund are not separate legal persons or subsidiaries of the Company.

The Barbados Companies Act makes provision for the incorporation or continuation of a company for the purposes of carrying on financial services activities including insurance, banking and mutual fund activity in accordance with a plan whereby the assets and business operations are divided into cells, for the purpose of segregating and protecting the cellular assets of the company in the manner provided for in the Barbados Companies Act. A segregated cell company is, notwithstanding that it may create one or more cells, a single legal person and the creation by a cell company of a cell does not create, in respect of that cell, a legal person separate from the company.

“Cellular assets” are defined in the Barbados Companies Act as the assets of the company attributable to the company’s cell i.e. assets represented by the stated capital and reserves (including retained earnings, capital reserves, revaluation surpluses, and contributed surpluses) attributable to the cell and all other assets attributable or held within the cell. Section 356.28 of the Barbados Companies Act, among other things, requires the directors of a cell company to keep: (a) cellular assets separate and separately identifiable from non-cellular assets, and (b) cellular assets attributable to each cell separate and separately identifiable from cellular assets attributable to other cells. The directors of a cell company are also allowed to permit cellular assets or non-cellular assets or a combination of both, to be collectively managed by an investment manager provided that the assets in question remain separately identifiable. A cell company may, in respect of any of its cells, create and issue cellular shares, and the cellular share capital shall be part of the cellular assets attributable to the cell in respect of which the cellular shares were issued.

Where liability of a cell company to a person arises from a transaction, or is otherwise imposed, in respect of a particular cell (the “Relevant Cell”), that person shall only be entitled to have recourse to the cellular assets attributable to the Relevant Cell which shall be primarily liable and shall not have recourse to the cellular assets attributable to any other cell.

Information about the Company

The Company is a closed-end mutual company which is in the business of investing the consideration it receives for the cellular shares it issues primarily in real estate in the Caribbean. The two (2) segregated cells established by the Company, namely the “Value Fund” and the “Development Fund”, both trade on the BSE and TTSE. Income generating performing assets and associated liabilities of the Company are allocated by the Company to the Value Fund while non-income generating assets and associated liabilities of the Company (as represented primarily by the real estate investments held for development and/or resale) are allocated by the Company to the Development Fund.

The cellular shares which are the subject of this Invitation relate solely to cellular shares of the Value Fund.

Summary

Fund name:	Eppley Caribbean Property Fund Limited SCC – Value Fund
Fund type:	Closed-end Fund
Launch date:	August 20, 1999
Eppley management control:	May 4, 2018
Stock exchange listings:	BSE and TTSE
Fund valuations:	Monthly
Independent property appraisals:	Semi-Annually
NAV quotations:	Weekly and Monthly
Net Assets (03/31/19):	BBD\$39,613,839
Shares Outstanding:	55,652,768
Net Asset Value per Share (03/31/19):	BBD\$0.71 or J\$46.18
Management fees:	1.5% of net assets

History

Since its inception, the Company was managed by Fortress Fund Managers Limited, a company incorporated under the laws of Barbados and Alleyne, Aguilar & Altman Limited trading under the registered business name AAAltman Real Estate, a company incorporated under the laws of Barbados. In May 2018, Eppley Fund Managers Limited a company incorporated and registered as a mutual fund administrator under the laws of Barbados and a wholly-owned subsidiary of Eppley Limited, a company incorporated under the laws of Jamaica, purchased the common shares of the Company from Fortress Fund Managers Limited and AAAltman Real Estate and assumed the management of the Company. Following the transaction and with the approval of the shareholders, the name of the Company was changed to Eppley Caribbean Property Fund Limited SCC.

Properties

The Value Fund owns a portfolio of income-producing commercial real estate in Barbados. The portfolio consists of six properties, covering 269,848 square feet with an average occupancy of 90%. The average net operating income (NOI) yield of the properties is 7.8%.

VALUE FUND OPERATING PERFORMANCE SUMMARY³

PROPERTIES	SQUARE FEET	OCCUPANCY	NOI	ASSET VALUE	CURRENT NOI YIELD	OWNERSHIP
Cave Shepherd Building	103,131	100%	\$4,505,245	\$52,500,000	8.6%	36%
24 Broad Street	14,119	100%	\$994,520	\$8,800,000	11.3%	100%
Sunset Crest Mall	17,646	100%	\$1,136,147	\$12,200,000	9.3%	24%
Emerald City Mall ⁴	78,488	100%	\$1,508,359	\$26,000,000	5.8%	30%
Chattel Village	8,038	100%	\$220,289	\$1,470,000	15.0%	100%
Carlisle House	48,426	42%	\$138,353	\$7,500,000	1.8%	100%
Total (Property level)⁵	269,848	90%	\$8,502,913	\$108,470,000	7.8%⁶	

\$ expressed above are BBD\$

³ As at financial year-end 2018, Carlisle House occupancy is currently 34%.

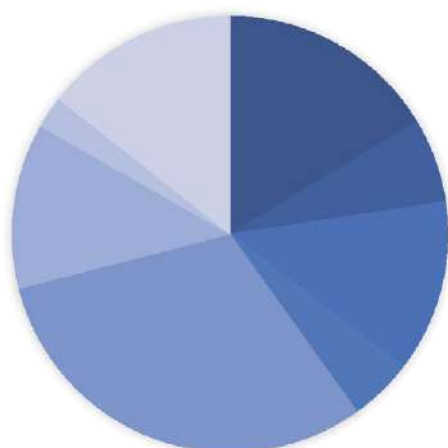
⁴ NOI and current NOI yield reflects nine-month period for January to September 2018.

⁵ Totals do not reflect Fund's ownership share of properties or management fees.

⁶ Total (Property level) current NOI yield represents the weighted average of properties listed.

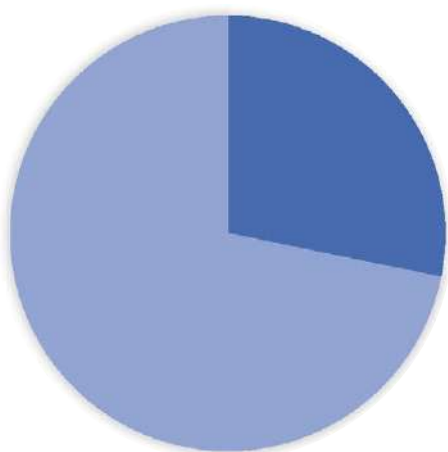
VALUE FUND PORTFOLIO⁷

BY ASSETS



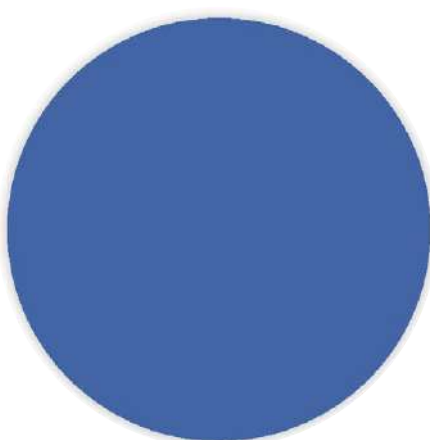
- Cash & Cash Equivalents: 16%
- Loan Receivable: 6%
- Emerald City Mall: 13%
- Sunset Crest Mall: 5%
- Cave Shepherd Building: 31%
- Carlisle House: 12%
- Chattel Village: 3%
- 24 Broad Street: 14%

BY USE



- Retail: 72%
- Commercial Office: 28%

BY GEOGRAPHY



- Barbados: 100%

⁷ Based on the current fair value of each property.

VALUE FUND PROPERTIES

Cave Shepherd Building



The Cave Shepherd building is one of the largest department stores in the English-speaking Caribbean. It is located on the main commercial corridor in Bridgetown, Barbados. In the past few years, the building has undergone significant renovations, including upgraded escalators, air conditioning, ceilings, floors and lighting.

The Value Fund currently owns a 36% interest in the building through the CS&C joint venture, a real estate partnership. The building is the largest asset in the Value Fund and is currently leased to Cave Shepherd & Co. Limited, a company incorporated under the laws of Barbados beyond 2030. Cave Shepherd & Co. Limited is a regional conglomerate with interests in retail, tourism, financial services, renewable energy, real estate development and international business amongst others. Cave Shepherd & Co. Limited is publicly listed on the Barbados Stock Exchange with a market capitalization in excess of US\$40 million.

24 Broad Street



24 Broad Street is a recently renovated office and retail building in the centre of Bridgetown, Barbados. It is currently leased to Duty Free Caribbean Limited, a company incorporated under the laws of Barbados until 2021. Duty Free Caribbean Limited is a retail company with over 61 stores regionally and is controlled by the Dufry group. Dufry is a Swiss-based traveler retail company that has been in operations for over 150 years and currently operates over 2,200 duty-free and duty-paid stores in 64 countries worldwide. Dufry is publicly listed on both the Swiss and Brazilian stock exchanges.

Sunset Crest Mall



Sunset Crest Mall is a commercial shopping centre located on the west coast of Barbados, within proximity to some of Barbados' most popular tourist destinations. The building's triple net lease to Duty Free Caribbean Limited was recently extended to 2029. Duty Free Caribbean Limited sub-lets to a number of leading tenants including CIBC FirstCaribbean International Bank, Diamonds International, The Coffee Bean and Elegant Resorts. The Value Fund owns its interest in Sunset Crest Mall through a joint venture.

Emerald City Mall



The Emerald City Mall is a shopping complex located in St. Philip, Barbados. It is located approximately 15 minutes ways from Barbados' main airport and approximately 30 minutes away from Bridgetown and close to many residential housing developments.

Emerald City was acquired under a sale and leaseback structure with AOne Supermarket in January 2018, making it the Value Fund's most recent acquisition. This lease is set to expire in 2032. AOne is a leading supermarket chain in Barbados, operating since 1981. AOne sublets the complex to various entities, including Courts and Republic Bank (Barbados) Limited.

The Value Fund owns its interest in the Emerald City complex through a real estate partnership.

Chattel Village



Chattel Village is a tourist shopping village located on the west coast of Barbados and is located close to many of Barbados' most notable hotels, villas and luxury retailers. The village is tourist focused, and comprises of 12 single-storey, detached timber chattel retail stores constructed by the Value Fund. Tenants include two restaurants and various gift shops selling art work, gifts and souvenirs.

The Value Fund has a leasehold over the Chattel Village land until 2026 with Head of Terms to extend the lease to 2033.

Carlisle House



Carlisle House is a landmark commercial office building located on the waterfront in Bridgetown.

Historically, Carlisle House has been a leading commercial office building in the historical commercial centre of Bridgetown. Previous tenants include the Barbados Stock Exchange, Butterfield Bank, First Citizens Bank and Signia Globe Financial Group Inc. In recent years, Bridgetown commercial office vacancy has increased due to tenant migration to other commercial areas in Barbados such as Warrens and Wildey, affecting Carlisle House.

The building's waterfront location, cruise ship pier proximity and ease of access as a central hub for transportation make it a desirable option for alternate use. The managers of the Value Fund are actively exploring several options to reposition the building to improve its performance.

Investment Manager

Eppley Fund Managers Limited is the investment manager for the Value Fund and is a wholly-owned subsidiary of Eppley Limited, an investment company focused on credit, mezzanine, and real estate opportunities throughout the Caribbean and Central America. Eppley Limited invests on its own account and on behalf of investors in its funds.

Eppley Limited (now a public company) was founded in 1973 as Orrett and Musson Investment Company Limited. In 2013, its name was changed to Eppley Limited and its shares were listed on the JSE. Eppley Limited is formerly a subsidiary of Musson (Jamaica) Limited ("Musson"), a successor to S.P Musson Son & Company Ltd. one of the six companies that formed Barbados Shipping and Trading Limited, a company incorporated under the laws of Barbados.

Eppley Limited's team is comprised of professionals with extensive experience in investments, finance and accounting throughout the Caribbean. Eppley Limited's team has worked together to invest in credit, mezzanine and real estate asset classes and has collaborated for many years to successfully manage capital for some of the most prominent institutional investors in the region. Additional information on Eppley Limited's team including their individual profiles is contained in Section 10.

Eppley Limited has a track record of delivering attractive returns by applying a consistent investment philosophy, strategy and process across different asset classes. Since its IPO in July 2013, Eppley Limited has produced compound average annual returns to its investors of over 34% including dividends and the appreciation in the price of its shares.

Uniformly, Eppley Limited is a value investor and seeks opportunities to deploy capital where value exceeds its purchase price and where returns exceed its risk of loss. To find these opportunities, Eppley Limited focuses on private markets like credit and real estate where inefficiencies are most pronounced and where its strengths of originating, negotiating and structuring investments are most highly rewarded.

As its newly appointed investment manager, Eppley Fund Managers Limited intends to bring this approach and experience to the management of the Company.

Historical Performance

The performance of the Value Fund over the past decade has been disappointing. Since 2008, the total net asset value of the Value Fund has declined, due to a sharp reduction in the value of the Value Fund's concentrated portfolio of properties in Barbados and the Eastern Caribbean.

The Value Fund has consistently experienced material fair values losses in most years over the last decade caused initially by the global financial crisis and more recently by a multi-year deterioration of the Barbadian economy.

Investment Strategy

The recent fair value losses at the Value Fund mask its operating performance. The average NOI yield of the six commercial properties in the Value Fund last year was 7.8%. If one annualizes the performance of the Emerald City Mall which the Value Fund owned for only nine months, the average NOI yield of the Value Fund's properties last year would have been 8.3%.

Moreover, there are clear opportunities to grow income and raise NOI yields further by addressing Carlisle House and deploying the Value Fund's large cash balance.

Carlisle House stands out as the Value Fund's only underperforming asset. Its net operating income yield last year was an unacceptable 2% driven by high vacancies and operating expenses. This yield was a significant drag on performance. For example, the average NOI yield of Value Fund's properties in 2018 annualizing Emerald City but excluding Carlisle House was 8.8%. Given its impact, Eppley Fund Managers Limited is actively evaluating many options to address Carlisle House's underperformance.

At the end of 2018, the Value Fund had over BBD\$10.2 million of cash. Additionally, the Value Fund was due its BBD\$3.7 million share of the BBD\$6.5 million vendor note from the BET joint venture (an unincorporated joint venture group of which the Company is a member), which has since been repaid. The Value Fund continues to own 57% of the BET JV.

The cash position as of September 2018 and the proceeds from the Vendor's note repayment together represent 35% of the Value Fund's equity, earn little income and also weigh down the Value Fund's performance.

Driving change at Carlisle House and investing the Value Fund's liquidity into new commercial properties will consume management's time and attention for the rest of 2019.

More fundamentally, Eppley Fund Managers Limited intends to increase the scope and scale of the Value Fund's properties.

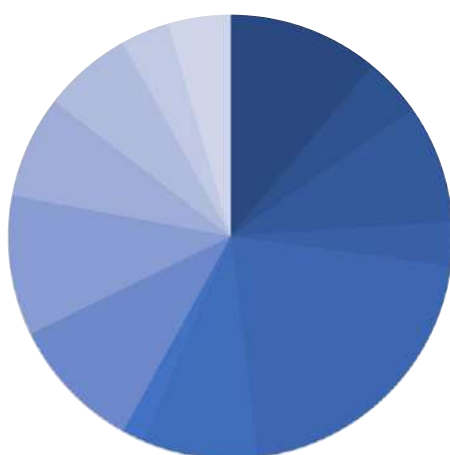
Currently the Value Fund's portfolio is too heavily weighted to Barbados and to retail assets. The Directors believe that the Value Fund's Barbadian assets are well positioned to appreciate as the Barbadian economy recovers. The Value Fund's experience in Barbados since 2008 however, underscores the importance of expanding its geographic reach beyond a single island and to spread its exposure across all classes of commercial real estate. Increasing the sheer size of our portfolio we will allow the Value Fund to capture great economies of scale and improve its operating efficiency.

By allowing the Value Fund to purchase a portfolio of income-producing real estate in Jamaica which includes industrial assets, the Invitation is designed to allow the Value Fund to begin to meet this critical strategic objective. The graphs below illustrate the Value Fund's composition of assets by property, use and geography following the purchase of the Acquisition Properties.

The Value Fund currently has a pipeline of additional acquisition opportunities consisting of retail, office, hospitality and industrial assets mostly in Barbados, Cayman Islands, Guyana, Jamaica and Trinidad and Tobago. These opportunities represent active ongoing negotiations with potential vendors regarding the sale of commercial properties to the Value Fund in line with its investment strategy and target returns. The Director's anticipate that as the Value Fund completes these or other similar acquisition opportunities, the mix of the Value Fund's holdings will continue to diversify by country and use.

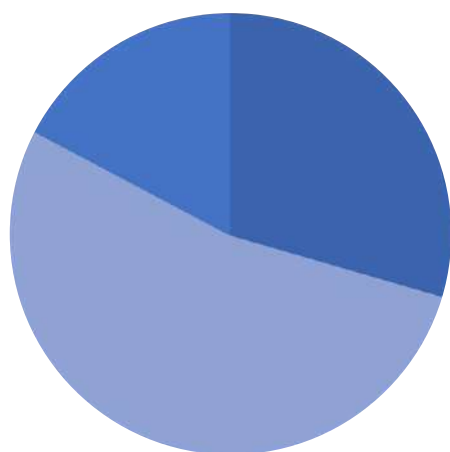
VALUE FUND PROFORMA PORTFOLIO

BY ASSETS



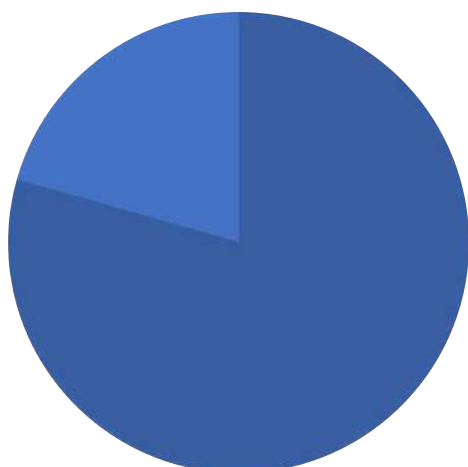
- Cash & Cash Equivalents: 11%
- Loan Receivable: 4%
- Emerald City Mall: 9%
- Sunset Crest Mall: 3%
- Cave Shepherd Building: 21%
- Carlisle House: 8%
- Chattel Village: 2%
- 24 Broad Street: 10%
- Prospective Class A Office: 10%
- Empire Shopping Centre: 7%
- Angels Industrial Estate: 6%
- 22 Marcus Garvey Drive: 4%
- Alamac Warehouse: 5%

BY USE



- Office: 30%
- Retail: 53%
- Industrial: 17%

BY GEOGRAPHY



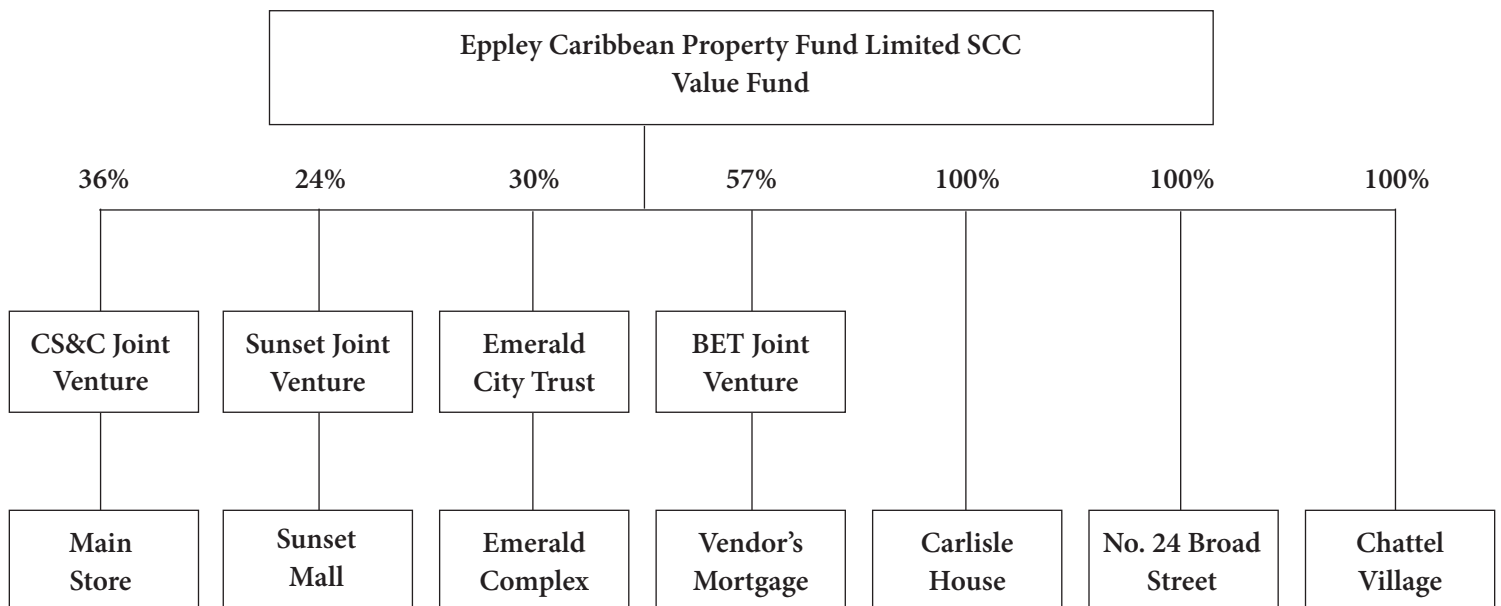
- Barbados: 79%
- Jamaica: 21%

LIST OF VALUE FUND AFFILIATES AND JOINT VENTURES

BBD\$ AS OF SEPTEMBER 30, 2018

Joint Venture Description	Investment Date	Share of Profits from Investments Accounted for Using the Equity Method	Investments in Associated Companies and Joint Arrangements	Country of establishment	% Interest
BET Joint Venture	2001	-	6,500,000	Unincorporated – established in Barbados	57%
Sunset Joint Venture	2009	183,273	2,960,950	Unincorporated – established in Barbados	24%
CS&C Joint Venture	2005	1,042,542	13,647,790	Unincorporated – established in Barbados	36%
Emerald City Trust	2018	337,185	3,388,931	Established in Barbados	30%

VALUE FUND LEGAL ORGANIZATION CHART



CAPITAL STRUCTURE OF THE COMPANY

The share capital of the Company is divided as follows.

