



## FORM 10

### MATERIAL CHANGE REPORT

Pursuant to section 64 of the Securities Act, 2012 and by-law 50 of the Securities (General)  
By-Laws, 2013

1. NAME OR REPORTING ISSUER

Name of Reporting Issuer
<b>Fortress Caribbean Property Fund Limited SCC</b>

2. DATE OF MATERIAL CHANGE

Date of Material Change
<b>December 1st 2016</b>

3. DESCRIPTION OF MATERIAL CHANGE

Provide a description of the material change
<b>See Attached</b>

4. DETAILS OF PUBLICATION OF MATERIAL CHANGE

Will you be seeking an exemption from publishing a notice in accordance with section 64(2) of the Securities Act 2012?	YES	NO
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If "No"

Date of Publication of Notice (dd/mm/yyyy)	<b>December 2nd 2016</b>
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If "Yes"

State the reasons for applying for the exemption.

5. DETAILS OF SENIOR OFFICER

Name (First name, Last name)	<b>Roger Cave</b>
Position in Organization	<b>Investment Director (Fortress Fund Managers Ltd)</b>
Residential Address	<b>Cottage No 3, Rowans, St. George, Barbados</b>
Work Phone (0 xxx xxx xxx)	<b>1-246-467-6506</b>
Fax Phone (1 xxx xxx xxx)	<b>1-246-431-0514</b>
Mobile Phone (1 xxx xxx xxx)	<b>1-246-230-9236</b>
Email Address	<b>roger@fortressfund.com</b>

6. DATE, CERTIFICATION AND SIGNATURE

I hereby certify that the statement and information contained in this form and any attachment hereto are true and correct to the best of my knowledge and belief and submitted in compliance with the provisions of the Securities Act, 2012. I understand that any misrepresentation, falsification or material omission of information on this application may result in a breach of the Securities Act, 2012.

<b>Roger Cave</b>		<b>Investment Director</b>	
<u>ROGER CAVE</u>	<u>Roger Cave</u>		<u>1st December 2016</u>
<b>Print Name</b>	<b>Signature</b>	<b>Position</b>	<b>Date</b>

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Unit	Information
Responsible Number	
Director's Number	
Document Record Number	
Record Management Date Received (dd/mm/yyyy)	
Approved By	Date (dd/mm/yyyy)





### 3. DESCRIPTION OF MATERIAL CHANGE

Fortress Caribbean Property Fund Limited SCC is a 57% shareholder in the BET Building Joint Venture, a vehicle for ownership of the BET Building in Wildey, Barbados, previously occupied by Cable & Wireless under a long-term lease. The lease was terminated in October, 2015.

On November 29, 2016 the Directors of the BET Building Joint Venture concluded an agreement for the sale of the property for a gross consideration of BBD \$16.5 million. Net proceeds to the Joint Venture will be BBD \$14.7 million. The expected closing date is December 1, 2016. The Joint Venture will receive an immediate payment from the purchaser of BBD \$10 million and will take a vendor's mortgage for the balance of BBD \$6.5 million due December 1, 2018. The purchaser is Era Educational Services DMCC, a company incorporated in Dubai and registered as an external company under the Companies Act.

The transaction will result in a gross loss to the Joint Venture of BBD \$9.96 million. This is partially offset by a lease surrender fee of BBD \$5.9 million, received in January 2016, resulting in an overall loss to the Joint Venture of BBD \$2.3 million before selling costs. Selling costs are estimated at BBD \$1.8 million and include commissions, legal fees, property transfer tax, and stamp duty. The net loss to the Joint Venture after fees and expenses will be BBD \$4 million. Fortress Caribbean Property Fund Limited SCC - Value Fund will share in this transaction to the extent of its 57% shareholding in the Joint Venture. The net loss to the Fund will therefore be BBD \$2.3 million of which BBD \$1.7 million was already booked in the Fund's third quarter financial statements. The additional charge of BBD \$0.6 million was booked in the fourth quarter ending September 30, 2016. The Joint Venture will continue to receive lease payments of BBD \$150,000 per annum for the part of the BET Building property that houses the cellular tower until December 1, 2018.

While the sale price of the property is a discount to book value, it reflects the significant costs that would have been incurred for the site to be redeveloped for new tenants following the termination of the Cable & Wireless lease. The transaction provides the Fund with immediate cash resources to reinvest in long-term, revenue-generating real estate assets consistent with its mandate.