CLASS	AUTHORISED
Value Fund Cellular Shares	an unlimited number
Development Fund Cellular Shares	an unlimited number
Common Shares	100

As at the date of this Prospectus, the issued share capital of the Company is as follows:

CLASS	ISSUED
Value Fund Cellular Shares	55,652,768
Development Fund Cellular Shares	54,349,890
Common Shares	20

In the event that the Invitation is successful, the issued share capital of the Company will be as follows

CLASS	ISSUED
Value Fund Cellular Shares	153,100,925
Development Fund Cellular Shares	54,349,890
Common Shares	20

SHAREHOLDINGS IN THE COMPANY AS AT THE DATE OF THIS PROSPECTUS

Ten (10) largest shareholders – Value Fund

NAME OF SHAREHOLDER	SHARES	%
FirstCaribbean Barbados C1686 Aa	5,591,258	10.05
Massy (Barbados) Ltd	5,000,000	8.98
FirstCaribbean Int'l Bank A/C#C1191	2,151,331	3.87
Airline Services Inv	2,000,000	3.59
FirstCaribbean Barbados C1686 Cc	1,859,952	3.34
RBC Trust (Trinidad & Tobago) Limited - T148	1,387,260	2.49
Republic Bank Limited - A/C Ct1937	1,250,000	2.25
NCB Capital Markets (Barbados) Ltd	1,207,150	2.17
FirstCaribbean Barbados C1577	983,690	1.77
Republic Bank Limited - A/C #778	897,750	1.61

Ten (10) largest shareholders – Development Fund

NAME OF SHAREHOLDER	BALANCE	%
Massy (Barbados) Ltd	5,000,000	9.20
Perseverance Limited	2,971,103	5.47
FirstCaribbean Barbados C1686 AA	2,793,954	5.14
The Bank Of N.T Butterfield & Son Ltd	2,777,833	5.11
FirstCaribbean Int'l Bank A/C#C1191	1,964,171	3.61
RBTT Trust Limited - T964c	1,315,710	2.42
Republic Bank Limited - A/C CT1937	1,250,000	2.30
Caona Investments Limited	1,175,639	2.16
CBB Staff Pension (Employer Portfolio)	936,078	1.72
Republic Bank Limited - A/C #778	897,750	1.65

Eppley Fund Managers Limited holds 100% of the issued and outstanding Common Shares on the Company.

SHAREHOLDINGS IN THE VALUE FUND IMMEDIATELY BEFORE THE ALLOTMENT OF SHARES PURSUANT TO THE INVITATION

NAME OF SHAREHOLDER	NUMBER OF ORDINARY SHARES BEFORE OPENING DATE	% OF ISSUED SHARES BEFORE OPENING DATE
FirstCaribbean Barbados C1686 AA	5,591,258	10.05
Massy (Barbados) Ltd	5,000,000	8.98
FirstCaribbean Int'l Bank A/C#C1191	2,151,331	3.87
Airline Services Inv	2,000,000	3.59
FirstCaribbean Barbados C1686 CC	1,859,952	3.34
RBC Trust (Trinidad & Tobago) Limited - T148	1,387,260	2.49
Republic Bank Limited - A/C CT1937	1,250,000	2.25
NCB Capital Markets (Barbados) Ltd	1,207,150	2.17
FirstCaribbean Barbados C1577	983,690	1.77
Republic Bank Limited - A/C #778	897,750	1.61
Other Existing Shareholders ⁸	33,324,377	59.88
Total	55,652,768	100.00

⁸ "Other Existing Shareholders" comprises 2,271 shareholders. The average shareholding of these shareholders is 0.03% and the largest individual shareholding is 1.54%.

SHAREHOLDINGS IN THE VALUE FUND IMMEDIATELY AFTER THE ALLOTMENT IN THE EVENT THE INVITATION IS SUCCESSFUL AND IS FULLY SUBSCRIBED BY APPLICANTS

NAME OF SHAREHOLDER	NUMBER OF ORDINARY SHARES AFTER SUCCESSFUL INVITATION	% OF ISSUED SHARES AFTER SUCCESSFUL INVITATION
FirstCaribbean Barbados C1686 AA	5,591,258	3.62
Massy (Barbados) Ltd	5,000,000	3.24
FirstCaribbean Int'l Bank A/C#C1191	2,151,331	1.39
Airline Services Inv	2,000,000	1.29
FirstCaribbean Barbados C1686 CC	1,859,952	1.20
RBC Trust (Trinidad & Tobago) Limited - T148	1,387,260	0.90
Republic Bank Limited - A/C CT1937	1,250,000	0.81
NCB Capital Markets (Barbados) Ltd	1,207,150	0.78
FirstCaribbean Barbados C1577	983,690	0.64
Republic Bank Limited - A/C #778	897,750	0.58
Other Existing Shareholders ⁹	33,324,377	21.56
General Public	87,791,350	57.88
Reserved Share Applicants	9,656,807	6.11
Total	153,100,925	100.00

Material Contracts

The Company is at present a party to the material contracts briefly summarized in APPENDIX 1:

Related Party Contracts

The Company is at present a party to the following related-party contracts:

1. Deed of Amendment and Novation dated May 4, 2018 between the Company, Fortress Fund Managers Limited, Alleyne, Aguilar & Altman Limited and Eppley Fund Managers Limited to appoint Eppley Fund Managers Limited as the investment advisor in the place of Alleyne, Aguilar and Altman Limited under the terms of the Investment Advisor Agreement dated October 1, 2013 made between the Company, Fortress Fund Managers Limited, Alleyne, Aguilar & Altman Limited.
2. Deed of Termination dated May 4, 2018 between the Company, Fortress Fund Managers Limited and Alleyne, Aguilar & Altman Limited to terminate and cancel the Property Management Agreement dated October 1, 2013 made between the Company, Fortress Fund Managers Limited and Alleyne, Aguilar & Altman Limited.

⁹ "Other Existing Shareholders" comprises 2,271 shareholders. The average shareholding of these shareholders is 0.03% and the largest individual shareholding is 1.54%.

SECTION 9 - DIVIDEND POLICY

The Value Fund's dividend policy is designed to mirror the approach used by private owners of commercial property. That is, the Value Fund seeks to distribute the vast majority of its buildings' rental income net of its operating expenses, financing costs and planned capital expenditures to shareholders each year.

The Directors therefore pursue a dividend policy providing for an annual dividend of between 75% and 100% of Funds from Operations ("FFO") after taxes available for distribution subject to the need for reinvestment in the Company from time to time.

In 2018, the Value Fund's dividend was BBD \$1,335,666 or about 76% of FFO attributable to shareholders.

In the most recent six month period ending March 31, 2019, the Value Fund's FFO per share was BBD\$0.021 per share, which if annualized and expressed as a percentage of the Value Fund's most recent NAV per share of BBD\$0.71 or the Invitation Price implies a dividend yield of approximately 5.9%

Under the Caricom Treaty all dividends declared by the Value Fund, a Barbadian company, to residents of Jamaica are expected to be paid without any withholding taxes.

All Value Fund dividends are paid to Value Fund Shareholders by the Barbados Central Securities Depository Inc., the Value Fund's registrar and paying agent. Currently, the Barbados Central Securities Depository Inc. converts dividends payable to Value Fund Shareholders outside of Barbados to the respective local currency of the Value Fund Shareholder's country of residence or alternatively to United States dollars. The Barbados Central Securities Depository then mails dividend cheques denominated in each respective currency to each Value Fund Shareholder resident outside of Barbados.

The Directors anticipate that should the Invitation be successful, the Jamaica Central Securities Depository will be the registrar or sub-registrar for the newly issued Value Fund Shares.

SECTION 10 - PROFILES OF THE BOARD OF DIRECTORS AND FUND MANAGERS

BOARD OF DIRECTORS

Nicholas A. Scott, Chairman

Mr. Nicholas Scott is the Managing Director of Eppley and a director of Eppley Fund Managers Limited. Mr. Scott is also the Chief Investment Officer of the Musson Group and a Director of Musson and most of its major subsidiaries and affiliates. Mr. Scott is the Chairman of the Student Loan Bureau and a former Vice-President of the Private Sector Organization of Jamaica. He holds a B.Sc. in Economics from the Wharton School at the University of Pennsylvania, an M.B.A from Columbia Business School and an M.P.A. from the Harvard Kennedy School of Government.

P.B. Scott

Mr. P.B. Scott is the Chairman of Eppley and a director of Eppley Fund Managers Limited. Mr. Scott is also Chairman, Chief Executive Officer and the principal shareholder of the Musson Group. His chairmanship extends to all of Musson's subsidiaries and affiliates; namely Seprod Limited, Productive Business Solutions Limited, General Accident Insurance Company, Facey Group Limited and T. Geddes Grant. He serves as the Chairman of the Development Bank of Jamaica and as Honorary Consul General for the Republic of Guatemala to Jamaica and is a former President of the Private Sector Organization of Jamaica. In 2017 he received the Order of Distinction Commander Class for his service to the business community in Jamaica and the Caribbean.

Jeffrey Hall

Mr. Jeffrey Hall was appointed Group Managing Director of Jamaica Producers Group in 2007 after joining the Board in 2004 and the Group in 2002. Mr. Hall is Chairman of Kingston Wharves, Scotia Group Jamaica, the Bank of Nova Scotia Jamaica Limited and Scotia Investments Jamaica Limited, and is a Director of Blue Power Group, the National Housing Trust and Scotia Jamaica Life Insurance Company. Mr. Hall received his Bachelor of Arts degree in Economics from Washington University, his master's degree in Public Policy from Harvard University and his Juris Doctorate from Harvard Law School.

Melanie Subratie

Melanie Subratie is the Chairman of Stanley Motta, the owner of the largest IT park in the English-speaking Caribbean. Mrs. Subratie began her career in the United Kingdom in the Financial Services Division of Deloitte & Touche. She also worked for the start-up political newswire service, De Havilland. She returned to Jamaica in 2002, joining the Musson Board at that time with responsibility for Business Development, and was appointed Managing Director of Productive Business Solutions. Mrs. Subratie holds a B.Sc. (Hons) from the London School of Economics.

Roger Cave

Mr. Cave is the founder and Managing Director of Fortress Fund Managers and has managed the Fortress mutual funds since 1996. Prior to forming Fortress, Mr. Cave worked with Coopers & Lybrand in Toronto and PriceWaterhouse in Barbados, as well as the Commonwealth Development Corporation in Barbados. He is a non-executive director of various organizations including the Barbados Stock Exchange, Cave Shepherd & Company, Duty Free Caribbean, DGM Bank & Trust and OAM (Cayman) Ltd. Mr. Cave is a CFA Charterholder and a Chartered Accountant.

Sharon Donaldson

Ms. Donaldson has been the Managing Director for General Accident since 2001. In addition to her responsibilities at General Accident, Ms. Donaldson serves as a Director of Musson and Eppley. She is a Director of 138 Student Living, Jamaica Environment Trust, and Paramount Trading Jamaica and is a former member of the Jamaica Anti-Doping Commission. Ms. Donaldson holds an LL.B from the University of London and an M.B.A from University of Wales.

Damian Duncan

Mr. Duncan currently serves as Assistant General Manager responsible for the Mergers, Acquisitions and Integration functions at National Commercial Bank. Mr. Duncan previously spent nine years on Wall Street at various firms, most recently at Bank of America Merrill Lynch. Mr. Duncan is a 2006 graduate of Harvard Business School with an MBA focused on International Finance, and a 2001 Summa Cum Laude graduate of South Carolina State University.

Richard Luck

Mr. Luck is the Regional Finance Director and Chief Financial Officer of the Unicomer Caribbean Group. He joined the Board of COURTS (Jamaica) in 2005 as Finance Director/Company Secretary and was a part of the team that transitioned the company through the acquisition of the Caribbean business by the Unicomer Group in 2006. Mr. Luck currently sits on the boards of the group's Guyana and Belize subsidiaries and is a member of the Regional Executive Committee for the Caribbean.

FUND MANAGERS**Justin Nam**

Mr. Nam is the Executive Vice President of Eppley Limited and is responsible for Eppley's investment functions including the management of the Caribbean Mezzanine Fund and Eppley Caribbean Property Fund portfolios. Prior to joining Eppley Limited, Mr. Nam held senior roles in the financial sector in Jamaica and Trinidad and Tobago. He is a member of the Finance and Investment Committee of the Board of the National Housing Trust and serves on the Investment Management Review Commission for the National Insurance Fund. He holds an MBA from The University of Warwick and an undergraduate degree in Economics (Hons.) from the University of Western Ontario.

Denise Gallimore

Ms. Gallimore is a Vice President of Eppley Limited and is focused on its investment funds. Ms. Gallimore has over 15 years of experience in the financial services industry in Jamaica spanning both the private and public sectors. Prior to joining Eppley Limited, Ms. Gallimore was a manager in public, private partnership and privatization division of the Development Bank of Jamaica where she successfully completed over US\$500 million of divestments and other transactions. Ms. Gallimore holds an MBA and BSc in Management Studies from the University of the West Indies.

Jacquelin Watson

Mrs. Watson is the Financial Controller of Eppley Limited and is responsible for Eppley Limited's accounting, finance, reporting and treasury functions. Her management extends to the Caribbean Mezzanine Fund and Eppley Caribbean Property Fund. Mrs. Watson was formerly an accounting professional at General Accident and Columbus Communications. She is a Chartered Accountant and holds an MSc in Professional Accounting from the University of London.

DIRECTORS' SHAREHOLDING AND INTERESTS

Directors shareholdings including connected parties is as follows:

	VALUE FUND	DEVELOPMENT
Nicholas A. Scott	235,832	511,266
P.B. Scott	418,345	3,497,865
Jeffrey Hall	-	-
Sharon Donaldson	-	-
Melanie Subratie	741,080	1,702,401
Roger Cave	10,000	10,000
Richard Luck	-	-
Damian Duncan	-	-



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SECTION 11 - AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

Opinion

In our opinion, the accompanying summary consolidated financial statements of Eppley Caribbean Property Fund Limited SCC (the Company) are consistent, in all material respects, with the audited financial statements, for the financial years of the Company below-indicated, in accordance with the applicable laws.

The summary consolidated financial statements

The Company's summary consolidated financial statements derive from the audited financial statements for the years ended 30 September 2015 to 30 September 2018.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards applied in the preparation of the audited financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The audited financial statements and the summary consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

Other Information

Management is responsible for the other information. The other information comprises the management, discussion and analysis but does not include the summary consolidated financial statements and our auditor's report thereon.

Our opinion on the summary consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Responsibilities of management for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of applicable law, as modified by the inclusion of the statement of changes in equity and the statement of cash flow, as described in the notes to the summary consolidated financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

Ernst & Young Ltd

12 June 2019

FINANCIAL SUMMARY FOR THE LAST 5 YEARS

EPPLEY CARIBBEAN PROPERTY FUND LIMITED SCC

(formerly Fortress Caribbean Property Fund Limited SCC)

Consolidated Statement of Financial Position

As at September 30, 2018

(expressed in Barbados dollars)

	2018 \$	2017 \$	2016 \$	2015 \$	2014 \$
Value Fund Assets					
Investment properties	17,770,000	20,050,000	36,700,000	45,375,000	52,770,000
Investments in associated companies and joint arrangements	19,997,671	15,033,130	19,778,505	16,699,222	14,999,096
Loan receivable	6,500,000	6,500,000	-	-	-
Financial assets at fair value through profit or loss	-	-	8,000	8,000	8,000
Accounts receivable and prepaid expenses	277,769	689,182	553,370	385,345	280,919
Due from related parties	847,229	927,568	189,790	96,447	-
Cash and cash equivalents	10,237,573	13,534,056	8,294,962	3,790,326	2,025,728
Total assets	55,630,242	56,733,936	65,524,627	66,354,340	70,083,743
Liabilities					
Loans payable	10,580,000	10,580,000	10,580,000	10,580,000	10,362,387
Accounts payable and accrued expenses	2,180,521	325,054	2,304,528	431,126	565,854
Security and advance deposits	233,001	289,988	347,052	360,574	345,061
Due to related parties	-	-	-	-	64,501
Total liabilities	12,993,522	11,195,042	13,231,580	11,371,700	11,337,803
Total assets less liabilities	42,636,720	45,538,894	52,293,047	54,982,640	58,745,940
Equity					
Capital and reserves attributable to the Fund shareholders					
Share capital	37,209,540	37,209,540	37,209,540	37,209,540	37,209,540
Retained earnings	2,525,125	5,273,834	5,611,752	6,511,462	7,482,967
Total shareholders' funds	39,734,665	42,483,374	42,821,292	43,721,002	44,692,507
Non-controlling interests	2,902,055	3,055,520	9,471,755	11,261,638	14,053,433
	42,636,720	45,538,894	52,293,047	54,982,640	58,745,940
Net asset value per share	0.71	0.76	0.77	0.79	0.80

EPPLEY CARIBBEAN PROPERTY FUND LIMITED SCC
(formerly Fortress Caribbean Property Fund Limited SCC)

Consolidated Statement of Changes in Equity

For the year ended September 30, 2018

(expressed in Barbados dollars)

Attributable to Fund shareholders

	Share capital \$	Retained earnings \$	Non- controlling interests \$	Total \$
Balance - September 30, 2014	37,209,540	7,482,967	14,053,433	58,745,940
Dividends declared 3.5 cents per share	-	(1,947,843)	-	(1,947,843)
Distributions to non-controlling interests	-	-	(1,935,000)	(1,935,000)
Total comprehensive income/(loss) for the year	-	976,338	(856,795)	119,543
Balance - September 30, 2015	37,209,540	6,511,462	11,261,638	54,982,640
Dividends declared 3.0 cents per share	-	(1,669,583)	-	(1,669,583)
Total comprehensive income/(loss) for the year	-	769,873	(1,789,883)	(1,020,010)
Balance at September 30, 2016	37,209,540	5,611,752	9,471,755	52,293,047
Dividends declared 3.5 cents per share	-	(1,947,846)	-	(1,947,846)
Distributions to non-controlling interests	-	-	(6,450,000)	(6,450,000)
Total comprehensive income for the year	-	1,609,928	33,765	1,643,693
Balance at September 30, 2017	37,209,540	5,273,834	3,055,520	45,538,894
Dividends declared 3.5 cents per share	-	(1,947,846)	-	(1,947,846)
Distributions to non-controlling interests	-	-	(215,000)	(215,000)
Total comprehensive (loss)/income for the year	-	(800,863)	61,535	(739,328)
Balance at September 30, 2018	37,209,540	2,525,125	2,902,055	42,636,720

EPPLEY CARIBBEAN PROPERTY FUND LIMITED SCC**(formerly Fortress Caribbean Property Fund Limited SCC)**

Consolidated Statement of Comprehensive (Loss)/Income

For the year ended September 30, 2018

(expressed in Barbados dollars)

	2018	2017	2016	2015	2014
	\$	\$	\$	\$	\$
Value Fund					
Revenue					
Net rental income	1,521,075	1,620,687	1,808,312	7,318,701	6,839,056
Fair value losses on investment property	(2,381,895)	(623,119)	(8,820,171)	(7,395,000)	(3,432,451)
Share of profit of investments accounted for using the equity method	1,563,000	1,854,625	3,079,283	1,700,126	1,176,793
Net (loss)/gain on sale of investment property	(118,141)	47,205	-	-	-
Net gain on financial assets at fair value through profit or loss	-	15,611	-	-	43,522
Lease surrender fee	-	-	5,925,000	-	-
Interest income	21,833	33,745	33,441	5,466	8,324
Dividend income	-	2,750	64	306	164
Other income	6,652	8,820	9,960	747	11,936
Total investment income	612,524	2,960,324	2,035,889	1,630,346	4,647,344
Expenses					
Provision for selling costs of property	-	-	1,755,500	-	-
Interest expense	480,000	479,339	478,688	607,832	724,075
Fund management fees	313,735	315,701	324,458	340,886	337,247
Investment advisor fees	313,735	315,701	324,458	340,886	337,247
Professional fees	193,058	169,569	121,768	146,253	169,536
Directors and subcommittee fees	18,527	29,445	29,437	28,527	25,757
Office and administrative expenses	11,905	17,630	18,504	22,219	38,735
Impairment charge/(recovery) for receivables	20,892	(10,754)	3,086	24,200	22,201
Operating expenditure	1,351,852	1,316,631	3,055,899	1,510,803	1,654,798
Total comprehensive income/(loss) for the year	(739,328)	1,643,693	(1,020,010)	119,543	2,992,546
Attributable to:					
Cellular property fund shareholders	(800,863)	1,609,928	769,873	976,338	1,869,120
Non- controlling interests	61,535	33,765	(1,789,883)	(856,795)	1,123,426
Total comprehensive income/(loss) for the year	(739,328)	1,643,693	(1,020,010)	119,543	2,992,546
Earnings per share - basic and diluted	(0.01)	0.03	0.01	0.02	0.03

EPPLEY CARIBBEAN PROPERTY FUND LIMITED SCC**(formerly Fortress Caribbean Property Fund Limited SCC)**

Consolidated Statement of Cash Flows

For the year ended September 30, 2018

(expressed in Barbados dollars)

	2018	2017	2016	2015	2014
	\$	\$	\$	\$	\$
Value Fund					
Cash flows from operating activities					
Total comprehensive income/(loss) for the year	(739,328)	1,643,693	(1,020,010)	119,543	2,992,546
Adjustments for:					
Fair value losses on investment property	2,381,895	623,119	8,820,171	7,395,000	3,432,451
Share of loss of investments accounted for using the equity method	(1,563,000)	(1,854,625)	(3,079,283)	(1,700,126)	(1,176,793)
Net gain/(loss) on sale of investment property	118,141	(47,205)	-	-	-
Net gain on financial assets at fair value through profit or loss	-	(15,611)	-	-	(43,522)
Impairment charge for receivables	20,892	(10,754)	3,086	24,200	22,201
Interest income	(21,833)	(33,745)	(33,441)	(5,466)	(8,324)
Interest expense	480,000	479,339	478,688	607,832	724,075
Dividend income	-	(2,750)	(64)	(306)	(164)
	<u>676,767</u>	<u>781,461</u>	<u>5,169,147</u>	<u>6,440,677</u>	<u>5,942,470</u>
Net decrease/(increase) in accounts receivable and prepaid expenses	390,521	(125,058)	(171,111)	(128,626)	(220,810)
Increase in loans receivable	-	(6,500,000)	-	-	-
Net (decrease)/increase in accounts payable and accrued expenses	1,855,467	(1,979,474)	1,873,402	(134,728)	(190,338)
Net increase/(decrease) in security and advance deposits	(56,987)	(57,064)	(13,522)	15,513	(30,545)
Net (increase)/decrease in due to/from related parties	80,339	(737,778)	(93,343)	(160,948)	64,501
Proceeds on sale of investment properties	-	16,547,205	-	-	-
Additions to investment properties	(101,895)	(473,119)	(145,171)	-	(252,451)
Purchase of financial assets at fair value through profit and loss	-	-	-	-	(754,568)
Proceeds on sale of financial assets at fair value through profit or loss	-	23,611	-	-	1,336,936
	<u>2,844,212</u>	<u>7,479,784</u>	<u>6,619,402</u>	<u>6,031,888</u>	<u>5,895,195</u>
Cash generated from operations	2,844,212	7,479,784	6,619,402	6,031,888	5,895,195
Interest received	21,833	33,745	33,441	5,466	14,251
Interest paid	(480,000)	(479,339)	(478,688)	(562,832)	(805,162)
Dividends received	-	2,750	64	306	164
Net cash generated from operating activities	<u>2,386,045</u>	<u>7,036,940</u>	<u>6,174,219</u>	<u>5,474,828</u>	<u>5,104,448</u>
Cash flows from investing activities					
Investment in associated companies	(9,387,682)	-	-	-	-
Distributions from associated companies	5,868,000	6,600,000	-	-	-
Net cash (used in)/generated from investing activities	<u>(3,519,682)</u>	<u>6,600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from financing activities					
Distributions to non-controlling interests	(215,000)	(6,450,000)	-	(1,935,000)	(1,849,000)
Dividends paid	(1,947,846)	(1,947,846)	(1,669,583)	(1,947,843)	(1,947,843)
Loan advances received	-	-	-	10,500,000	4,453,265
Repayment of loans	-	-	-	(10,327,387)	(4,000,000)
Net cash used in financing activities	<u>(2,162,846)</u>	<u>(8,397,846)</u>	<u>(1,669,583)</u>	<u>(3,710,230)</u>	<u>(3,343,578)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(3,296,483)</u>	<u>5,239,094</u>	<u>4,504,636</u>	<u>1,764,598</u>	<u>1,760,870</u>
Cash and cash equivalents - beginning of year	<u>13,534,056</u>	<u>8,294,962</u>	<u>3,790,326</u>	<u>2,025,728</u>	<u>264,858</u>
Cash and cash equivalents - end of year	<u>10,237,573</u>	<u>13,534,056</u>	<u>8,294,962</u>	<u>3,790,326</u>	<u>2,025,728</u>

AUDITOR'S CONSENT



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Barbados, W.I.

FDW/MOR/sf
gc

12 June 2019

The Directors
Eppley Caribbean Property Fund Limited SCC
1st Floor, Carlisle House
Hincks Street
Bridgetown

Attention: Debbie Fraser

Dear Sirs

Prospectus of Eppley Caribbean Property Fund Limited SCC (the "Company")

Dear Sirs:

We hereby give our consent to:

- the inclusion in the Prospectus of our auditor's report dated 12 June 2019 on the summary consolidated financial statements of Eppley Caribbean Property Fund Limited SCC for the years ended 30 September 2015 to 30 September 2018, a copy of which is attached to this letter initialed for identification purposes;
- the inclusion in the Prospectus of the audited consolidated financial statements for the year ended 30 September 2018.
- the references to our name in the form and context in which they are included in the enclosed proof of the Prospectus, which is also initialed for identification purposes.

Yours faithfully

Ernst & Young Ltd

Attachments:

1. Auditor's report on the financial statements on the summary consolidated financial statements, 2015 to 2018;
2. Prospectus dated June 2019

Initial for identification purposes:

SECTION 12 - MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION & RESULTS OF OPERATIONS

The following Management's Discussion and Analysis ("MD&A") is intended to help potential investors understand the results of operations and financial condition of the Company. The MD&A is provided as a supplement to and should be read in conjunction with, the Audited Consolidated Financial Statements of the Company and the accompanying notes.

"\$" used in this Section 12 refers to Barbados Dollars and BBD\$1=USD\$0.50 as at the date of this Prospectus.

The Value Fund produced a loss attributable to Value Fund Shareholders of \$800,863 last year or \$0.01 per Value Fund Share. The net asset value of the Value Fund was \$0.71 per share versus \$0.76 cents at the end of 2017, a decline of 6.5%. The loss was mainly driven by a decline in the fair value of the Value Fund's investment properties, most significantly at Carlisle House. During the year, Carlisle House continued to experience rising vacancy. As a result, its value fell \$2.5 million last year or about 25%.

The Value Fund's funds from operations (FFO) which excludes non-cash, non-recurring items like fair value gains from earnings was \$1,751,734 last year or \$0.031 per Value Fund Share. This compares to \$1,871,533 or \$0.034 in 2017.

The Value Fund's expense ratio was 0.56% in 2018, partially reflecting one-time charges; the average for the last five years was 0.49%. The one-time charges mostly reflect professional fees associated with the acquisition of the Company's common shares in May 2018 which were approximately \$23,500.

Last year at the Cave Shepherd main store, we exchanged lower rental payments for denominating the payments in US dollars and extending the lease term beyond 2030. Notwithstanding, the Value Fund's net operating income (NOI) due to Value Fund Shareholders actually increased slightly since our share of additional income from the Emerald City Mall outweighed this impact. Nevertheless, the FFO attributable to shareholders declined since it included our share of the interest expense on our acquisition loan at Emerald City.

The Value Fund's portfolio of 6 commercial properties, all located in Barbados and consisting of 269,848 square feet produced NOI of over \$8.5 million last year. The NOI attributable to Value Fund Shareholders, which considers the Value Fund's percentage ownership of our various properties and management fees, was \$2,449,844. This equates to an NOI yield of 5.2%.

VALUE FUND FINANCIAL PERFORMANCE SUMMARY

	2018	2017
NOI attributable to Value Fund Shareholders	2,449,844	2,445,088
Interest expense	(480,000)	(479,339)
Interest and other income	28,485	45,315
Interest expense of investments accounted for using Equity Method	(246,595)	(139,531)
FFO attributable to Value Fund Shareholders	1,751,734	1,871,533
Fair value losses on investment properties	(2,381,895)	(623,119)
Net (loss)/gain on investment property	(118,141)	47,205
Impairment (charge)/recovery for receivables	(20,892)	10,754
Non-cash charges of investments accounted for using the Equity Method	(31,669)	303,555
Comprehensive (loss)/income per year attributable to Value Fund Shareholders	(800,863)	1,609,928
FFO per Value Fund Share	0.031	0.034
Earnings per Value Fund Share	(0.014)	0.030

Acquisitions and Disposals

The Value Fund executed two significant acquisitions last year: the purchase of a 30% stake in the Emerald City Mall and an increase in our stake in the Cave Shepherd Building to 36%. The Emerald City Mall is a 78,488 square foot shopping complex located in Six Cross Roads, St. Philip, Barbados. The Value Fund purchased 30% of Emerald City in a sale and leaseback transaction with our partners. Emerald City's tenants include A-One Supermarkets, Courts and Republic Bank. Since the transaction only closed in January the Value Fund recorded just nine months of results from our ownership interest in the Emerald City Mall in 2018.

The Value Fund owns our interest in the Cave Shepherd Building in Bridgetown through the CS&C joint venture. In September 2018 we completed a transaction with our partners to increase the leverage on the property and to use the proceeds to acquire the interest of a former partner, B.S. & T. (Pensions) Limited's shares in CS&C. The Value Fund also bought an additional interest in CS&C outright.

As a result, we increased our stake from 24% to 36%. Following the transaction, our interest in the Cave Shepherd Building is the largest investment in the Value Fund and we are in turn its largest owner. Both transactions allowed the Value Fund to acquire tenanted properties with strong income yields on fair terms enhanced by attractive financing terms.

Funding and Liquidity

The Value Fund ended the year with a significant cash balance of \$10.2 million, reflecting the proceeds of recent asset sales including the Carters properties and the BET building. Additionally, the Value Fund was owed a Vendor's note of \$6.5 million in relation to the BET building, the same having now been paid, increases the Value Fund's cash balance by our share of the note or \$3.7 million. The remaining \$2.8 million was paid to our joint venture partners Sagicor Life Inc. and the National Insurance Board. Approximately \$10.7 million of the Value Fund's cash is being held in escrow by NCB Capital Markets (Barbados) Limited in respect of the Bridge Financing.

The Value Fund's only direct debt liability is our \$10.6 million of medium-term notes. A tranche of these notes matured in July 2018 and were successfully rolled to 2021 at an interest rate of 4%. The Value Fund's CS&C and Emerald City joint ventures also have mortgages which are secured by their respective properties.

The combination of the Value Fund's cash and its access to attractive financing provides it with the ability to decisively execute large commercial property transactions when the opportunity arises including those that will be acquired through the use of proceeds of the Invitation.

Management's Discussion & Analysis for the Value Fund for the Period October 1 to March 31, 2019

The Value Fund experienced significant increases in all three key financial performance indicators so far in 2019 which will be the first full year the Value Fund has been managed by Eppley Fund Managers.

Specifically, net operating income (NOI), funds from operations (FFO) and earnings attributable to Value Fund Shareholders all increased by at least 50%.

The Value Fund recorded earnings attributable to Value Fund Shareholders of \$1,214,840 for the six-month period from October 1 to March 31, 2019, a 56% increase relative to the corresponding period last year. Earnings growth was largely driven by the Fund's 30% acquisition stake in Emerald City Mall and its increased stake in the Cave Shepherd Building.

The net asset value (NAV) of the Value Fund was \$0.71 per share as of March 31, 2019.

The Value Fund recorded \$1,171,022 in FFO attributable to Value Fund Shareholders or \$0.021 per share for the period October 1 to March 31, 2019, a 61% increase relative to performance last year. The Fund recorded \$729,459 or \$0.013 per Value Fund Share for the corresponding period last year.

The Value Fund's NOI attributable to Value Fund Shareholders was \$1,598,216, a 56% increase relative to last year.

VALUE FUND FINANCIAL PERFORMANCE SUMMARY

OCTOBER 1, 2018 TO MARCH 31, 2019

	MARCH-19 \$	MARCH-18 \$
NOI attributable to Value Fund Shareholders	1,598,216	1,023,844
Interest expense	(241,205)	(241,973)
Interest and other income	65,890	18,166
Interest expense of investments accounted for using Equity Method	(251,879)	(70,578)
FFO attributable to Value Fund Shareholders	1,171,022	729,459
Fair value gains on investment properties	40,000	27,118
Net (loss)/gain on investment property	-	-
Impairment (charge)/recovery for receivables	-	-
Non-cash charges of investments accounted for using the Equity Method	3,818	24,161
Comprehensive income/(loss) per year attributable to Value Fund Shareholders	1,214,840	780,738
FFO per Value Fund Share	0.021	0.013
Earnings per Value Fund Share	0.022	0.014

Funding and Liquidity

The Value Fund ended the quarter with a cash balance of \$11.8 million. The Value Fund has now received its share of the Vendor's note at the BET JV of approximately \$3.7 million.

Other

Investment properties as of March 31, 2019 was \$17.8 million or \$2.3 million lower than at the end of the second quarter in 2018. This mostly reflected fair value losses at Carlisle House. Accounts receivables and prepayments as of March 31, 2019 was \$803,435, significantly higher than the accounts receivable and prepayment balance at the end of the corresponding period in the prior year mostly reflecting a deposit paid for our planned acquisition of the Angels Industrial Estate. Loans payable, which solely consists of our bond program, was flat. Amounts due from related parties increased during the period mainly accounting for our share of distributions due from the Emerald City Trust. Finally, our share of profits from investments using equity accounting was \$1,064,291 in the six-month period ending March 31, 2019, a 46% increase over the corresponding period last year.

SECTION 13 - IN HOUSE FINANCIAL INFORMATION

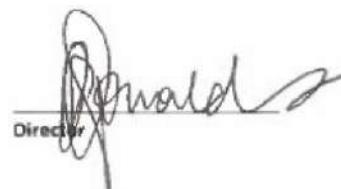
Eppley Caribbean Property Fund Limited SCC- Value Fund
(formerly Fortress Caribbean Property Fund Limited SCC)
Unaudited Consolidated Statement of Financial Position
As at March 31, 2019
(expressed in Barbados dollars)

	Unaudited March 31, 2019	Unaudited March 31, 2018	Audited September 30, 2018
	\$	\$	\$
Assets			
Investment properties	17,810,000	20,120,000	17,770,000
Investment in associated company	19,482,105	18,119,266	19,997,671
Loans receivable	-	6,500,000	6,500,000
Accounts receivable and prepaid expenses	803,435	396,079	277,769
Due from related parties	746,435	529,665	847,229
Cash & cash equivalents	11,872,353	9,594,994	10,237,573
Total assets	50,714,328	55,260,004	55,630,242
Liabilities			
Loans payable	10,620,000	10,580,000	10,580,000
Accounts payable and accrued expenses	210,583	247,390	2,180,521
Security and advanced deposits	235,047	244,640	233,001
Total liabilities	11,065,630	11,072,030	12,993,522
Total assets less liabilities	39,648,698	44,187,974	42,636,720
Equity			
Share capital	37,209,540	37,209,540	37,209,540
Retained earnings	2,404,299	4,106,726	2,525,125
Total shareholders' funds	39,613,839	41,316,266	39,734,665
Non-controlling interests	34,859	2,871,708	2,902,055
	39,648,698	44,187,974	42,636,720
Net asset value per share	\$0.71	\$0.74	\$0.71

Approved:



Director
April 30th, 2019



Director

Eppley Caribbean Property Fund Limited SCC- Value Fund
(formerly Fortress Caribbean Property Fund Limited SCC)
Unaudited Consolidated Statement of Comprehensive Income
For the six-month period ended March 31, 2019
(expressed in Barbados dollars)

	Unaudited Six-month period ended March 31, 2019	Unaudited Six-month period ended March 31, 2018	Audited Year ended September 30, 2018
	\$	\$	\$
Revenue			
Net rental income	730,771	723,511	1,521,075
Fair value gains/(losses) on investment property	40,000	27,118	(2,381,895)
Share of profit of investments using equity accounting	1,064,291	730,391	1,563,000
Net (loss) on sale of investment property	-	-	(118,141)
Interest income	65,890	18,166	21,833
Other income	-	-	6,652
Total investment income	1,900,952	1,499,186	612,524
Expenses			
Interest Expense	241,205	241,973	480,000
Fund management fees	147,542	157,168	313,735
Investment advisor fees	147,542	157,168	313,735
Professional fees	93,121	110,331	193,058
Directors and subcommittee fees	1,280	12,478	18,527
Office and administrative expenses	9,030	8,142	11,905
Impairment charge on receivable	11,087	-	20,892
Operating expenditure	650,807	687,260	1,351,852
Total comprehensive income/(loss) for the period	1,250,145	811,926	(739,328)
Attributable to:			
Cellular property fund shareholders	1,214,840	780,738	(800,863)
Non-controlling interests	35,305	31,188	61,535
Total comprehensive income/(loss) for the period	1,250,145	811,926	(739,328)
Earnings/(Loss) per share	\$0.02	\$0.01	\$(0.01)

Eppley Caribbean Property Fund Limited SCC- Value Fund
(formerly Fortress Caribbean Property Fund Limited SCC
Unaudited Consolidated Statement of Changes in Equity
For the six-month period October 1, 2018 - March 31, 2019
(expressed in Barbados dollars)

	Attributable to Fund shareholders			Total
	Share capital \$	Retained earnings \$	Non-controlling interests \$	
Balance- September 30, 2017	37,209,540	5,273,834	3,055,520	45,538,894
Dividend declared (0.035 cents per share)	-	(1,947,846)	-	(1,947,846)
Distributions to non- controlling interests	-	-	(215,000)	(215,000)
Total comprehensive loss for the year	-	(800,863)	61,535	(739,328)
Balance- September 30, 2018	37,209,540	2,525,125	2,902,055	42,636,720
Distributions to non-controlling interests	-	-	(2,902,501)	(2,902,501)
Dividend declared (0.024 cents per share)	-	(1,335,666)	-	(1,335,666)
Income for the period	-	1,214,840	35,305	1,250,145
Balance- March 31, 2019	37,209,540	2,404,299	34,859	39,648,698

Eppley Caribbean Property Fund Limited SCC- Value Fund
(formerly Fortress Caribbean Property Fund Limited SCC
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
Dividend declared (0.035 cents per share)	-	(1,947,846)	-	(1,947,846)
Distributions to non- controlling interests	-	-	(6,450,000)	(6,450,000)
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

Eppley Caribbean Property Fund Limited SCC- Value Fund
(formerly Fortress Caribbean Property Fund Limited SCC)
Unaudited Consolidated Statement of Cashflows
For the six-month period October 1, 2018 - March 31, 2019
(expressed in Barbados dollars)

	Unaudited Six-month period October 1, 2018 – March 31, 2019	Unaudited Six-month period October 1, 2017 - March 31, 2018	Audited Year ended September 30, 2018
	\$	\$	\$
Cash flows from operating activities			
Total comprehensive income for the period	1,250,145	811,926	(739,328)
Adjustment for:			
Fair value (gains)/losses on investment property	(40,000)	(27,118)	2,381,895
Share of (gain) of investments accounted for using the equity method	(1,064,291)	(730,391)	(1,563,000)
Net loss on sale of investment property	-	-	118,141
Impairment charge for receivables	-	-	20,892
Interest income	(65,890)	(18,166)	(21,833)
Interest expense	241,205	241,973	480,000
Operating income before working capital changes	321,169	278,224	676,767
Net (increase)/decrease in accounts receivable and prepaid expenses	(525,666)	293,103	390,521
Net decrease in due to/from related parties	100,794	397,903	80,339
Net decrease in loans receivable	6,500,000	-	-
Net (decrease)/increase in accounts payable and accrued expenses	(1,969,938)	(77,664)	1,855,467
Increase/(decrease) in security deposits	2,046	(45,348)	(56,987)
Purchases/additions to investment property	-	(42,882)	(101,895)
Cash generated from operations	4,428,405	803,336	2,844,212
Interest received	65,890	18,166	21,833
Interest paid	(201,205)	(241,973)	(480,000)
Net cash generated from operating activities	4,293,090	579,529	2,386,045
Cash flows from investing activities			
Investment in associated companies	-	(3,051,745)	(9,387,682)
Distributions from associated companies	1,579,857	696,000	5,868,000
Net cash generated from/(used) in financing activities	1,579,857	(2,355,745)	(3,519,682)
Cash flows from financing activities			
Distributions to non-controlling interests	(2,901,501)	(215,000)	(215,000)
Dividends paid	(1,335,666)	(1,947,846)	(1,947,846)
Net cash (used) in financing activities	(4,238,167)	(2,162,846)	(2,162,846)
Net increase/(decrease) in cash and cash equivalents	1,634,780	(3,939,062)	(3,296,483)
Cash and cash equivalents at beginning of the period	10,237,573	13,534,056	13,534,056
Cash and cash equivalents at end of the period	11,872,353	9,594,994	10,237,573

SECTION 14 - RISK EXPOSURES & RISK MANAGEMENT POLICIES

The Company's activities expose it to a variety of financial risks including, decreases in the fair value of its investments, credit risk, market risk (including currency risk, price risk and interest rate risk), and liquidity risk. The Company's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimize the potential adverse effects on the Company's financial performance.

Further, the Board of Directors is ultimately responsible for the establishment and oversight of the risk management framework. The Board has established an Audit and Risk Committee for managing and monitoring risks comprised of the following board members:

1. Sharon Donaldson, Chair (Non-executive, independent);
2. Roger Cave (Non-executive, independent);
3. Richard Luck (Non-executive, independent); and
4. Nicholas Scott (Non-executive).

The Audit Committee is responsible for (i) assisting the Board of Directors in its oversight of the financial statements and the financial reporting process, including the system of disclosure controls, (ii) the performance of the Company's internal audit function and the independent registered public accounting firm, including its appointment, qualifications, compensation and independence (iii) the effectiveness of the Company's systems of internal controls and policies and procedures for risk assessment and risk management, and (iv) the effectiveness of the Company's procedures for risk assessment and risk management of material credit, interest rate, liquidity, operational, legal and compliance, and other material risks, and the adequacy of capital available to absorb such risks.

The risks mentioned in this Section are not to be taken as being exhaustive of all the possible risks that may affect the Company and its business.

Investment Risk

The Company intends to make use of the proceeds from the subscriptions for Value Fund Shares to repay the Bridge Financing, to purchase the Acquisition Properties and to fund its pipeline of future commercial property acquisition opportunities in the Caribbean. The Acquisition Properties are the subject of offers to purchase and/or executed agreements for sale and in any event, there is the risk that one or more of the purchases will not close as contemplated by the offers to purchase and/or agreements for sale. Similarly, the Company's pipeline of future commercial property acquisition opportunities may not be converted to completed acquisitions as anticipated or take longer than expected to materialize. In the event that any proceeds from the subscription for Value Fund Shares are not applied towards the purchase of the Acquisition Properties or the current acquisition pipeline, the Company will seek to make use of such funds not so applied, towards the purchase of other tenanted commercial properties as may become available for purchase, which the Directors determine will thereby contribute to good investment returns for the benefit of the Company.

Related Party Risk

The Company intends to use the proceeds to purchase properties from vendors which may be related to the Company by virtue of overlapping directors. The Company also intends to purchase properties from third-parties which may have tenants which are related to the Company by virtue of overlapping directors.

In all such circumstances, any overlapping directors have and will recuse themselves from any deliberations regarding the acquisitions in question in accordance with the Company's corporate governance policies. Furthermore, all purchase prices and rental rates in such circumstances are arms' length by virtue of either independent valuations from qualified appraisers and/or NOI yields in line or superior to the Company's existing portfolio.

Credit Risk

The Company takes on exposure to credit risk, which is the risk that its tenants, customers, its investors or counterparties will cause a financial loss for the Company by failing to discharge their contractual obligations. Credit risk also includes the risk associated with the decline in the credit rating of an asset due to financial difficulties experienced by the Company.

Credit risk involves an increased risk of default and thus requires a higher rate of return to compensate investors for losing a portion or all of their money.

Currency Risk

Currency risk is the risk that the fair value of future cash flows will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Barbadian dollar, Jamaican dollar and other currencies. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. The Company also has certain investments in foreign operations, the net assets of which are exposed to foreign currency translation risk.

The Company manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions and by seeking to diversify its holdings geographically.

Fair values of Investment Properties

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of the Company's investment properties is determined by independent qualified appraisers.

Liquidity Risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and other liquid assets, and maintaining the availability of funding through an adequate amount of committed credit facilities. Liquidity risk also includes the risk associated with the loss of value of a security by liquidating the security prior to maturity. In addition, liquidity risk relates to the time it takes to dispose of a security; that is, the speed with which a particular security can be converted to cash.

The Company's liquidity management process, as carried out within the Company and monitored by the Board of Directors and Fund Managers, primarily includes, monitoring future cash flows and liquidity on an ongoing basis and managing the concentration and profile of debt maturities.

Regulatory Risks

The Company's business is subject to and governed by statutory regulations which may be changed in the future and such changes may affect its profitability. If such rules become onerous from the point of view of the Company or its clients this may require the Company to recapitalize, or to change its business operations, and in any case, changes in such regulatory rules or standards may affect its long-term profitability.

Economic Risk

The economies where the Company has operations may experience unfavorable performance based on their macro-economic variables such as; low GDP, high unemployment, low capital reinvestment rates and adverse balance of payments. The risk of economic downturn is mitigated by the geographical diversification of the assets held by the Company.

Geographic Risk

The business model and scale of the Company is geographically diversified serving to minimize on risks that would obtain as a result of heavy investment concentration in any single economy and also currency risks. The Company will continue to manage these risks through continued expansion of investments on a regional basis.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Board of Directors monitors the return on capital, which the Company defines as net operating income (excluding non-recurring items) divided by total equity (excluding non-redeemable preference shares and non-controlling interests).

New Accounting Rules or Standards

The Company may become subject to new accounting rules or standards that are different from those that are presently applicable. Such new accounting rules or standards could require significant changes in the way the Company currently reports its financial position, operating results or cash flows. Such changes could be applied retrospectively. This is a risk that is common to companies that apply International Financial Reporting Standards (IFRS).

Operational Risk

The Company is also subject to the risk of loss resulting from disruptions to its business, inadequate or failed internal processes, people and systems or from external events (including severe weather, other acts of God or social unrest). These also include systematic risk (including risk of accounting errors, failure to procure adequate insurance coverage, and compliance failures), legal risk and reputational risks. The Directors consider that the Company is prudent and that it insures itself against some (but not all) of these risks. It may not be feasible for the Company to insure itself in respect of all of the risks mentioned, because no coverage may be available or it is not economical to do so.

Share Price Volatility

Following the proposed admission to trading on the JSE, the Value Fund Shares thereby listed may experience volatility in market price, or flat trading, being very infrequent or insignificant volumes of trading, either of which may extend beyond the short-term and which may be dependent on the Company's financial performance, as well as on investor confidence and other factors over which the Company has no control. In either case the market price of the Value Fund Shares may be negatively affected or constrained from growing.

Change of Policies

The Company's operating and financial policies, including its policies with respect to growth, operations, indebtedness, capitalization and dividends may be changed by its Board of Directors without the approval of its shareholders. These policies are exclusively determined by the Company's Board of Directors in consultation with the Fund Managers, accordingly, the Company's shareholders do not control these policies.

Control of the Company

The Value Fund Shares in the Invitation will not confer legal or effective control of the Company on the Applicants. The Company is controlled by the Board of Directors under the guidance of the Chairman and Chief Executive Officer.

Admission of the Value Fund Shares to the Main Market of the JSE

After the Closing Date, and assuming that the Invitation is able to raise J\$650 million by no later than the Closing Date, the Company will make an application to the JSE to admit the Value Fund Shares to the Main Market. The application for listing is dependent on the success of the Invitation in raising the stated funds in the stated time and other criteria set out in the JSE Rules. Neither the Company nor the Directors are able to guarantee the success of the Invitation or the admission of the Value Fund Shares to the Main Market.

Taxation of Listed Value Fund Shares

Transfers of any Value Fund Shares on the JSE and BSE are exempt from transfer tax and stamp duty in Jamaica and Barbados. Dividends received by a Shareholder not resident in Barbados may, however, be subject to tax in the country where the Shareholder is resident.

Foreign resident Value Fund Shareholders may be subject to lower or higher rates of income tax. Each prospective Value Fund Shareholder should consult with an independent adviser as to the rate of taxes that is applicable to the Value Fund Shareholder.

Risk of Catastrophic Events

Property and casualty insurers are subject to claims for property damage and business interruption arising out of natural disasters and other catastrophes, which may have a significant impact on their results of operations and financial condition. Natural disasters and other catastrophes can be caused by various events including, but not limited to, hurricanes, earthquakes, tornadoes, wind, hail, fires and explosions, and the incidence and severity of natural disasters and other catastrophes are inherently unpredictable.

The extent of losses from a catastrophe is a function of 2 factors: the total amount of insured exposure in the area affected by the event and the severity of the event. Most natural disasters and other catastrophes are localized; however, hurricanes, earthquakes and floods have the potential to produce significant damage in widespread areas.

Payment of Dividends

The payment of dividends on the Value Fund Shares after the Invitation will be primarily dependent on the Company's future profitability. See further details at the section entitled Dividend Policy above.

Issue of additional shares

The Directors may hereafter authorize the issue of additional cellular shares in the Value Fund. Such Value Fund Shares, once issued, may rank *pari passu* with and/or in priority of the existing Value Fund Shares and may be listed on the JSE, BSE and the TTSE or on any other stock exchange(s). Additional Value Fund Shares so issued could affect the market price of the Value Fund Shares currently being offered.

Segregated Cell Company

Cellular dividends may be paid in respect of the Value Fund Shares by reference only to the cellular assets and liabilities attributed to the fund in respect of which the Value Fund Shares were issued i.e. the Value Fund. In determining the cellular dividend payment, no account is taken of the profits and losses or assets and liabilities attributable to any other cell of the Company e.g. the segregated cell of the Company known as the Development Fund. Upon liquidation, dissolution or winding up of the Company, holders of Shares shall be entitled to receive after payment of all liabilities of the Company attributable to the Value Fund, the assets represented by the stated capital and reserves attributable or held within or for the account of the Value Fund only. For the avoidance of doubt, reserves includes retaining earnings, capital reserves, revaluation surpluses and contributed surpluses.

Closed-Ended Mutual Fund

The Company is a closed-ended mutual fund. A closed-ended mutual fund represents an investment into shares of a fund which the fund manager does not generally redeem (buy back) on an on-going basis. Shares of closed-ended mutual funds are traded in securities markets, through brokers, at prices determined by supply and demand and differ from open-ended mutual funds whose shares are issued and redeemed by the fund company with reference to the net asset value of the fund.

Exchange Control

Barbados has a regime of exchange control regulations administered by the Central Bank of Barbados. Capital transactions by non-residents involving the purchase of shares in Barbados corporations or the acquisition of real property and the payment of dividends or interest or the repayment of foreign currency debt are subject to the prior approval of the Central Bank of Barbados. Similar requirements exist for residents of Barbados to invest abroad or borrow in foreign currency. The BSE has been given delegated authority by the Central Bank of Barbados to grant permission to shareholders of shares listed on the BSE.

SECTION 15 - STATUTORY & GENERAL INFORMATION:

Statutory Information required to be set out in this Prospectus by: (i) section 373 and the Third Schedule to the Jamaica Companies Act, (ii) the Barbados Companies Act and its regulations, (iii) the Barbados Securities Act and its regulations, and (iv) the Barbados Mutual Funds Act and its regulations (together the “Applicable Statutory Requirements”) and other general information follow.

1. The Company has no founders or deferred shares. Eppley Fund Managers Limited holds 100% of the issued and outstanding common shares in the Company.
2. The Articles fix no shareholding qualification for the directors.
3. The provision of the By-Laws of the Company which relates to the remuneration of Directors provides as follows: “Subject to the Articles or any unanimous shareholders agreement the directors shall be paid such remuneration as the Common shareholder may by resolution from time to time determine. Any remuneration so payable to a director who is also an officer or employee of the Company or who is counsel or attorney-at-law to the Company or otherwise serves it in a professional capacity shall, unless the Board shall otherwise determine, be in addition to his salary as such officer or employee of to his professional fees as the case may be.

The board may by resolution from time to time award special remuneration out of the funds of the Company to any director who performs any special work or service for, or undertakes any special mission on behalf of the Company outside the work or services ordinarily required of a director of the Company, and the confirmation of any such resolution or resolutions by the Common shareholders shall not be required. In addition, the directors shall also be paid such sums in respect of their actual out-of-pocket expenses properly incurred in attending Board or any committee thereof or otherwise in respect of the performance by them of their duties as the Board may determine.

If any director or officer of the Company is employed by or performs services for the Company otherwise than as a director or officer or is a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Company, the fact of his being a shareholder, director or officer of the Company shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving remuneration for such services.”

4. See disclosure below on Directors’ fees. The Directors may be remunerated for acting in such capacity from time to time in accordance with the Articles and By-Laws of the Company.
5. The Offer Opening Date: June 28, 2019.
6. The Offer Closing Date: July 12, 2019.
7. J\$46.18 is payable on submission of the Application in respect of each Value Fund Share.
8. 97,448,157 Value Fund Shares are being offered for subscription.
9. The names, descriptions and addresses of the Directors are included below:

NAME	RESIDENTIAL ADDRESS	OCCUPATION
Nicholas Scott	4 A Manor Court, Kingston, Jamaica	Business Executive
P.B. Scott	58 Half Way Tree Road, Kingston, Jamaica	Business Executive
Melanie Subratie	58 Lady Musgrave Road, Kingston 6, Jamaica	Business Executive
Roger Cave	Cottage No. 3 Rowans, St. George, Barbados	Business Executive
Sharon Donaldson	9 Waterloo Mews, Kingston 10, St. Andrew, Jamaica	Business Executive
Jeffrey Hall	Jonkers, Hermitage Dam Road, Stony Hill, St. Andrew, Jamaica	Business Executive
Damian J. Duncan	32 Trafalgar Road, Kingston, Jamaica	Business Executive
Richard Luck	79-81 Slipe Road, Kingston 5, Jamaica	Business Executive

10. In the opinion of the Directors, the minimum amount of J\$650 million is expected to be raised by the Company out of the proceeds to provide for matters set out in the Applicable Statutory Requirements and the amount of J\$4.5 billion is to be used as set out at the “Use of Proceeds” sections above including, as contained in the Message from the Chairman.
11. No previous offers of the Value Fund Shares have been made to the public in Jamaica.
12. The price for each Value Fund Share is J\$46.18.
13. All Applicants will be required to pay in full the applicable price per Value Fund Share along with the JCSD processing fees as specified in this Prospectus. No further sum will be payable on allotment.
14. The Company has the following investments: cash and cash equivalents of BBD\$10,237,573 and BBD\$11,872,353 as of September 30, 2018 and March 31, 2019 respectively. Please refer to the Audited Financial Statements and Unaudited Financial Statements attached herein.
15. No value for Goodwill is stated on the balance sheet for the Company. Please refer to the Audited Financial Statements attached herein.
16. Aggregate bonds as at September 30, 2018 and March 31, 2019 amount to BBD\$10,580,000 and BBD\$10,620,000 respectively. Please refer to the Audited Financial Statements and Unaudited Financial Statements attached herein. The Bridge Financing incurred subsequent to March 31, 2019 has a principal value of J\$589 million or approximately BBD\$9,000,000.
17. The proceeds from the subscription of Value Fund Shares are intended to be applied towards the fees and expenses associated with the Invitation, the repayment of the Bridge Financing, the purchase of the Acquisition Properties and the funding of future commercial property acquisitions across the Caribbean.
18. Within the last two years preceding the date of this Prospectus no amount or benefit has been paid or given or is intended to be paid or given to any promoter save for: NCBCM for financial advisory services associated with the issue and the listing of the Value Fund Shares on the JSE under an agreement dated May 24, 2019 (the “NCBCM Agreement”). The NCBCM Agreement provides for NCBCM to act as Lead Adviser to the issue (inclusive of transaction management services, company valuation, arrange lead brokerage, and the development of a marketing strategy for the purposes of the Invitation).
19. The Company expects to pay the expenses of the Invitation out of the proceeds of its fundraising, and the Company estimates that such expenses will not exceed J\$107,809,283 (inclusive of brokerage and financial advisory fees, underwriter fees, financial consultant’s fees, legal fees, consultancy fees, auditors’ fees, listing fees, registration fees, marketing expenses, Companies Registrars’ fees, initial fees and value added tax). This J\$107,809,283 estimate includes the fees stated in the table below.

The name and addresses of the auditors to the Company is Ernst & Young Limited, of One Welches, Welches, St. Thomas, Barbados.
20. Ernst & Young Limited has given and not withdrawn its consent to issue the Prospectus with the inclusion of the Financial Information, and its name in the form and context in which it is included. A copy of this consent has been lodged with the Registrar of Companies, Barbados as required pursuant to section 292 (2) of the Barbados Companies Act.
21. Clarke Gittens Farmer and Patterson Mair Hamilton have given and have not withdrawn their consent to act in the capacity of attorneys-at-law in relation to this Prospectus. Copies of these consents have been lodged with the Registrar of Companies, Barbados as required pursuant to section 292 (2) of the Barbados Companies Act.
22. Contracts signed within the past 2 years and prior to the issuing of this Prospectus were entered into in the normal course of business.
23. No person has, or is entitled to be given, any option to subscribe for any share (including any Share) in, or debentures of, the Company.

24. The proceeds of the issue will not be applied wholly or partly, directly nor indirectly in the purchase of any business by the Company.
25. The proceeds of the issue will not be applied wholly or partly, directly nor indirectly in any manner resulting in the acquisition by the Company of shares in any other undertaking.
26. Provisions of the Articles and By-Laws relating to the voting rights conferred by and the rights in respect of capital and dividends attaching to the cellular shares of the Value Fund in the capital of the Company are set out below.

Paragraph 1.3 of Schedule 1 B of the Articles of Amendment dated September 26, 2013

“The rights and privileges of the Value Fund Shareholders are equal in all respects and include the right:

1.3.1 To receive notice of and attend all meetings of shareholders of the Company but not to vote at any such meeting except on the matters particularly set out hereinafter:

- i) the liquidation of the Value Fund;*
- ii) the winding up of the Company;*
- iii) the reconstruction of the Company, and/or the amalgamation of the Company and/or the Value Fund with any other company or mutual fund.*
- iv) in circumstances where the Companies Act specifically confers upon shareholders the right to vote whether or not the shares held by them otherwise carry the right to vote.*

1.3.2. To receive cellular dividends when declared by the directors. A holder of any fractional Value Fund Shares is entitled to receive dividends in respect of that share to the extent of such fraction.

1.3.3. Upon liquidation, dissolution or winding up of the Company or other distribution of the assets of the Company for the purpose of winding up its affairs, the Value Fund Shareholders shall be entitled to receive, after payment of all liabilities of the Company attributable to the Value Fund, the assets represented by the stated capital and reserves attributable or held within or for the account of the segregated cell known as the Value Fund. For the avoidance of doubt reserves includes retained earnings, capital reserves, revaluation surpluses, and contributed surpluses.”

By-Law No. 2 dated August 29, 2013 (“By-Law No. 2”)

Paragraph 3.1 of the By-Law No. 2 provides, among other things, that “all Fund Shareholders will have an interest in an undivided proportion of the assets of the segregated cell of which they are stakeholders through their holdings of either the Value Fund Shares and/or the Development Fund Shares”.

Paragraph 3.1.1 of the By-Law No. 2 provides that “each Value Fund Shares secured an equal share in the distribution of the net income and net capital gains and participates equally in all other respects in the segregated cell known as the Value Fund”.

Paragraph 20.1 of the By-Law No. 2 provides that “upon any Resolution being passed to wind up the company the following supplemental provisions shall apply.” Paragraph 20.2 of the By-Law No. 2 further provides that “the Fund Shareholders shall be entitled to all of the net proceeds, after satisfying the cost of realization, of the assets of the Cell represented by the shares held.”

27. Save for such amount already recommended for distribution by way of dividend and accordingly paid, no further amount is recommended for distribution as at the date of this Prospectus.
28. Neither the Company nor any of its subsidiaries is currently engaged in any material litigation, nor are they aware of any pending material litigation.

29. The subscription price of Value Fund Shares on any issue (since the initial issue) is required to be such amount as may be determined by the directors of the Company which is not less than the per share net asset value of the assets which constitute the investment portfolio of the Value Fund at the most recent valuation date, plus a sales or commission charge of not more than 2% of the subscription price.
30. There shall be paid to the manager of the Value Fund an annual charge of 1.50% per annum of the net asset value of the Value Fund calculated on the net asset value of the Value Fund.
31. The directors of the Company may from time to time pay such brokerage and commission expenses out of the assets of the Value Fund for services rendered in connection with the marketing and promotion of the Value Fund Shares and for the buying and selling of investments and securities for the Value Fund's portfolio. The Value Fund shall bear the cost of all other reasonable expenses appertaining to the Value Fund including audit, legal, printing and stationery costs.
32. The manager of the Value Fund is authorised to pay out of the assets of the Value Fund all expenses, fees, charges, taxes and liabilities incurred or arising in connection with the management thereof, including but not limited to, the compensation of the manager of the Value Fund and such expenses and charges for the services of the officers, employees, investment advisers or fund managers, auditors, counsel and such other agents or independent contractors and such other expenses and charges as the directors of the Company may deem necessary or proper to incur. Without prejudice to the generality of the foregoing, there may be charged to the assets of the Value Fund the costs incurred in the preparation of any prospectus advertising and marketing of the Value Fund Shares, the cost of preparing any supplementary or substituted prospectus or information memorandum on the Value Fund and the costs of keeping the register.
33. The Company is not in default with respect to any filings required to be made by the Company pursuant to the Barbados Securities Act and its regulations, the Barbados Mutual Funds Act and its regulations or any other legislation or enactment applicable to the Company.

SECTION 16 - DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of NCB Capital Markets Limited, “The Atrium”, 32 Trafalgar Road, Kingston 10 and NCB Capital Markets (Barbados) Limited, 2nd Floor Vista Complex, Worthing, Christ Church, Barbados between the hours of 9:00 a.m. to 4:00 p.m. on Mondays to Fridays, up to and including the Closing Date (or the extended Closing Date as the case may be):

1. This Prospectus
2. Prospectus dated January 31, 2014 published in connection with the listing of, among other things, the Existing Value Fund Shares on the BSE and the TTSE.
3. Certificate of Incorporation dated May 7, 1999, Articles of Incorporation dated May 7, 1999, Certificate of Amendment dated October 1, 2013, Articles of Amendment dated September 26, 2013, Certificate of Amendment dated June 15, 2018 and Articles of Amendment dated May 10, 2018.
4. Mutual Fund Licence for the Company issued by the Barbados FSC for the year ending December 31, 2019;
5. Mutual Funds General Administration Licence for Eppley Fund Managers Limited issued by the Barbados FSC for the year ending December 31, 2019;
6. The Revised By-Law No. 1 of the Company dated August 29, 2013 and the Revised By-Law No. 2 of the Company dated August 29, 2018.
7. The Audited Financial Information for the years ending 2016 to 2018.
8. The consent of the Auditor to the inclusion of their names and references thereto in the form and context in which they appear in this Prospectus.
9. Bridge Financing documents.
10. NCBCM Agreement.
11. Copies of Appraisal Reports for all properties owned by the Value Fund and the Acquisition Properties excluding the Prospective Class A Office Building.

Potential Investors may also view additional material on the Company at <http://www.eppleylimited.com>

DIRECTORS SIGNATURES

This Prospectus is dated June 15, 2019.

The Directors whose signatures appear below are individually and collectively responsible for the contents of the Prospectus and each has signed his/her respective signature page (as same may be signed in counterparts) pursuant to a resolution of the Directors authorizing the issue of this Prospectus:

Nicholas A. Scott	
Paul B. Scott	
Jeffrey Hall	
Melanie Subratie	
Roger Cave	
Sharon Donaldson	
Damian Duncan	
Richard Luck	

APPENDIX 1 – SUMMARIES OF MATERIAL CONTRACTS

Property	Lessee	Selected Tenants	Lease Type	Currency Denomination	Lease Expiration
Cave Shepherd Building	Duty Free Caribbean	Cave Shepherd	Triple Net	USD	2032
24 Broad Street	Duty Free Caribbean	Colombian Emeralds International; Cave Shepherd; other retailers and restaurants under sub-lease agreements	Triple Net	BBD	2021
Sunset Crest Mall	Duty Free Caribbean	Various	Triple Net	BBD	2029
Emerald City Mall	Emerald City Developers Inc.	A One Supermarkets; Courts; Republic Bank	Triple Net	BBD	2032
Chattel Village	The Gourmet Shop; Southern Caribbean Trading	The Gourmet Shop; Southern Caribbean Trading ⁹	Operating	BBD	Nearest lease expiration occurs in 2019
Carlisle House	Fortress Fund Managers; Eppley Fund Managers Limited	Fortress Fund Managers; Eppley Fund Managers Limited; Cable & Wireless ¹⁰	Operating	BBD	Nearest lease expiration occurs in 2019

⁹ Remaining tenants are: Best of Barbados, Silver Beach, The Studio Images & Interiors, Klassy Klothng, I-Candi, Messel House, Ganzee, Arabelle, The Bungalow, Bajan Breeze Management

¹⁰ Remaining tenants are: Cool Runnings, Fisherman's Corner, New World Capital, Norton Lilly, James Hair shop and TEN Habitat

APPENDIX 2 – SUMMARIES OF ACQUISITION PROPERTIES

PROPERTY ¹¹	VENDOR(S)	ADDRESS	PURCHASE PRICE (J\$)	CASH (J\$)	SHARES (J\$)
Prospective Class A Office Building, Barbados	N/A*	N/A	598,368,000	598,368,000	-
Empire Shopping Centre, Kingston, Jamaica	Paynter (Jamaica) Limited**	58 Half Way Tree Road, Kingston, Jamaica	88,500,000	-	88,500,000
	Stony Hill Capital**	Pointe Seraphine, Castries, St. Lucia	79,650,000	-	79,650,000
	Kish Holdings Limited	Pointe Seraphine, Castries, St. Lucia	8,850,000	-	8,850,000
	Retirement Road Holdings Limited**	Pointe Seraphine, Castries, St. Lucia	260,000,000	260,000,000	-
	Total		437,000,000	260,000,000	177,000,000
Angels Industrial Estate, St. Catherine, Jamaica	New Era Homes Limited	15 Braemar Avenue, St. Andrew, Jamaica	381,000,000	381,000,000	-
227 Marcus Garvey Drive Kingston, Jamaica	GK Musson Limited**	58 Half Way Tree Road, Kingston, Jamaica	208,000,000	208,000,000	-
Alamac Warehouse, Fontabelle, St. Michael, Barbados	Alamac Investments Limited**	Fontabelle, St. Michael, Barbados	268,935,912	-	268,935,912
Total			1,893,303,912	1,447,368,000	445,935,912

* The Value Fund's offer to purchase the property has been formally accepted by the Vendor in writing. Further details about the property have not been disclosed for competitive reasons pending the completion of the transaction.

** Connotes Vendors that are related to the Fund and/or the Investment Manager. In all these instances the purchase prices of the properties are at below independently appraised fair values and these transactions were approved by the independent non-executive members of the Board of Directors in accordance with the corporate governance policies of the Fund.

¹¹ Prospective Class A Office Building reflects a written offer and acceptance, all other properties listed are the subject of executed sale and purchase agreements.

APPENDIX 3 – APPLICATION PROCEDURES & CONDITIONS

The succeeding pages present alternative application procedures (ALTERNATIVE 1 and ALTERNATIVE 2). Each Applicant should select the more convenient procedure for submission of the application for Value Fund Shares.

APPLICATION PROCEDURE – ALTERNATIVE 1



How to Apply Guide

1. On your personal device visit to <https://goipo.jncb.com>. *(If you do not have access to a computer or smart device with online access, our offices are equipped with tablets and representatives to assist you)*
2. Select **“Apply for an IPO”**
3. Select **“Eppley Caribbean Property Fund Limited SCC”**
4. Select **“View Details”**
5. Select **“Apply Now”** beside the relevant pool in which you intend to apply. Only reserved applicants will be allowed to apply from the reserved pools; however the general pool is open for all applicants.
6. Select your investor category;
 - a. **NCB Online Investor** *(This is for persons with online access to their NCB bank account) or*
 - b. **All Other Investor** *(this is for persons without NCB online access including applicants without an NCB Capital Markets Account)*

For NCB Online Investors *(This is for persons with online access to their NCB bank account who wish to pay from their NCB or NCBCM account)*

- Select **NCB Online Investor** option
- Enter you NCB online username and password

Step 1

- Enter the amount of money you wish to spend on the IPO
- Select your JCSD number then **save and continue**
*(If your JCSD number is not seen then select **“Add JCSD Number”** to add your JCSD number)*

Step 2

- Select your funding account form the list seen then **save and continue**

Step 3

- Select your refund account and dividend mandates account form the lists seen then **save and continue**

Step 4

- Review your application details and select **Submit**.

Tips:

- If your funds are with another institution then you may transfer the funds to your NCB or NCBCM account before starting the process or use the **“All Other Investors Option”**
- Navigate to your dashboard to view your application and all previously completed applications.
- Check your email for notifications on order submission status

For All Other Investors *(this is for persons without online access to their NCB bank account and applicants who are not clients of NCBCM)*

- Select the **All Other Investor** option
- Read and accept the site's terms and conditions in order to proceed

Step 1

- Enter the amount of money you wish to spend on the IPO
- Complete the Primary holder information
- Complete the Joint Holder information if applicable then **continue**

Step 2

- Selecting the appropriate funding method and complete the required fields (see below) and **continue**

- For Existing NCBCM Account

This is for only for NCBCM investors providing instructions to NCBCM to make payment from cleared funds on their NCBCM broker account. The payment must be coming from the applicants NCBCM broker account in which the shares are expected to be held.

- For ACH/RTGS

This is for all investors who are making payment by electronic transfer or direct deposit to NCB Capital Markets Limited. Payments sent via this method to NCBCM must use the instructions below:

BIC:	JNCBJMKX
Branch:	1-7Knustford Blvd. /New Kingston
Beneficiary account #:	241406067
Beneficiary account name:	NCB Capital Markets
Include Comments:	ECPF – [Applicant's Name]

Step 3

- Complete refund and dividend mandates and **continue**

Step 4

- Upload image of valid government issued photo identification & signed Signature Document *(The signature document may be signed on screen and then uploaded or printed, signed and uploaded)*
- Submit your application.

Tips:

- You are able to track your application with the reference number provided
- Your application will only be processed once payments indicated in Step 2 are received and confirmed by NCBCM

APPLICATION PROCEDURE – ALTERNATIVE 2

SUBSCRIPTION FORM – CELLULAR SHARES OF THE VALUE FUND



SECONDARY OFFER

APPENDIX 1

APPLICATION PROCEDURES, TERMS AND CONDITIONS

1. Each Applicant may apply for Shares in the Invitation by means of the applicable Application Form included in this Prospectus. Each duly completed and signed Application Form, accompanied/supported by payment, or evidence thereof, for the exact amount payable, by method approved by the Broker an "Approved Payment Method", must be taken to any of the locations detailed on page 4 on or before the closing hour for the respective location on the Closing Date.
2. The exact amount payable for the Shares for which you are applying (being the number of Shares, multiplied by the Offer Price per Share) plus JCSD processing fee of JMD 163.10 (inclusive of GCT) must be paid in one of the following four (4) ways.

- 2.1. By Real Time Gross Settlement System ("RTGS System") or Automated Clearing House (ACH) for amounts below J\$1,000,000.00 to the Broker using the following information, and evidence of such payment supplied with the completed and signed Application Form:

NCB CAPITAL MARKETS LIMITED

1. Bank: National Commercial Bank Jamaica Limited
2. BIC: JNCBJMKX
3. Branch: 1-7 Knutsford Boulevard (New Kingston)
4. Account Name: NCB Capital Markets Limited
5. Beneficiary Address: NCB Atrium, 32 Trafalgar Road, Kingston 10
6. Account number: 241406067

(Eppley Caribbean Property Fund Limited SCC: Please include the applicant's name and JCSD account number or TRN in the transaction details of the RTGS or ACH)

- 2.2. Applicants who have an NCBJ bank account may use NCBJ online or do a direct deposit in an NCBJ branch using the above banking information and evidence of such payment supplied with the completed and signed application form.
- 2.3. Applicants who have an investment account with the Broker (i.e. NCB Capital Markets Limited) may submit a letter of instruction to the Broker authorising the Broker to apply funds standing to the credit of such Applicant against the invitation price payable for Shares proposed to be purchased.
- 2.4. Payment may also be made via a J\$ Manager's Cheque drawn on a Jamaican commercial bank made payable to the NCBCM and will be accepted only in respect of payments for less than J\$1,000,000.00
3. The Directors in their sole discretion may accept (in whole or in part) or reject any application to purchase Shares even if the application is received, validated and processed.
4. If your application to purchase Shares is accepted (in whole or in part), this will be a binding contract under which you will have agreed to purchase the Shares in respect of which your application has been accepted at the Invitation Price.
5. Once the Invitation closes, if the Invitation is oversubscribed:
 - (i) Applicants may be allocated and issued fewer Shares than they applied for, or
 - (ii) Shares may be allotted to Applicants on a "Pro Rata" basis.
6. Should there be any repayment by cheque these will be sent to the Broker through which the Applications were received, who will distribute same (if by mail, at the Applicant's risk) to the addresses of the Applicants (or of the first-named joint Applicant) as stated in the Application Form. The Company will use its best efforts to send the letters of allotment and refund cheques to the Broker within seven working days after the Closing Date or as soon thereafter as practicable. If the amount to be refunded is equal to or greater than J\$1,000,000.00, refund payments shall only be made to the Applicant using the Bank of Jamaica's Real Time Gross Settlement System, and where the subscription price in respect of an Application is in excess of J\$1,000,000.00, the required details to facilitate refund payments by that method must be provided on the Application Form.
7. If the application to list the Shares on the Jamaica Stock Exchange is successful, the securities issued pursuant to the offer will be issued in the JCSD for the credit of the accounts of the successful Applicants. If the application to list the Shares on the Jamaica Stock Exchange is not successful, all payments for the Shares received from Applicants will be returned to the applicant via credit to the Applicant's broker account and the purchases of such Shares will be cancelled.
8. Where the Applicant is an individual, such person must be at least 18 years old. However, Applicants who have not yet attained the age of eighteen (18) years may apply jointly with Applicants who are at least eighteen (18) years of age
9. See list of NCB Capital Markets Ltd. locations on page '4' of application form

APPENDIX I: SUBSCRIPTION FORM – CELLULAR SHARES OF THE VALUE FUND

PLEASE READ CAREFULLY BEFORE COMPLETING THIS FORM

To: EPPLEY CARIBBEAN PROPERTY FUND LIMITED SCC

Re: Invitation for Subscription for up to 97,448,157 cellular shares of the value fund in Eppley Caribbean Property Fund Limited SCC made pursuant to the Prospectus dated the 15th of June 2019 (the "Prospectus").

I/We confirm that I/we have read and understood and hereby agree to be bound by the terms and conditions contained in the Prospectus, all of which are incorporated into Application Form by reference.

I/We hereby offer to purchase _____ cellular shares of the value fund in Eppley Caribbean Property Fund Limited SCC proposed to be sold by the Director on and subject to the terms and conditions of the Invitation set out in the Prospectus at the price of JMD48.18. I/We agree to pay the sum of JMD _____ for my/our subscription and the JCSD processing fee of JMD 163.10 (inclusive of GCT) with proof of payment attached or I/we request my broker to make payment on my/our behalf from cleared funds held by them in my/our names in account numbered _____ with them.

I/We agree to accept the same or any smaller number of cellular shares of the value fund shares in respect of which this application may be accepted, subject to the terms and conditions in the Prospectus and the Articles of Incorporation of Eppley Caribbean Property Fund SCC, by which I/We agree to be bound. I/We request you to sell and transfer to me/us the number of cellular shares of the value fund shares, which may be allocated to me/us at the close of the said Invitation the terms and conditions governing applications, as set forth in the Prospectus. I/We hereby agree to accept the cellular shares of the value fund Shares that may be allocated to me/us to be credited to an account in my/our name(s) in the Jamaica Central Securities Depository.

Instructions for completing application form: All fields are relevant and must be completed.

Reserved Share Applicant (If applicable, see overleaf & the Prospectus) ☐ Yes ☐ No

SECTION I - PRIMARY HOLDER

Full Name of Applicant (Individual or Company)											
TRN			Occupation/ Line of Business								
Address											
Nationality or Incorporation Country					Telephone (Home)						
Telephone (Work)				Telephone (Cellular)				Facsimile			
Email Address									Broker Code		
JCSD Number			Broker Account Number					Date of Application			
Signatures (Company)	_____ DIRECTOR					_____ DIRECTOR/SECRETARY					
Signature (individual)	_____ APPLICANT					SEAL OR STAMP REQUIRED FOR COMPANIES					

SECTION II - SECONDARY HOLDERS

Full Name (First Joint Holder)										
TRN			Mobile			Email				
Signature (Individual)	_____					Date				
Full Name (Second Joint Holder)										
TRN			Mobile			Email				
Signature (Individual)	_____					Date				
Full Name (Third Joint Holder)										
TRN			Mobile			Email				
Signature (Individual)	_____					Date				

NCB Capital Markets Account ☐ Yes ☐ No

If no, please complete one of the payment options below

Cheque number	<input type="text"/>	Cheque Amount	<input type="text"/>	Institution	<input type="text"/>
Cheque date	<input type="text"/>	Issuing Branch	<input type="text"/>		

[illegible][illegible][illegible][illegible][illegible]

ALL APPLICANTS MUST INPUT THEIR TRN NUMBERS. THIS OFFER IS NOT MADE TO PERSONS RESIDENT OUTSIDE JAMAICA

1. Applicants must apply for a minimum of 100 shares with increments in multiples of 10. Applications in other denominations will not be processed or accepted. This restriction is not applicable to Applicants for Reserved Shares.
2. If you are not a Reserve Share Applicant you must attach your payment for the specified number of Reserved Shares you have applied for, in the form of either:
 - a. Manager's cheque made payable to NCB Capital Markets Limited;
 - b. Transfer or deposit of funds to the following account:

1. Bank: National Commercial Bank Jamaica Limited
2. BIC: JNCBJMKX
3. Branch: 1-7 Knutsford Boulevard (New Kingston)
4. Account Name: NCB Capital Markets Limited
5. Beneficiary Address: NCB Atrium, 32 Trafalgar Road, Kingston 10
6. Account number: 241406067

(Eppley Caribbean Property Fund Limited SCC: please include application name and JCSD account number or TRN in the transaction details of RTGS or ACH)

3. If you are a Reserve Share Applicant, please specify at the top of the Application Form. You must attach payment or evidence of payment for the specified number of Reserve Shares for which you are applying.
4. If you are applying jointly with any other person, you must complete the Joint Holder Information (in order appearing on account) and each joint holder must sign the Application Form at the place indicated.



SECTION VI – FOR USE BY BROKER ONLY

Full Name of Applicant Date Application Received Time Received : Payment Method: ☐ Cheque ☐ Authorisation Letter ☐ RTGS/ACH ☐ Online Transfer ☐ NCB Capital Markets AccountDate of Transaction Payment Amount Pool

Broker Authorised Signatory & Stamp

NCB CAPITAL MARKETS BRANCH LOCATIONS

1-7 Knutsford Blvd, Kingston, Jamaica, W.I.

Half-Way Tree, 94 HWT Rd., Kingston, Jamaica, W.I.

Matildas Corner, 15 Northside Plaza, P.O. Box 72, Kingston, Jamaica, W.I.

St. Jago, St. Jago Shopping Centre, St. Catherine, Jamaica, W.I.

University Branch, Mona Campus, Kingston, Jamaica, W.I.

Portmore, 13- 14 West Trade Way, Portmore, St. Catherine, Jamaica, W.I.

Duke & Barry Street, 37 Duke St., Kingston, Jamaica, W.I.

Constant Spring, 124-128 Constant Spring Rd., Kingston, Jamaica, W.I.

Cross Roads, 90-94 Slipe Rd. P.O. Box 5 Kingston, Jamaica, W.I.

Atrium, 32 Trafalgar Road, Kingston, Jamaica, W.I.

Fairview, Lot B3 – Section 1-5, Bogue Estate, Montego Bay, St. James

Santa Cruz, 7 Coke Drive, Santa Cruz P.O., St. Elizabeth, Jamaica, W.I.

St. Ann's Bay, 19-21 Main St. St. Ann's Bay, St. Ann, Jamaica, W.I.

Mandeville, 6 Perth Road, P.O. Box 61 Mandeville, Manchester, Jamaica, W.I.

41 Main St., P.O. Box 29, May Pen, Clarendon, Jamaica, W.I.

Ocho Rios 40 Main St., Ocho Rios, St. Ann, Jamaica, W.I.

Savanna-La-Mar, 68 Great Georges St. P.O. Box 10 Savanna-la-mar, Jamaica, W.I.

Private Client Services – (separate from Constant Spring) 124-128 Constant Spring Rd., Kingston, Jamaica, W.I.

APPENDIX 4 – AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED SEPTEMBER 30, 2018

[see next page]

Eppley Caribbean Property Fund Limited SCC **(formerly Fortress Caribbean Property Fund Limited SCC)**

Consolidated Financial Statements

September 30, 2018

(expressed in Barbados dollars)



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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EPPLEY CARIBBEAN PROPERTY FUND SCC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Eppley Caribbean Property Fund SCC and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 30 September 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 30 September 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EPPLEY CARIBBEAN PROPERTY FUND SCC

Report on the Audit of the Consolidated Financial Statements (Continued)

Key Audit Matters (Continued)

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
Valuation of investment properties and real estate available for resale	
<p>In the Value Fund approximately 32% of the total assets are investment properties. Investment properties are measured at fair value, as determined by a specialist engaged by management.</p> <p>Approximately 67% of the total assets of the Development Fund are real estate available-for-sale. Real estate available-for-sale is measured at the lower of cost and net realizable value.</p>	<p>We assessed the valuation reports prepared on behalf of management to obtain comfort that the methodology and assumptions used in the valuation were reasonable. This included involving an EY expert to assist with the review. The underlying data used in the valuations was also tested. The disclosure requirements were also tested.</p>

Other information included in the Group's 2018 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee.



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EPPLEY CARIBBEAN PROPERTY FUND SCC

Report on the Audit of the Consolidated Financial Statements (Continued)

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EPPLEY CARIBBEAN PROPERTY FUND SCC

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EPPLEY CARIBBEAN PROPERTY FUND SCC

Report on the Audit of the Consolidated Financial Statements (Continued)

Other Legal and Regulatory Requirements

This report is made solely to the Group's shareholders, as a body, in accordance with Section 32 of the Mutual Funds Act of Barbados. Our audit work has been undertaken so that we might state to the Group's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law and subject to any enactment or rule of law to the contrary, we do not accept or assume responsibility to anyone other than the Group and the Group's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

The engagement partner in charge of the audit resulting in this independent auditor's report is Mr. John-Paul Kowlessar.

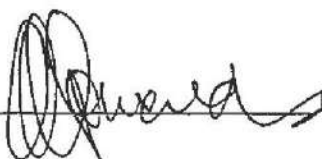
BARBADOS
31 December 2018

Eppley Caribbean Property Fund Limited SCC
(formerly Fortress Caribbean Property Fund Limited SCC)
Consolidated Statement of Financial Position
As at September 30, 2018

(expressed in Barbados dollars)

	Note	2018 \$	2017 \$
Value Fund			
Assets			
Investment properties	5	17,770,000	20,050,000
Investments in associated companies and joint arrangements	8	19,997,671	15,033,130
Loan receivable	11	6,500,000	6,500,000
Financial assets at fair value through profit or loss	9	—	—
Accounts receivable and prepaid expenses	12	277,769	689,182
Due from related parties	18	847,229	927,568
Cash and cash equivalents	10	10,237,573	13,534,056
Total assets		55,630,242	56,733,936
Liabilities			
Loans payable	14	10,580,000	10,580,000
Accounts payable and accrued expenses	13	2,180,521	325,054
Security and advance deposits		233,001	289,988
Total liabilities		12,993,522	11,195,042
Total assets less liabilities		42,636,720	45,538,894
Equity			
Capital and reserves attributable to the Fund shareholders			
Share capital	19	37,209,540	37,209,540
Retained earnings		2,525,125	5,273,834
Total shareholders' funds		39,734,665	42,483,374
Non-controlling interests	7	2,902,055	3,055,520
		42,636,720	45,538,894
Net asset value per share	20	0.71	0.76

The accompanying notes form an integral part of these consolidated financial statements.

 Director

 Director

Eppley Caribbean Property Fund Limited SCC

(formerly Fortress Caribbean Property Fund Limited SCC)

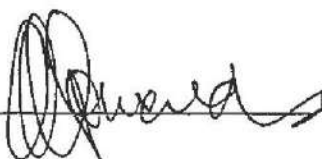
Consolidated Statement of Financial Position... *continued*

As at September 30, 2018

(expressed in Barbados dollars)

	Note	2018 \$	2017 \$
Development Fund			
Assets			
Real estate available for re-sale	6	14,187,766	18,309,377
Investments in associated companies and joint arrangements	8	5,573,363	4,835,960
Accounts receivable and prepaid expenses	12	420,175	447,303
Due from related parties	18	—	48,000
Cash and cash equivalents	10	1,020,453	51,725
Total assets		21,201,757	23,692,365
Liabilities			
Accounts payable and accrued expenses	13	199,090	479,644
Security and advance deposits		283,914	302,929
Due to related parties	18	847,229	927,568
Total liabilities		1,330,233	1,710,141
Total assets less liabilities		19,871,524	21,982,224
Equity			
Capital and reserves attributable to the Fund shareholders			
Share capital	19	28,626,291	28,626,291
Retained deficit		(8,754,767)	(6,644,067)
Total shareholders' funds		19,871,524	21,982,224
Net asset value per share	20	0.36	0.41

Approved by the Board of Directors on December 12, 2018

 Director

 Director

Eppley Caribbean Property Fund Limited SCC
(formerly Fortress Caribbean Property Fund Limited SCC)
Consolidated Statement of Changes in Equity
For the year ended September 30, 2018

(expressed in Barbados dollars)

	Attributable to Fund shareholders		Non-	Total
	Share	Retained	controlling	
	capital	earnings	interests	
	\$	\$	\$	\$
Value Fund				
Balance at September 30, 2016	37,209,540	5,611,752	9,471,755	52,293,047
Dividends declared 3.5 cents per share (note 15)	–	(1,947,846)	–	(1,947,846)
Distributions to non–controlling interests (note 7)	–	–	(6,450,000)	(6,450,000)
Total comprehensive income for the year	–	1,609,928	33,765	1,643,693
Balance at September 30, 2017	37,209,540	5,273,834	3,055,520	45,538,894
Dividends declared 3.5 cents per share (note 15)	–	(1,947,846)	–	(1,947,846)
Distributions to non–controlling interests (note 7)	–	–	(215,000)	(215,000)
Total comprehensive (loss)/income for the year	–	(800,863)	61,535	(739,328)
Balance at September 30, 2018	37,209,540	2,525,125	2,902,055	42,636,720

The accompanying notes form an integral part of these consolidated financial statements.

Eppley Caribbean Property Fund Limited SCC
(formerly Fortress Caribbean Property Fund Limited SCC)
 Consolidated Statement of Changes in Equity...*continued*
 For the year ended September 30, 2018

(expressed in Barbados dollars)

	Attributable to Fund shareholders		
	Share capital \$	Retained earnings \$	Total \$
Development Fund			
Balance at September 30, 2016	28,731,519	(4,693,572)	24,037,947
Treasury shares (note 19)	(105,228)	74,840	(30,388)
Total comprehensive loss for the year	—	(2,025,335)	(2,025,335)
Balance at September 30, 2017	28,626,291	(6,644,067)	21,982,224
Total comprehensive loss for the year	—	(2,110,700)	(2,110,700)
Balance at September 30, 2018	28,626,291	(8,754,767)	19,871,524

Eppley Caribbean Property Fund Limited SCC
(formerly Fortress Caribbean Property Fund Limited SCC)
Consolidated Statement of Comprehensive (Loss)/Income
For the year ended September 30, 2018

(expressed in Barbados dollars)

	Note	2018 \$	2017 \$
Value Fund			
Revenue			
Net rental income	16	1,521,075	1,620,687
Fair value losses on investment property	5	(2,381,895)	(623,119)
Share of profit of investments accounted for using the equity method	8	1,563,000	1,854,625
Net (loss)/gain on sale of investment property		(118,141)	47,205
Net gain on financial assets at fair value through profit or loss	9	–	15,611
Interest income		21,833	33,745
Dividend income		–	2,750
Other income		6,652	8,820
Total investment income		612,524	2,960,324
Expenses			
Interest expense		480,000	479,339
Fund management fees	18	313,735	315,701
Investment advisor fees	18	313,735	315,701
Professional fees		193,058	169,569
Directors and subcommittee fees	18	18,527	29,445
Office and administrative expenses		11,905	17,630
Impairment charge/(recovery) for receivables	12	20,892	(10,754)
Operating expenditure		1,351,852	1,316,631
Total comprehensive (loss)/income for the year		(739,328)	1,643,693
Attributable to:			
Cellular property fund shareholders		(800,863)	1,609,928
Non– controlling interests	7	61,535	33,765
Total comprehensive (loss)/income for the year		(739,328)	1,643,693
Earnings per share – basic and diluted	20	(0.01)	0.03

The accompanying notes form an integral part of these consolidated financial statements.

Eppley Caribbean Property Fund Limited SCC
(formerly Fortress Caribbean Property Fund Limited SCC)
Consolidated Statement of Comprehensive Loss
For the year ended September 30, 2018

(expressed in Barbados dollars)

	Note	2018 \$	2017 \$
Development Fund			
Revenue			
Share of loss of investments accounted for using the equity method	8	(26,526)	(28,086)
Interest income		3,267	–
Other income		25,106	–
Total investment income		1,847	(28,086)
Expenses			
Impairment loss on real estate available for re-sale	6	1,386,278	1,405,394
Net carrying costs of real estate available for re-sale	17	156,934	257,238
Professional fees		143,437	133,231
Fund management fees	18	133,290	89,144
Investment advisor fees	18	133,290	89,144
Net loss/(gain) on sale of real estate available for re-sale	17	119,528	(28,125)
Loss on purchase of investment		2,700	–
Directors and subcommittee fees	18	10,422	16,558
Office and administrative expenses		4,835	9,035
Interest expense		21,833	25,630
Operating expenditure		2,112,547	1,997,249
Total comprehensive loss for the year		(2,110,700)	(2,025,335)
Attributable to:			
Cellular property fund shareholders		(2,110,700)	(2,025,335)
Total comprehensive loss for the year		(2,110,700)	(2,025,335)
Loss per share – basic and diluted	20	(0.04)	(0.04)

The accompanying notes form an integral part of these consolidated financial statements.

Eppley Caribbean Property Fund Limited SCC

(formerly Fortress Caribbean Property Fund Limited SCC)

Consolidated Statement of Cash Flows

For the year ended September 30, 2018

(expressed in Barbados dollars)

	2018 \$	2017 \$
Value Fund		
Cash flows from operating activities		
Total comprehensive income for the year	(739,328)	1,643,693
Adjustments for:		
Fair value losses on investment property	2,381,895	623,119
Share of loss of investments accounted for using the equity method	(1,563,000)	(1,854,625)
Net gain /(loss) on sale of investment property	118,141	(47,205)
Net gain on financial assets at fair value through profit or loss	—	(15,611)
Impairment charge/(recovery) for receivables	20,892	(10,754)
Interest income	(21,833)	(33,745)
Interest expense	480,000	479,339
Dividend income	—	(2,750)
	676,767	781,461
Net decrease/(increase) in accounts receivable and prepaid expenses	390,521	(125,058)
Increase in loans receivable	—	(6,500,000)
Increase/(decrease) in accounts payable and accrued expenses	1,855,467	(1,979,474)
Net decrease in security and advance deposits	(56,987)	(57,064)
Net (decrease)/increase in due to/from related parties	80,339	(737,778)
Proceeds on sale of investment properties	—	16,547,205
Additions to investment properties	(101,895)	(473,119)
Proceeds on sale of financial assets at fair value through profit and loss	—	23,611
	2,844,212	7,479,784
Cash generated from operations	2,844,212	7,479,784
Interest received	21,833	33,745
Interest paid	(480,000)	(479,339)
Dividends received	—	2,750
	2,386,045	7,036,940
Cash flows from investing activities		
Investment in associated companies	(9,387,682)	—
Distributions from associated companies	5,868,000	6,600,000
	(3,519,682)	6,600,000
Cash flows from financing activities		
Distributions to non-controlling interests	(215,000)	(6,450,000)
Dividends paid	(1,947,846)	(1,947,846)
	(2,162,846)	(8,397,846)
Net (decrease)/increase in cash and cash equivalents	(3,296,483)	5,239,094
Cash and cash equivalents – beginning of year	13,534,056	8,294,962
Cash and cash equivalents – end of year	10,237,573	13,534,056

The accompanying notes form an integral part of these consolidated financial statements

Eppley Caribbean Property Fund Limited SCC
(formerly Fortress Caribbean Property Fund Limited SCC)
Consolidated Statement of Cash Flows...*continued*
For the year ended September 30, 2018

(expressed in Barbados dollars)

	2018 \$	2017 \$
Development Fund		
Cash flows from operating activities		
Total comprehensive loss for the year	(2,110,700)	(2,025,335)
Adjustments for:		
Share of loss of investments accounted for using the equity method	26,526	28,086
Net loss/(gain) on sale of real estate available for re-sale	119,528	(28,125)
Impairment loss on real estate available for re-sale	1,386,278	1,405,394
Loss on purchase of investments	2,700	—
Interest income	(3,267)	—
Interest expense	21,833	25,630
Operating loss before working capital changes	(557,102)	(594,350)
Decrease in accounts receivable and prepaid expenses	27,128	17,032
Decrease in accounts payable and accrued expenses	(263,602)	(70,310)
(Decrease)/increase in security and advance deposits	(19,015)	37,667
Net (increase)/decrease in due to/from related parties	(32,339)	737,778
Net proceeds from sale of real estate available for re-sale	2,615,805	833,125
Purchase of real estate available for re-sale	—	(1,420,000)
Cash generated by/(used in) operations	1,770,875	(459,058)
Interest received	3,267	—
Interest paid	(38,785)	(6,548)
Net cash generated by/(used in) operating activities	1,735,357	(465,606)
Cash flows from investing activities		
Investment in associated companies	(814,629)	—
Distributions from associated companies	48,000	—
Net cash used in investing activities	(766,629)	—
Cash flows from financing activities		
Repurchase of shares	—	(30,388)
Net cash used in financing activities	—	(30,388)
Net increase/(decrease) in cash and cash equivalents	968,728	(495,994)
Cash and cash equivalents – beginning of year	51,725	547,719
Cash and cash equivalents – end of year	1,020,453	51,725

The accompanying notes form an integral part of these consolidated financial statements.

Eppley Caribbean Property Fund Limited SCC **(formerly Fortress Caribbean Property Fund Limited SCC)**

Notes to the Consolidated Financial Statements

September 30, 2018

(expressed in Barbados dollars)

1 Incorporation and principal activities

Eppley Caribbean Property Fund Limited SCC (formerly Fortress Caribbean Property Fund Limited SCC) (the Fund) was incorporated on May 7, 1999 and is registered under the Mutual Funds Act of Barbados as an authorised mutual fund. The Fund is a closed end fund. It commenced operations on August 20, 1999. These consolidated financial statements include the results the Fund and its subsidiaries, collectively known as the Group.

Eppley Fund Managers Limited, a mutual fund administrator licensed under the Mutual Funds Act, Barbados, acquired the common shares of the Fund which were previously held by Fortress Fund Managers and Alleyne, Aguilar & Altman Limited. The effective date of the transaction was May 4, 2018. Following the completion of the sale, the name of the Fund was changed to Eppley Caribbean Property Fund Limited SCC.

On September 24, 2013, at a special meeting of the shareholders of the Class “A” shares, the proposal to divide the Fund into a segregated cell company was approved. As a result, effective October 1, 2013, the Fund was converted to a segregated cell company, Fortress Caribbean Property Fund Limited SCC (“the Fund”). The Fund is divided into two cells, Fortress Caribbean Property Fund – Value Fund (“the Value Fund”) and Fortress Caribbean Property Fund – Development Fund (“the Development Fund”). As at October 1, 2013 each share previously owned by the Class “A” shareholders has been replaced by one share in the Value Fund and one share in the Development Fund.

The split of the Fund into the two cells is reflected on the Barbados Stock Exchange, the Company’s primary exchange listing. The Fund’s shares are also traded on the Trading on the Trinidad and Tobago Stock Exchange. Each share trades independently.

The Fund maintains its registered office at 1st Floor, Carlisle House, Hincks Street, Bridgetown, Barbados.

The investment objective of the Value Fund is 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 annually.

The investment objective of the Development Fund is to realize 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.

These consolidated financial statements have been authorised for issue by the Board of Directors on December 12, 2018.

Eppley Caribbean Property Fund Limited SCC

(formerly Fortress Caribbean Property Fund Limited SCC)

Notes to the Consolidated Financial Statements

September 30, 2018

(expressed in Barbados dollars)

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and IFRS Interpretations Committee (IFRS IC) promulgated by the International Accounting Standards Board (IASB), applicable to companies reporting under IFRS. The consolidated financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of certain financial assets held at fair value through profit or loss and investment properties which are carried at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund’s accounting policies. Although these estimates are based on management’s best knowledge of current events and conditions, actual results could differ from these estimates. The areas involving a higher degree of judgement on complexity, or areas where assumptions and estimates are significant to the financial assets are disclosed in note 3.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning October 1, 2017 that would be expected to have a material impact on the Fund.

Standards, amendments and interpretations that are issued but not yet effective which may be relevant for the Fund’s operations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2018 and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Fund except the following:

- IFRS 9, “Financial instruments”, addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010 and is applicable from January 1, 2018. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value

Eppley Caribbean Property Fund Limited SCC (formerly Fortress Caribbean Property Fund Limited SCC)

Notes to the Consolidated Financial Statements

September 30, 2018

(expressed in Barbados dollars)

a) Basis of preparation ... *continued*

Standards, amendments and interpretations that are issued but not yet effective which may be relevant for the Fund's operations ... continued

- IFRS 9, 'Financial instruments' ... *continued*

option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Fund is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after October 1, 2018.

- IFRS 16, 'Leases', was issued in January 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The Fund is yet to assess IFRS 16's full impact and intends to adopt IFRS 16 no later than the accounting period beginning on or after January 1, 2019.

- Transfers of Investment Property – Amendments to IAS 40

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples. The Fund is yet to assess full impact of this amendment and intends to adopt no later than the accounting period beginning on or after January 1, 2018.

b) Consolidation

i) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Fund has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between the Fund and its subsidiaries are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform to the Fund's accounting policies.

Eppley Caribbean Property Fund Limited SCC

(formerly Fortress Caribbean Property Fund Limited SCC)

Notes to the Consolidated Financial Statements

September 30, 2018

(expressed in Barbados dollars)

2 Summary of significant accounting policies ...continued

b) Consolidation ...continued

i) Subsidiaries ...continued

The Fund's subsidiary holdings are set out below:

	2018	2017
Value Fund		
BET Building Joint Venture	57%	57%
Development Fund		
Fortress (St. Lucia) Limited	100%	100%
JK Holdings Limited	100%	100%

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Fund ceases to have control of retained interest in the entity it is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

ii) Associates

Associated undertakings and joint ventures are entities in which the Fund has significant influence but not control, generally accompanying a shareholding or interest of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

The Fund's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment.

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2 Summary of significant accounting policies ...continued

b) Consolidation ...continued

ii) Associates ...continued

When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Fund determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' in the consolidated statement of comprehensive income statement.

The Fund's associate holdings are set out below:

	2018	2017
Development Fund		
Contonou Shores Ltd.	35%	35%
Rockley Development Limited	50%	50%
Canouan CS&F Investments Limited	35%	35%

iii) Joint arrangements

The Fund has applied IFRS 11 to all joint arrangements as of October 1, 2013. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Fund has assessed the nature of its joint arrangements and has determined to have both joint ventures and joint operations.

Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income.

When the Fund's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the Fund does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures. Unrealised gains on transactions between the Fund and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. The Fund accounts for its share of the assets, liabilities, revenue and expenses of the joint operation.

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2 Summary of significant accounting policies ...continued

b) Consolidation ...continued

iii) Joint arrangements... continued

The Fund's joint arrangement holdings are set out as below:

	2018	2017
Value Fund		
Joint ventures		
The Sunset Joint Venture	24%	24%
The CS&C Joint Venture – account 1	36%	24%
Emerald City Trust	30%	–
Development Fund		
Joint ventures		
The CS&C Joint Venture – account 2	36%	24%
Joint operations		
Rockley Joint Venture	50%	50%

Following the split of the Company on October 1, 2013, into a segregated cell company, the assets of the joint arrangements were allocated to each cell based on the investment objective of each cell as well as the characteristics of the underlying properties of the arrangements. As a result, certain properties within the CS&C Joint Venture were split between the Value Fund and the Development Fund. Together both cells own 36% of the CS&C Joint Venture.

c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Fund, its subsidiary and associated companies are measured using the currency of the primary economic environment in which the entities operate (“the functional currency”). The consolidated financial statements are presented in Barbados dollars which is the functional and presentation currency of the Fund.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income. Translation differences on non-monetary financial assets such as equities held at fair value through profit or loss are recognised in the consolidated statement of comprehensive income as part of the fair value gain and loss.

Eppley Caribbean Property Fund Limited SCC **(formerly Fortress Caribbean Property Fund Limited SCC)** Notes to the Consolidated Financial Statements September 30, 2018 ---

(expressed in Barbados dollars)

2 Summary of significant accounting policies ...continued

d) Financial assets

The Fund classifies its investments into two categories:

- Financial assets at fair value through profit or loss
- Loans and receivables

Financial assets at fair value through profit or loss

i) Classification

The Fund's investments in equity securities and other mutual funds have been classified as financial assets at fair value through profit or loss in accordance with International Accounting Standards 39 (IAS 39), Financial Instruments: Recognition and Measurement.

Financial assets in the category at fair value through profit or loss have been so designated by management at inception since the assets form part of the managed portfolio whose performance is evaluated on a fair value basis in accordance with a documented investment strategy.

ii) Recognition, derecognition and measurement

Regular-way purchases and sales of investments are recognised on the trade date, which is the date a fund commits to purchase or sell the investments. Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense. Investments are derecognised when the rights to receive cash flows from the investments have expired or a fund has transferred substantially all risks and rewards of ownership.

Investments in other investment funds are valued on the basis of the net asset value per share as determined by the administrators of those investment vehicles in accordance with industry practice.

All other financial assets at fair value through profit or loss are initially recognised at fair value and are subsequently carried at fair value based on quoted exit prices. In the absence of quoted exit prices, the last close price and other information including the quoted offer price is considered by the Manager to determine the appropriate fair value price to be used. In the event that a security held by a fund is unquoted, if unusual market conditions exist, or in the event that a particular security's value has become impaired, the Manager, and on advice of an independent broker, will make a reasonable estimate of the fair value price by using valuation techniques. These can include the use of recent arm's length transactions, reference to other instruments that are substantially the same or discounted cash flow analysis which make maximum use of market inputs and rely as little as possible on entity-specific inputs.

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Notes to the Consolidated Financial Statements

September 30, 2018

(expressed in Barbados dollars)

2 Summary of significant accounting policies ...continued

d) Financial assets ...continued

Financial assets at fair value through profit or loss ...continued

ii) Recognition, derecognition and measurement ...continued

Gains or losses arising from changes in the fair value of securities classified as financial assets at fair value through profit or loss are recognised in the consolidated statement of comprehensive income as they arise. Average cost method is used to compute realised and unrealised gains on investments.

Dividend income is recognised in the statement of comprehensive income when the Fund's right to receive payment is established.

iii) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The quoted market price used for financial assets held by the Fund is the current exit price; the quoted market price for financial liabilities is the current asking price. If a significant movement in fair value occurs subsequent to the close of trading on the year end date, valuation techniques will be applied to determine the fair value.

A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Fund's valuation time that materially affects the integrity of the closing prices for any security, instrument, currency or securities affected by that event so that they cannot be considered 'readily available' market quotations.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the

same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

iv) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

Eppley Caribbean Property Fund Limited SCC

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Notes to the Consolidated Financial Statements

September 30, 2018

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2 Summary of significant accounting policies ...continued

d) Financial assets ...continued

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method less provision for impairment. A loan or receivable is considered impaired when management determines that it is probable that all amounts due according to the original contract terms will not be collected. This determination is made after considering the payment history of the borrower, the discounted value of collateral and guarantees and the financial condition and viability of the borrower.

e) Accounting for leases

Leases in which a significant portion of the risk and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Where the Fund is the lessee, payments, including prepayments, made under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the period of the lease. Where the Fund is the lessor, properties leased out under operating leases are included in investment property in the consolidated statement of financial position. Lease income is recognised over the term of the lease on a straight line basis.

f) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment properties are treated as long-term investments. Investment property is initially measured at its cost including related transaction costs. After initial recognition investment property is carried at fair value. Fair value is determined semi-annually or annually by professional independent valuers. The professional valuers hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. The valuations form the basis for the carrying amounts in the consolidated financial statements.

Investment properties are not subject to depreciation. Changes in the fair value of investment property are recorded in the consolidated statement of comprehensive income. Changes in the fair value of investment property related to foreign currency translation are also recognised in the consolidated statement of comprehensive income.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the consolidated statement of comprehensive income.

Eppley Caribbean Property Fund Limited SCC **(formerly Fortress Caribbean Property Fund Limited SCC)**

Notes to the Consolidated Financial Statements

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(expressed in Barbados dollars)

2 Summary of significant accounting policies ...continued

f) Investment properties ...continued

If investment property is reclassified as real estate available for re-sale, its fair value at the date of reclassification becomes its cost for accounting purposes.

If real estate available for re-sale is transferred to investment property, any difference resulting between the carrying value and the fair value of this item at the date of transfer is recognised in the consolidated statement of comprehensive income.

g) Real estate available for re-sale

Properties that are being held for future sale or in the process of construction or development for such sale are classified as real estate available for re-sale and are carried at the lower of cost or net realisable value. Subsequent costs are included in the properties' carrying value.

Net realisable value is the estimated selling price in the ordinary course of business less costs to complete redevelopment and selling expenses. The carrying value is immediately written down to its recoverable amount if its carrying value is assessed to be greater than the estimated recoverable amount.

Gains and losses realised on the sale of real estate are included in the consolidated statement of comprehensive income at the time of sale.

h) Cash and cash equivalents

Cash equivalents are short term, highly liquid investments, with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to insignificant changes in value.

i) Accounts receivable

Accounts receivable are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

j) Accounts payable and accrued expenses

Accounts payable and accrued expenses are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable and accrued expenses are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

k) Share capital

The Fund's two classes of cellular shares, the Value Fund shares and the Development Fund shares are classified as equity.

Eppley Caribbean Property Fund Limited SCC

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Notes to the Consolidated Financial Statements

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2 Summary of significant accounting policies ...continued

k) Share capital ...continued

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. Incremental costs directly attributable to the issue of new ordinary shares or options, or for the acquisition of a business, are included in the cost of acquisition as part of the purchase consideration.

Where the Fund re-purchases its own shares (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Fund's equity holders until the cellular shares are cancelled, re-issued or disposed of. The Fund's policy is not to keep shares in treasury, but, rather, to cancel them once repurchased.

l) Net asset value per share and earnings per share

The net asset value per share is calculated by dividing the net assets of each segregated cell by the number of outstanding cellular shares.

Earnings per share is calculated by dividing the net profit attributable to the cellular shareholders by the weighted average number of shares outstanding during the period. For the purpose of calculating diluted earnings per share the weighted average number of shares is adjusted for the effects of all dilutive potential cellular shares.

m) Dividends payable

Dividend distributions on the Fund's shares are recorded in the period during which the dividend declaration has been approved by the Board of Directors.

n) Revenue recognition

Interest income is recognised in the consolidated statement of comprehensive income for all interest-bearing instruments on an accrual basis using the effective interest method.

Rental income is recognised on an accrual basis in accordance with the relevant rental agreements. Rental income is shown net of the direct property expenses incurred in managing the properties.

Dividend income is recognised when the Fund's right to receive payment is established.

o) Taxation

The Fund is licensed as an authorised mutual fund under the Mutual Funds Act, 2002-22 of Barbados. The Directors have resolved that all of the net comprehensive income of the Fund is attributable to the Fund's cellular shareholders. In calculating the assessable income of the Fund for tax purposes, the Act provides for a deduction of up to 100% of the income that is designated to be the income of the Fund shareholders.

Eppley Caribbean Property Fund Limited SCC

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Notes to the Consolidated Financial Statements

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2 Summary of significant accounting policies ...continued

p) Expenses

Expenses are accounted for on an accrual basis. Expenses are charged to the consolidated statement of comprehensive income. In addition to the management fees and administration expenses, the Fund is responsible for the payment of all direct expenses relating to its operations such as audit, legal and professional fees.

q) Management and advisor fees

Eppley Fund Managers Limited serves as manager and registrar of the Fund, effective May 4, 2018. As a result of providing investment advisory, management and registrar services, Eppley Fund Managers Limited receives a management fee based on the average net asset value of the Fund, calculated monthly and payable in arrears, at the rate of 0.75% per annum of the net asset value of the Value Fund and 0.375% per annum of the net asset value of the Development Fund. The manager receives a progress fee of 2% of the net proceeds of any non-income generating property sold or leased at fair market value within the Development Fund.

r) Loans payable

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors who makes the strategic decisions. The Board of Directors is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The asset allocation decisions are based on a single, integrated investment strategy, and the Fund's performance is evaluated on an overall basis.

t) Security and advance deposits

The Fund obtains deposits from tenants as a guarantee for returning the property at the end of the lease term in a specified good condition or for the lease payments for a period ranging from 1 to 12 months. Such deposits are treated as financial liabilities in accordance with IAS 39 and they are initially recognised at fair value. The deposit is subsequently measured at amortised cost.

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3 Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year relate to the valuation of investment property and real estate held for re-sale. The fair value of these properties are determined annually by an independent professional valuer. Significant estimates and judgements in the estimation of values are disclosed in notes 5 and 6.

4 Financial risk management

The Fund's activities expose it to a variety of financial risks: market risk (which includes price risk and interest rate risk), credit risk and liquidity risk. The risk management policies employed by the Fund to manage these risks are discussed below.

The Fund's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise the potential adverse effect on the Fund's financial performance.

The risk management policies employed by the Fund to manage these risks are discussed below.

The management of these risks is carried out by the Investment Manager under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity.

Market risk

i) Price risk

The Fund is exposed to market price risk arising primarily from the changes in equity prices. At September 30, 2018, the Fund has no exposure to market price risk.

ii) Cash flows and fair value interest rate risk

The Fund's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Fund to cash flow interest rate risk. Borrowings issued at fixed rates expose the Fund to fair value interest rate risk. The Fund holds the majority of its long term borrowings in fixed rate instruments. The details of the Fund's long-term borrowings are included in note 14. Any excess cash and cash equivalents of the Fund are invested at short-term market interest rates. The effective yield on cash and cash equivalents is disclosed in note 10.

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4 Financial risk management...continued

Market risk...continued

ii) Cash flows and fair value interest rate risk...continued

The table below summaries the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities categorised by the earlier of the contractual re-pricing or maturity dates.

	0 – 3 months \$	4 months to 1 year \$	Over 1 year \$	Non-interest bearing \$	Total \$
September 30, 2018					
Value Fund					
Financial assets					
Loan receivable	6,500,000	–	–	–	6,500,000
Accounts receivable	–	–	–	267,269	267,269
Due from related parties	–	–	–	847,229	847,229
Cash and cash equivalents	–	–	–	10,237,573	10,237,573
Total financial assets	6,500,000	–	–	11,352,071	17,852,071
Financial liabilities					
Loans payable	–	3,000,000	7,500,000	80,000	10,580,000
Accounts payable and accrued expenses	–	–	–	2,180,521	2,180,521
Security and advance deposits	–	–	–	233,001	233,001
Total financial liabilities	–	3,000,000	7,500,000	2,493,522	12,993,522
Development Fund					
Financial assets					
Accounts receivable	–	–	–	411,022	411,022
Due from related parties	–	–	–	–	–
Cash and cash equivalents	–	–	–	1,020,453	1,020,453
Total financial assets	–	–	–	1,431,475	1,431,475
Financial liabilities					
Accounts payable and accrued expenses	–	–	–	199,090	199,090
Security and advance deposits	245,373	–	–	38,541	283,914
Due to related parties	–	–	–	847,229	847,229
Total financial liabilities	245,373	–	–	1,084,860	1,330,233

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4 Financial risk management ...continued

Market risk ...continued

ii) Cash flows and fair value interest rate risk ...continued

	0 – 3 months \$	4 months to 1 year \$	Over 1 year \$	Non-interest bearing \$	Total \$
September 30, 2017					
Value Fund					
Financial assets					
Loan receivable	–	–	6,500,000	–	6,500,000
Accounts receivable	–	–	–	583,432	583,432
Due from related parties	6,846	20,951	899,771	–	927,568
Cash and cash equivalents	–	–	–	13,534,056	13,534,056
Total financial assets	6,846	20,951	7,399,771	14,117,488	21,545,056
Financial liabilities					
Loans payable	–	3,000,000	7,500,000	80,000	10,580,000
Accounts payable and accrued expenses	–	–	–	325,054	325,054
Security and advance deposits	–	–	–	289,988	289,988
Total financial liabilities	–	3,000,000	7,500,000	695,042	11,195,042
Development Fund					
Financial assets					
Accounts receivable	–	–	–	372,893	372,893
Due from related parties	–	–	–	48,000	48,000
Cash and cash equivalents	–	–	–	51,725	51,725
Total financial assets	–	–	–	472,618	472,618
Financial liabilities					
Accounts payable and accrued expenses	–	–	–	479,644	479,644
Security and advance deposits	251,972	–	–	50,957	302,929
Due to related parties	6,846	20,951	899,771	–	927,568
Total financial liabilities	258,818	20,951	899,771	530,601	1,710,141

Eppley Caribbean Property Fund Limited SCC **(formerly Fortress Caribbean Property Fund Limited SCC)** Notes to the Consolidated Financial Statements September 30, 2018

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4 Financial risk management ...continued

Market risk ...continued

ii) Cash flows and fair value interest rate risk ...continued

The carrying value of all financial assets and liabilities are considered reasonable estimates of their fair value.

At September 30, 2018, the majority of the Fund's financial assets and liabilities are non-interest bearing. This is consistent with the financial assets and liabilities at September 30, 2017. The Fund's long term debt are fixed rate instruments. As a result the Fund is not subject to significant amounts of cash flow interest risk due to fluctuation in the prevailing levels of market interest rates.

iii) Foreign currency risk

The majority of the Fund's financial assets and liabilities are denominated in the Barbados dollar or currencies fixed to the Barbados dollar, its functional currency. The Fund therefore has no significant exposure to foreign currency risk.

Credit risk

Credit risk is the risk that an issuer or counterparty to a financial instrument will be unable or unwilling to meet a commitment thereby causing a financial loss to the Fund.

The maximum exposure of the Fund to credit risk is set out in the following table:

	Value Fund \$	Development Fund \$
September 30, 2018		
Loan receivable	6,500,000	—
Accounts receivable	267,269	411,022
Due from related parties	847,229	—
Cash and cash equivalents	10,237,573	1,020,453
Total financial assets	17,852,071	1,431,475
September 30, 2017		
Loan receivable	6,500,000	—
Accounts receivable	583,432	372,893
Due from related parties	927,568	48,000
Cash and cash equivalents	13,534,056	51,725
Total financial assets	21,545,056	472,618

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Notes to the Consolidated Financial Statements

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4 Financial risk management...continued

Credit risk...continued

The loan receivable comprises of a vendor's mortgage held in the BET joint venture related to the sale of the CWBET building during the current financial year. The collateral security on the loan is the CWBET building, Wildey, St. Michael (note 11).

Accounts receivable comprise mainly of amounts due from the tenants of investment properties and proceeds from the sale of properties. As part of the lease agreements tenants provide a security deposit. The property manager does an assessment of the business of the prospective client to determine its viability and hence its ability to meet the lease commitments.

The Fund has no significant individual credit exposure on amounts due from tenants.

The Fund's exposure to individual counterparty credit risk on its cash and cash equivalents and short term deposits exceeding 2% of total Fund net assets are set out below:

	Value Fund \$	Development Fund \$
Cash and cash equivalents		
September 30, 2018		
CIBC FirstCaribbean International Bank (not rated)	10,237,573	1,020,453
	10,237,573	1,020,453
September 30, 2017		
CIBC FirstCaribbean International Bank (not rated)	13,534,056	51,725
	13,534,056	51,725

The Fund's past due or impaired financial assets are disclosed in note 12.

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4 Financial risk management...continued

Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and ensuring the availability of funding through an adequate amount of committed credit facilities to meet the obligations of the Fund.

The table below analyses the Fund's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amount, as the impact of discounting is not significant.

	0 – 3 months \$	3 months to 1 year \$	1 – 5 years \$	No stated maturity \$	Total \$
Value Fund					
September 30, 2018					
Assets					
Loan receivable	6,500,000	–	–	–	6,500,000
Accounts receivable	202,247	65,022	–	–	267,269
Due from related parties	–	–	–	847,229	847,229
Cash and cash equivalents	10,237,573	–	–	–	10,237,573
Total financial assets	16,939,820	65,022	–	847,229	17,852,071
Liabilities					
Loans payable	120,986	3,278,795	7,965,000	–	11,364,781
Accounts payable and accrued expenses	2,180,521	–	–	–	2,180,521
Security and advance deposits	28,155	28,890	175,956	–	233,001
Total financial liabilities	2,329,662	3,307,685	8,140,956	–	13,778,303

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4 Financial risk management...continued

Liquidity risk...continued

	0 – 3 months \$	3 months to 1 year \$	1 – 5 years \$	No stated maturity \$	Total \$
Value Fund					
September 30, 2017					
Assets					
Loan receivable	–	–	6,500,000	–	6,500,000
Accounts receivable	339,765	243,667	–	–	583,432
Due from related parties	17,278	51,834	914,926	–	984,038
Cash and cash equivalents	13,534,056	–	–	–	13,534,056
Total financial assets	13,891,099	295,501	7,414,926	–	21,601,526
Liabilities					
Loans payable	–	3,192,500	8,476,250	–	11,668,750
Accounts payable and accrued expenses	325,054	–	–	–	325,054
Security and advance deposits	84,694	22,717	182,577	–	289,988
Total financial liabilities	409,748	3,215,217	8,658,827	–	12,283,792

The Fund manages its liquidity risk through receipt of committed lease income where the Fund is the lessor. Details of the future operating lease income are disclosed in note 21.

Eppley Caribbean Property Fund Limited SCC
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4 Financial risk management...continued

Liquidity risk...continued

	0 – 3 months \$	3 months to 1 year \$	1 – 5 years \$	No stated maturity \$	Total \$
Development Fund					
September 30, 2018					
Assets					
Accounts receivable	1,852	331,315	–	77,855	411,022
Cash and cash equivalents	1,020,453	–	–	–	1,020,453
Total financial assets	1,022,305	331,315	–	77,855	1,431,475
Liabilities					
Accounts payable and accrued expenses	199,090	–	–	–	199,090
Security and advance deposits	270,914	13,000	–	–	283,914
Due to related parties	847,229	–	–	–	847,229
Total financial liabilities	1,317,233	13,000	–	–	1,330,233
September 30, 2017					
Assets					
Accounts receivable	62,129	219,338	–	91,426	372,893
Due from related parties	–	48,000	–	–	48,000
Cash and cash equivalents	51,725	–	–	–	51,725
Total financial assets	113,854	267,338	–	91,426	472,618
Liabilities					
Accounts payable and accrued expenses	479,644	–	–	–	479,644
Security and advance deposits	289,729	–	13,200	–	302,929
Due to related parties	17,278	51,834	914,926	–	984,038
Total financial liabilities	786,651	51,834	928,126	–	1,766,611

Eppley Caribbean Property Fund Limited SCC

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4 Financial risk management...continued

Fair value estimation

The fair value of financial assets traded in active markets. The quoted market price used for financial assets held by the Fund is the current exit price; the quoted market price for financial liabilities is the current exit price. If a significant movement in fair value occurs subsequent to the close of trading on the year end date, valuation techniques will be applied to determine the fair value.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The Fund is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' also requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include unlisted mutual funds. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As observable prices are not available for these securities, the Fund has used valuation techniques to derive the fair value.

As at September 30, 2018, there are no financial assets carried at fair value through profit or loss.

Eppley Caribbean Property Fund Limited SCC **(formerly Fortress Caribbean Property Fund Limited SCC)** Notes to the Consolidated Financial Statements September 30, 2018

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4 Financial risk management...continued

Fair value estimation...continued

Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table analyses within the fair value hierarchy the Fund's assets and liabilities (by class) not measured at fair value at September 30, 2018 but for which fair value is disclosed.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2018				
Value Fund				
Assets				
Loan receivable	–	6,500,000	–	6,500,000
Accounts receivable	–	267,269	–	267,269
Due from related parties	–	847,229	–	847,229
Cash and cash equivalents	10,237,573	–	–	10,237,573
Total	10,237,573	7,614,498	–	17,852,071
Liabilities				
Loans payable	–	10,580,000	–	10,580,000
Accounts payable and accrued expenses	–	2,180,521	–	2,180,521
Security and advance deposits	–	233,001	–	233,001
Total	–	12,993,522	–	12,993,522
Development Fund				
Assets				
Accounts receivable	–	411,022	–	411,022
Cash and cash equivalents	1,020,453	–	–	1,020,453
Total	1,020,453	411,022	–	1,431,475
Liabilities				
Accounts payable and accrued expenses	–	199,090	–	199,090
Security and advance deposits	–	283,914	–	283,914
Due to related parties	–	847,229	–	847,229
Total	–	1,330,233	–	1,330,233

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4 Financial risk management...continued

Fair value estimation...continued

Assets and liabilities not carried at fair value but for which fair value is disclosed

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2017				
Value Fund				
Assets				
Loan receivable	—	6,500,000	—	6,500,000
Accounts receivable and prepaid expenses	—	689,182	—	689,182
Due from related parties	—	927,568	—	927,568
Cash and cash equivalents	13,534,056	—	—	13,534,056
Total	13,534,056	8,116,750	—	21,650,806
Liabilities				
Loans payable	—	10,580,000	—	10,580,000
Accounts payable and accrued expenses	—	325,054	—	325,054
Security and advance deposits	—	289,988	—	289,988
Total	—	11,195,042	—	11,195,042
Development Fund				
Assets				
Accounts receivable	—	447,303	—	447,303
Due from related parties	—	48,000	—	48,000
Cash and cash equivalents	51,725	—	—	51,725
Total	51,725	495,303	—	547,028
Liabilities				
Accounts payable	—	479,644	—	479,644
Security and advance deposits	—	302,929	—	302,929
Due to related parties	—	927,568	—	927,568
Total	—	1,710,141	—	1,710,141

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4 Financial risk management...continued

Fair value estimation...continued

Assets and liabilities not carried at fair value but for which fair value is disclosed

The fair values are based on cash flows discounted using a rate based on the borrowing rates and are within level 2 of the fair value hierarchy.

Cash and cash equivalents include cash in hand, deposits held with banks and other short-term investments in an active market.

The remaining assets and liabilities included in the above table are carried at amortised cost; their carrying values are a reasonable approximation of fair value, due to their short-term nature.

Capital risk management

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Fund may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

5 Investment properties

An independent valuation of the Value Fund's investment properties was performed by valuers to determine the fair value of the investment properties as at September 30, 2018. The fair value gains/losses recognised has been recorded in the consolidated statement of comprehensive income.

The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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5 Investment properties... continued

	Fair value hierarchy/ level	Fair value b/fwd \$	Additions/ (disposals) \$	Fair value (losses)/gains \$	Fair value c/fwd \$
Value Fund					
Carlisle House	3	10,000,000	–	(2,500,000)	7,500,000
No. 24 Broad Street	3	8,750,000	101,895	(51,895)	8,800,000
The Chattel Village	3	1,300,000	–	170,000	1,470,000
		20,050,000	101,895	(2,381,895)	17,770,000

During the year the investment properties were appraised by an independent valuer at \$17,700,000 (2017–\$20,050,000).

Valuations are performed as at March 31, 2018 and September 30, 2018 by professional independent valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements. Due to the nature of the process, valuations may differ between professional valuers.

Valuation techniques used to derive level 3 fair values

Level 3 fair values of land and buildings have been derived using the income approach. The income approach encompasses consideration of the direct capitalisation and the discount cash flow valuation methods. The income approach utilises the current actual and potential rents for the net rentable space in the buildings and calculates the value of the property based on a return on investment that an investor would anticipate. The inputs utilised in this method are as follows:

- Future rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties;
- Discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
- Estimated vacancy rates based on current and expected future market conditions after expiry of any current lease;
- Maintenance costs including necessary investments to maintain functionality of the property for its expected useful life;

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5 Investment properties... continued

Valuation techniques used to derive level 3 fair values... continued

- Capitalisation rates based on actual location, size and quality of the properties and taking into account market data at the valuation date;
- Terminal value taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

The below table provides information about fair value measurements using significant unobservable inputs (Level 3).

Description	Valuation \$	Valuation technique	Level 3– Range of unobservable inputs	
			Long– term net operating income margin	Capitalisation rate for terminal value
September 30, 2018				
Carlisle House	7,500,000	Discounted cash flows and sales comparison	34%	10.5%
No. 24 Broad Street	8,800,000	Discounted cash flows	95%	9.5%
The Chattel Village	1,470,000	Discounted cash flows	31%	–
September 30, 2017				
Carlisle House	10,000,000	Discounted cash flows and sales comparison	60%	10.5%
No. 24 Broad Street	8,750,000	Discounted cash flows	95%	9.5%
The Chattel Village	1,300,000	Discounted cash flows	40%	–

Valuation processes

The Fund's investment properties were valued at March 31, 2018 and September 30, 2018 by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Fund's managers and investment advisors review the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the Audit Committee (AC). Discussions of valuation processes and results are held between Audit Committee, the valuation team and the independent valuers at least once a year, in line with the Fund's valuation policies disclosed in note 2f.

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5 Investment properties ... continued

At each financial year end the valuation team:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report;
- holds discussions with the independent valuer.

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

6 Real estate available for re-sale

The detailed portfolio of real estate available for re-sale is as follows:

	Value at b/fwd \$	Additions/ (disposals) \$	Impairment gains/(losses) \$	Value c/fwd \$
Development Fund				
Developed properties:				
Villas on the Green villas	2,759,703	(458,333)	(419,141)	1,882,229
Lime Grove Hillside Villa	1,058,000	—	(138,000)	920,000
Apes Hill Polo Villa #3	1,184,149	—	(146,537)	1,037,612
Apes Hill Polo Villa #18	1,240,000	—	(160,500)	1,079,500
Land and properties under development:				
Wotton lands	5,336,000	—	(368,000)	4,968,000
Rockley— Cane Gardens lands	1,748,000	(1,748,000)	—	—
Holders land	1,150,000	—	(184,000)	966,000
Rockley— Central area lands	920,000	—	29,900	949,900
Villas on the Green lands	2,384,525	—	—	2,384,525
Lion Castle land	529,000	(529,000)	—	—
	18,309,377	(2,735,333)	(1,386,278)	14,187,766

Real estate available for re-sale is carried at lower of cost or net realisable value. During the year impairment tests on the carrying value of the real estate available for re-sale were performed. Based on these tests the real estate available for re-sale were subsequently adjusted to their net realisable values resulting in impairment losses of \$1,386,278 (2017– \$1,405,394) being recognised.

Valuations performed by professional valuers are utilised in the process of determining the net realisable value of the real estate available for re-sale. Due to the nature of the valuation process, valuations may differ between professional valuers. The effect on net income of an across the board 10% depreciation in the net realisable value of the Fund's real estate available for re-sale would amount to \$1,418,777 (2017– \$1,830,938).

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7 Investment in subsidiaries

The Fund has the following subsidiaries at September 30, 2018:

Name	Country of incorporation	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares directly held by non-controlling interests (%)
Value Fund			
BET Building Joint Venture	Barbados	57%	43%
Development Fund			
Fortress (St. Lucia) Limited	St. Lucia	100%	—
JK Holdings Limited	Barbados	100%	—

The Value Fund owns a 57% interest in The BET Building Joint Venture which was registered in Barbados on October 12, 2001. The total non-controlling interest for the year is \$2,902,055 (2017—\$3,055,520), which relates to the BET Joint Venture.

The Development Fund owns a 100% interest in Fortress (St. Lucia) Limited, a company incorporated in St. Lucia. This company owns the Villas on the Green property which has been included in real estate available for re-sale (note 6).

The Development Fund owns a 100% interest in JK Holdings Limited, a company incorporated in Barbados. This company owns the Holders lands which has been included in real estate available for re-sale (note 6).

All subsidiary undertakings are included in the consolidated statements of the Value Fund and the Development Fund. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

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7 Investment in subsidiaries...continued

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

Summarised statement of financial position:

	The BET Building Joint Venture	
	2018	2017
	\$	\$
Current		
Assets	6,790,509	7,123,098
Liabilities	(41,544)	(17,238)
Total current net assets	6,748,965	7,105,860
Non-current		
Assets	—	—
Total non-current assets	—	—
Net assets	6,748,965	7,105,860

Summarised statement of comprehensive income:

	The BET Building Joint Venture	
	2018	2017
	\$	\$
Revenue	150,000	207,450
Expenses	(6,896)	(128,925)
Total comprehensive income for the year	143,104	78,525
Total comprehensive income allocated to non-controlling interests	61,535	33,765
Distributions paid to non-controlling interests	(215,000)	(6,450,000)

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7 Investment in subsidiaries...continued

Summarised cash flows:

	The BET Building Joint Venture	
	2018	2017
	\$	\$
Cash flows from operating activities:		
Cash used in from operating activities	(305,455)	(6,716,776)
Net decrease in cash and cash equivalents	<u>(305,455)</u>	<u>(6,716,776)</u>
 Cash and cash equivalents – beginning of year	 534,851	 7,251,627
 Cash and cash equivalents – end of year	 <u>229,396</u>	 <u>534,851</u>

The information above is the amount before inter-company eliminations.

8 Investments in associated companies and joint arrangements

The amounts recognised in the statement of position are as follows:

	Value Fund	Development Fund
	\$	\$
September 30, 2018		
Associates	–	3,132,176
Joint ventures	19,997,671	2,441,187
	<u>19,997,671</u>	<u>5,573,363</u>

The amounts recognised in the statement of comprehensive income are as follows:

Associates	–	(9,782)
Joint ventures	1,563,000	(16,744)
	<u>1,563,000</u>	<u>(26,526)</u>

September 30, 2017

Associates	–	3,141,958
Joint ventures	15,033,130	1,694,002
	<u>15,033,130</u>	<u>4,835,960</u>

The amounts recognised in the statement of comprehensive income are as follows:

Associates	–	(8,400)
Joint ventures	1,854,625	(19,686)
	<u>1,854,625</u>	<u>(28,086)</u>

Eppley Caribbean Property Fund Limited SCC **(formerly Fortress Caribbean Property Fund Limited SCC)**

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8 Investments in associated companies and joint arrangements ... continued

i) Investment in associates

Set out below are the associates of the Group as at September 30, 2018, which, in the opinion of the directors, are material to the Group. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Fund.

The nature of investment in associates:

Name of entity	Place of business	Percentage of ownership interest	Measurement method
Development Fund			
Contonou Shores Ltd.	Canouan Island, St. Vincent and the Grenadines	35%	Equity
Canouan CS&F Investments Limited	Canouan Island, St. Vincent and the Grenadines	35%	Equity
Rockley Development Limited	Barbados	50%	Equity

The Development Fund has a 35% interest in Contonou Shores Ltd, a company domiciled in the St. Vincent. This company owns land on Canouan Island, St. Vincent and the Grenadines which is classified as available for sale.

The Development Fund has a 35% interest in Canouan CS&F Investments Limited. This company owns land on Canouan Island, St. Vincent and the Grenadines which is classified as available for sale.

The Development Fund has a 50% interest in Rockley Development Limited. The company was formed to facilitate the renovations of buildings at Orange Hill in Rockley.

Contonou Shores Ltd, Canouan CS&F Investments Limited and Rockley Development Limited are private companies and there is no quoted market price available for the shares.

There are no contingent liabilities relating to the Fund's interest in the associates.

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8 Investments in associated companies and joint arrangements ... continued

ii) Investment in joint ventures

	2018 \$	2017 \$
Value Fund		
At October 1	15,033,130	19,778,505
Addition	9,387,682	—
Share of loss on investment	(118,141)	—
Distribution of profits	(5,868,000)	(6,600,000)
Share of profit	1,563,000	1,854,625
At September 30	19,997,671	15,033,130
Development Fund		
At October 1	1,694,002	1,713,688
Addition	811,929	—
Share of loss on investment	(16,744)	(19,686)
Distribution of profits	(48,000)	—
At September 30	2,441,187	1,694,002

The joint ventures listed below have share capital consisting solely of ordinary shares, which is held directly by the Fund.

Name of entity	Place of business	Percentage of ownership interest	Measurement method
Value Fund			
The Sunset Joint Venture	Barbados	24%	Equity
The CS&C Joint Venture— account 1	Barbados	36%	Equity
Emerald City Trust	Barbados	30%	Equity
Development Fund			
The CS&C Joint Venture— account 2	Barbados	36%	Equity

The Value Fund has a 24% interest in a joint venture partnership called The Sunset Joint Venture. The partnership was formed to facilitate the purchase of the Sunset Mall, a commercial property at Sunset Crest, St. James.

The Fund has a 36% (2017 – 24%) interest in a joint venture partnership called The CS&C Joint Venture. The partnership was formed to facilitate the purchase of land and buildings previously owned by Cave Shepherd and Co. Ltd. and Carter Holdings Limited. The partnership has 13.5 acres of undeveloped land at Lower Estate and the Cave Shepherd building at 10–14 Broad Street. The Carter's properties at Wildey, Barbarees Hill, High Street were sold during the 2017 financial year.

Eppley Caribbean Property Fund Limited SCC **(formerly Fortress Caribbean Property Fund Limited SCC)** Notes to the Consolidated Financial Statements September 30, 2018

(expressed in Barbados dollars)

8 Investments in associated companies and joint arrangements ... continued

ii) Investment in joint ventures ... continued

Following the split of the Fund on October 1, 2013, into a segregated cell company, the assets of the joint arrangements were allocated to each cell based on the investment objective of each cell as well as the characteristics of the underlying properties of the arrangements. As a result certain properties within the CS&C Joint Venture were split between the Value Fund and the Development Fund. At the time of the formation of the cell entities the rights to the property held for re-sale in the CS&C Joint Venture were allocated to the Development Fund. Together both cells own 36% (2017: 24%) of the CS&C Joint Venture. An additional 12% stake in the CS&C Joint Venture was purchased by the Fund during the year.

On January 5, 2018, the Value Fund acquired a 30% beneficial interest in The Emerald City Trust. The Trust was formed to facilitate the purchase of the Emerald City Mall, a commercial property at Six Cross Roads, St. Philip, Barbados.

The above entities are private companies and there is no quoted market price available for their shares.

Summarised financial information for joint ventures

Set out below are the summarised financial information for joint ventures which are accounted for using the equity method.

Summarised statement of financial position:

	The Sunset Joint Venture	The CS&C Joint Venture	The Emerald City Trust Joint Venture
	\$	\$	\$
September 30, 2018			
Assets			
Investment properties	12,200,000	52,500,000	26,000,000
Real estate available for re-sale	—	7,501,157	—
Due from related party	3,789,574	—	—
Accounts receivable and prepaid expenses	159,901	2,435,660	1,250
Cash and cash equivalents	1,085,121	3,898,238	956,269
Total assets	17,234,596	66,335,055	26,957,519
Liabilities			
Loans payable	4,859,397	18,289,574	15,408,399
Capital reserve fund	—	—	45,000
Accounts payable and accrued expenses	37,906	3,353,878	207,685
Total liabilities	4,897,303	21,643,452	15,661,084
Total assets less liabilities	12,337,293	44,691,603	11,296,435

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8 Investments in associated companies and joint arrangements ... continued

ii) Investment in joint ventures...continued

	The Sunset Joint Venture \$	The CS&C Joint Venture \$
September 30, 2017		
Assets		
Investment properties	12,500,000	52,500,000
Real estate available for re-sale	—	7,501,157
Due from related party	4,073,573	87,555
Accounts receivable and prepaid expenses	103,267	775,824
Cash and cash equivalents	620,742	2,197,634
Total assets	17,297,582	63,062,170
Liabilities		
Loans payable	5,223,928	4,993,644
Accounts payable and accrued expenses	—	445,800
Total liabilities	5,223,928	5,439,444
Total assets less liabilities	12,073,654	57,622,726

The loans payable in the CS&C Joint Venture include \$nil (2017– \$713,012) due to RBTT Merchant Bank Limited and are 10 years and 12 years non-callable mortgage bonds secured by a first mortgage over the properties acquired, stamped to cover \$34,500,000. Also included is \$3,789,574 (2017– \$4,073,573) payable to the Sunset Joint Venture. The loan was subordinated to the RBTT Merchant Bank loan but is subject to the terms and conditions of the credit facility between the RBC Royal Bank (Barbados) Ltd and the Sunset Joint Venture. Loans payable in the CS&C Joint Venture also includes \$14,500,000 (2017–nil) payable to RBC Royal Bank (Barbados). The loan is at a fixed rate of 4% per annum. It is collateralized by First Debenture Mortgage over the fixed and floating assets of The CS&C Joint Venture incorporating a specific charge over property known as Cave Shepherd Broad Street Building.

The loan payable in the Sunset Joint Venture is due to RBC Royal Bank (Barbados) Limited and secured by a first mortgage stamped to cover \$6,350,000 over property at Sunset Crest #2 St. James.

The loan payable in the Emerald City Trust Joint Venture is due to FirstCaribbean International Bank (Barbados) Limited. This was to partially assist with the acquisition of Emerald City Shopping Complex and “Block D” (“the Properties”). The loan is secured by first registered mortgage stamped to cover \$15,797,250 over the properties (Emerald City and Block “D”).

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8 Investments in associated companies and joint arrangements ... continued

ii) Investment in joint ventures...continued

Summarised statement of comprehensive income:

	The Sunset Joint Venture	The CS&C Joint Venture	The Emerald City Trust Joint Venture
	\$	\$	\$
September 30, 2018			
Revenue			
Net rental income	1,152,332	4,536,994	186,250
Fair value gains/(losses) on investment property	(322,038)	(60,777)	225,000
Interest income	196,608	1,132	—
Total investment income	1,026,902	4,477,349	411,250
Expenses			
Interest expense	246,730	195,124	51,362
Net carrying costs of real estate available for re-sale	—	77,265	—
Professional fees	9,500	20,500	7,417
Other operating expenses	7,033	215,583	12,037
Operating expenditure	263,263	508,472	70,816
Total comprehensive income for the year	763,639	3,968,877	340,434
September 30, 2017			
Revenue			
Net rental income	1,080,332	5,810,959	—
Fair value gains/(losses) on investment property	1,968,921	(771,574)	—
Gain on sale of investment property	—	58,196	—
Net gain on financial assets at fair value through profit or loss	—	9,268	—
Interest income	214,927	35,000	—
Total investment income	3,264,180	5,141,849	—
Expenses			
Interest expense	275,742	293,539	—
Net carrying costs of real estate available for re-sale	—	82,025	—
Professional fees	9,500	18,000	—
Other operating expenses	10,988	70,658	—
Operating expenditure	296,230	464,222	—
Total comprehensive income for the year	2,967,950	4,677,627	—

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8 Investments in associated companies and joint arrangements ... continued

ii) Investment in joint ventures...continued

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in the joint venture.

	The Sunset Joint Venture \$	The CS&C Joint Venture \$	The Emerald City Trust Joint Venture \$
Summarised financial information			
Opening net assets October 1, 2017	12,073,654	57,622,726	–
Equity investments	–	–	10,172,483
Profit for the year	763,639	2,718,877	1,123,952
Distributions	(500,000)	(16,900,000)	–
Closing net assets September 30, 2018	12,337,293	43,441,603	11,296,435
Interest in joint venture – 11 months to August 2018	24%	24%	–
Interest in joint venture – At September 30, 2018	24%	36%	30%
Carrying value	2,960,950	13,197,790	3,388,931
Opening net assets October 1, 2016	9,705,704	79,845,099	–
Profit for the year	2,967,950	4,677,627	–
Distributions	(600,000)	(26,900,000)	–
Closing net assets September 30, 2017	12,073,654	57,622,726	–
Interest in joint venture	24%	24%	–
Carrying value	2,897,677	13,829,455	–

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Notes to the Consolidated Financial Statements

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8 Investments in associated companies and joint arrangements ... continued

iii) Investment in joint operations

Nature of investment in joint operations

Name	Country of incorporation	Percentage of ownership interest
Development Fund Rockley Joint Venture	Barbados	50%

The Development Fund has a 50% interest in a joint venture partnership called the Rockley Joint Venture. The partnership was formed to facilitate the purchase of land and buildings at Rockley.

Nature of investment in joint operations

The Fund has joint control over this arrangement as under the contractual agreements, unanimous consent is required from all parties to the agreements for all relevant activities.

The Fund's joint arrangement is not structured as a separate company. The agreement between the parties provides the Fund and the parties to the agreements with rights to the assets and liabilities of the limited company under the arrangements. Therefore, this arrangement is classified as a joint operation.

The Development Fund's share of results of its joint operations, its aggregated assets, liabilities and is as follows:

	Assets \$	Liabilities \$	Revenues \$	Profit/(Loss) \$	%Interest held
September 30, 2018	1,000,926	303,944	65,700	57,145	50%
September 30, 2017	1,036,295	281,459	49,050	(12,315)	50%

9 Financial assets at fair value through profit or loss

The net gain on financial assets at fair value through profit or loss as follows:

	2018 \$	2017 \$
Value Fund		
Realised gain	—	15,611
Net gain on financial assets at fair value through profit or loss	—	15,611

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10 Cash and cash equivalents

	Value Fund		Development Fund	
	2018	2017	2018	2017
	\$	\$	\$	\$
Cash at bank	10,237,573	13,534,056	1,020,453	51,725
Cash and cash equivalents	10,237,573	13,534,056	1,020,453	51,725

Cash and cash equivalents are placed with leading regional commercial banks. The effective yield on cash and cash equivalents is nil (2017– nil).

11 Loan receivable

The loan receivable of \$6,500,000 (2017– \$6,500,000) represents a vendor's mortgage held in the BET joint venture related to the sale of the CWBET building during the 2017 financial year. The amount is due on December 1, 2018. Failing payment, interest shall accrue on the balance at the rate of 10% per annum until payment in full and the moneys hereby secured shall become immediately due and payable. The collateral security on the loan is the CWBET building, Wildey, St. Michael.

12 Accounts receivable and prepaid expenses

	Value Fund		Development Fund	
	2018	2017	2018	2017
	\$	\$	\$	\$
Rent receivable from tenants	413,372	480,643	–	–
Other receivables	54,522	282,521	411,022	372,893
Less: provision for impairment of receivables	(200,625)	(179,732)	–	–
	267,269	583,432	411,022	372,893
Prepaid expenses	10,500	105,750	9,153	74,410
Accounts receivables, net of provision for impairment	277,769	689,182	420,175	447,303

The estimated fair values of receivables are the discounted amounts of the estimated future cash flows expected to be received and approximate their carrying amounts. All receivables are due within one year from the end of the reporting period.

As of September 30, 2018, within the Value Fund accounts receivables of \$65,022 (2017– \$243,669) were past due but not impaired and accounts receivable of \$200,625 (2017– \$179,732) were past due and impaired. The individually impaired receivables are over three months past due and mainly relate to certain tenants of commercial buildings. A provision is recognised for amounts not expected to be recovered. The Value Fund has recognised an amount of \$20,892 (2017– \$10,754 recovery) relating to the impairment of its receivables and the total provision amounted to \$200,625 (2017– \$179,732).

Eppley Caribbean Property Fund Limited SCC **(formerly Fortress Caribbean Property Fund Limited SCC)**

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September 30, 2018

(expressed in Barbados dollars)

12 Accounts receivable and prepaid expenses ...continued

As of September 30, 2018, within the Development Fund accounts receivables of \$331,315 (2017–\$219,337) were past due but not impaired and accounts receivable of \$nil (2017–\$nil) were past due and impaired. A provision is recognised for amounts not expected to be recovered. The Development Fund has recognised a recovery of nil (2017–\$nil) relating to the impairment of its receivables and the total provision amounted to nil (2017–\$nil).

13 Accounts payable and accrued expenses

	Value Fund		Development Fund	
	2018	2017	2018	2017
	\$	\$	\$	\$
Due to CS&C Partners	1,886,948	–	–	–
Accounts payable	153,551	237,663	149,425	434,264
Accrued expenses	140,022	87,391	49,665	45,380
	2,180,521	325,054	199,090	479,644

The balance of \$1,886,948 payable to the CS&C Partners represents funds payable for the purchase of an additional 12% stake in the CS&C Joint Venture. The amount payable was settled in October 2018.

The estimated fair values of the above financial liabilities are the discounted amounts of the estimated future cash flows expected to be received and approximate their carrying amounts.

14 Loans payable

	Value Fund	
	2018	2017
	\$	\$
Bond payable		
Series 1 – 2021	3,020,000	3,020,000
Series 2 – 2019	3,022,500	3,022,500
Series 3 – 2020	4,537,500	4,537,500
	10,580,000	10,580,000

The current portion due of loans payable amounts to \$80,000 (2017 –\$80,000) for the Value Fund.

The Value Fund has an outstanding bond payable issued in three series. Series 1 carried an interest rate of 4% and matured July 31, 2018. The bond holders agreed to renew this Series for an additional 3 years with a maturity date of July 31, 2021. Series 2 carries an interest rate of 4.5% maturing July 31, 2019. Series 3 carries an interest rate of 5% maturing July 31, 2020. Interest is payable semi-annually in arrears and principal will be fully repaid on maturity. The collateral security on the bond is Carlisle House, Hincks Street, Bridgetown and No.24 Broad Street, Bridgetown.

The fair values of the borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

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15 Dividends per share

A dividend of \$0.035 (2017– \$0.035) per share was declared during the financial year. This amounted to a dividend totaling \$1,947,846 (2017– \$1,947,846).

There were no dividends paid for the Development Fund.

16 Net rental income

Rental income earned in the Value Fund is shown net of direct property expenses of \$1,351,852 (2017– \$1,347,395) incurred in managing the properties.

17 Net gains and carrying costs of real estate available for re-sale

All gains and carrying cost of real estate available for re-sale relate to the Development Fund.

The Villas on The Green development incurred net carrying costs of \$117,330 (2017– \$118,078) which comprise of property, administrative and other holding costs and is shown net of \$115,095 (2017– \$124,455) of rental income. During the year one unit was sold for net proceeds \$427,606, generating a loss of \$30,726.

The carrying costs also include \$39,604 (2017– \$139,160) in property administration and other holding costs from other available for re-sale properties. Loss from the sale of other properties during the period amounted to \$88,803.

18 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

During the year, fund management fees were paid to Eppley Fund Managers Limited amounting to \$130,554 (2017–nil) and \$33,255 (2017–nil); Fortress Fund Managers Limited amounting to \$183,181 (2017–\$315,701) and \$100,035 (2017–\$89,144) by the Value Fund and the Development Fund respectively. Total fund management fees paid to related parties during the year amounted to \$447,025 (2017 – \$404,845). As at September 30, 2018, Fortress Fund Managers Limited is no longer considered a related party of the Fund.

During the year, investment advisor fees were paid to Eppley Fund Managers Limited amounting to \$130,554 (2017–nil) and \$33,255 (2017–nil); Altman Real Estate amounting to \$183,181 (2017–\$315,701) and \$100,035 (2017–\$89,144) by the Value Fund and the Development Fund, respectively. Total advisor fees paid to related parties during the year amounted to \$447,025 (2017 – \$404,845). As at September 30, 2018 Altman Real Estate is no longer considered a related party of the Fund.

The amount due from related parties in the Value Fund of \$847,299 (2017– \$927,568) are due from the Development Fund. This amount is interest free and is repayable on demand.

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18 Related party transactions... continued

Included in net rental income of the Value Fund is an amount of \$1,007,261 (2017– \$1,176,121) earned from affiliated companies.

The amount due from related parties of the Development Fund is nil (2017– \$48,000). Loan in the prior year was due from the CS&C Joint Venture. This was repaid during the year.

Directors and subcommittee fees of \$18,527 (2017– \$29,445) and \$10,422 (2017– \$16,558) were paid during the year by the Value Fund and the Development Fund respectively. Directors' interest (including beneficial interests) in the segregated cellular shares are as follows:

	Number of shares at start of year	Shares excluded due to change of Directors	Number of shares purchased/(sold) in the year	Number of shares at year end
Shareholder				
Value Fund				
Directors	789,959	(779,959)	159,886	169,886
Development Fund				
Directors	789,959	(779,959)	190,578	200,578

19 Share capital

On September 24, 2013, at a special meeting of the shareholders of the Class "A" shares, the proposal to divide the Company into a segregated cell company was approved. As a result, effective October 1, 2013, the Company was converted in a segregated cell company namely Fortress Caribbean Property Fund Limited SCC (the Fund). The Fund is divided into two cells, Fortress Caribbean Property Fund– Value Fund (the Value Fund) and Fortress Caribbean Property Fund –Development Fund (the Development Fund). Each share previously owned by the Class "A" shareholders has been replaced by one share in the Value Fund and one share in the Development Fund.

The split of the Fund into the two cells is currently reflected on the Barbados Stock Exchange, the Company's primary exchange listing. Trading on the Trinidad and Tobago Stock Exchange has been suspended. Each share will trade independently.

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Notes to the Consolidated Financial Statements

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19 Share capital...continued

During the year the Development Fund repurchased nil (2017– nil) fund shares for a total consideration of nil (2017– nil).

	2018		2017	
	Number of shares	\$	Number of shares	\$
Value Fund Shares				
Authorised				
An unlimited number of cellular shares of no par value				
Issued and outstanding	55,652,768	37,209,540	55,652,768	37,209,540
Development Fund Shares				
Authorised				
An unlimited number of cellular shares of no par value				
Balance– beginning of the year	54,349,890	28,626,291	54,549,676	28,731,519
Less treasury shares	–	–	(199,786)	(105,228)
Balance– end of the year	54,349,890	28,626,291	54,349,890	28,626,291

The Fund is authorised to issue 100 common shares and an unlimited number of cellular shares divided into the Value Fund and the Development Fund cells. In the prior year, 20 common shares at a total consideration of \$10 were issued and outstanding. The common shares are held by the Investment Advisor and Fund Manager and no common share can be transferred to any person other than another investment advisor or fund manager. The holders of the common shares have the voting rights. Each common share entitles the holder to one vote per share. The holders of the common shares are not entitled to receive dividends.

The Value Fund shares

The holders of Value Fund shares have an interest in the undivided portion of assets of the related segregated cell. These shares secure an equal share in distribution of net income and net capital gains and participate equally in all other respects. Value Fund shares may not be redeemed by the shareholders, but may be traded on the Barbados Stock Exchange or any other stock exchange as the Directors may determine.

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19 Share capital...continued

The rights and privileges of the Value Fund shareholders are equal in all respects and include the right to:

- 1) To receive notice of and attend all meetings of shareholders of the Fund but not to vote at any such meeting except on the matters particularly set out hereinafter:
 - The liquidation of the Value Fund;
 - The winding up of the company;
 - The reconstruction of the company, and/or the amalgamation of the company and/or the Value Fund with any other company or mutual fund.
- 2) To receive cellular dividends when declared by directors.
- 3) Upon liquidation, dissolution or winding up of the Fund or other distribution of the assets of the Fund for the purpose of winding up its affairs, the Value Fund shareholders shall be entitled to receive after payment of all the liabilities of the Fund attributable to the Value Fund, the assets represented by the stated capital and reserves attributable to the Value Fund.

The Development Fund shares

The holders of the Development Fund shares have an interest in the undivided portion of assets of the related segregated cell. These shares secure an equal share in distribution of net income and net capital gains and participate equally in all other respects. Development Fund shares may not be redeemed by the shareholders, but may be traded on the Barbados Stock Exchange or any other stock exchange as the Directors may determine.

The rights and privileges of the Development Fund shareholders are equal in all respects and include the right to:

- 1) To receive notice of and attend all meetings of shareholders of the Fund but not to vote at any such meeting except on the matters particularly set out hereinafter:
 - The liquidation of the Development Fund;
 - The winding up of the company;
 - The reconstruction of the company, and/or the amalgamation of the company and/or the Development Fund with any other company or mutual fund.
- 2) To receive cellular dividends when declared by directors.
- 3) Upon liquidation, dissolution or winding up of the Fund or other distribution of the assets of the Fund for the purpose of winding up its affairs, the Development Fund shareholders shall be entitled to receive after payment of all the liabilities of the Fund attributable to the Development Fund, the assets represented by the stated capital and reserves attributable to the Development Fund.

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20 Earnings per share and net asset value

Basic earnings per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of cellular shares in issue during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There are no 'unpurchased' shares to be added to the cellular shares outstanding for the purpose of computing diluted earnings per share.

Basic and diluted earnings per share are calculated as follows:

	Value Fund		Development Fund	
	2018	2017	2018	2017
	\$	\$	\$	\$
Comprehensive income/(loss) attributable to shareholders	(800,863)	1,609,928	(2,110,700)	(2,025,335)
Weighted average number of Class "A" shares in issue	55,652,768	55,652,768	54,349,890	54,349,890
Basic and diluted earnings per share	(0.01)	0.03	(0.04)	(0.04)
Net asset value	39,734,665	42,483,374	19,871,524	21,982,224
Net asset value per share	0.71	0.76	0.36	0.41

21 Commitments

Operating lease commitments – where the Value Fund is the lessee

The future minimum lease payments under operating leases are as follows:

	2018	2017
	\$	\$
Value Fund		
Not later than 1 year	152,460	152,460
Later than 1 year and not later than 5 years	655,578	640,332
Later than 5 years	662,019	802,194

Operating lease commitments – where the Value Fund is the lessor

The future lease payments receivable under operating leases are as follows:

	2018	2017
	\$	\$
Value Fund		
Not later than 1 year	2,053,422	1,672,000
Later than 1 year and not later than 5 years	2,761,020	4,135,876
Later than 5 years	—	—

Eppley Caribbean Property Fund Limited SCC **(formerly Fortress Caribbean Property Fund Limited SCC)**

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21 Commitments...continued

Included in the above disclosure are retail leases in which the lessee has the option to cancel the lease with notice prior to the end of the agreed upon lease period. The future minimum lease payments receivable under cancellable operating leases are as follows:

	2018	2017
	\$	\$
Value Fund		
Not later than 1 year	1,001,970	648,689
Later than 1 year and not later than 5 years	663,083	986,486
Later than 5 years	—	—

22 Subsequent events

A dividend of \$0.024 per share was declared subsequent to the financial year and is payable on January 9, 2019 for the Value Fund. This amounts to a dividend totalling \$1,335,666.

In December 2018, an amount of \$2,500,000 was received by the Value Fund as an initial repayment on loan receivable of \$6,500,000 at September 30, 2018.

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L I M I T E D

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