

# World Growth Fund



## HIGHLIGHTS:

- *The Fund gained 4.3% in the first quarter and is down 7.1% over the past year.*
- *Global equities gained to start the year even as stresses appeared at U.S. banks. The Fund's investments in Europe had the strongest returns.*

The Fund gained 4.3% in the first quarter and is down 7.1% over the past year. The net asset value (NAV) per share as of March 31 was US \$1.0235. Net assets of the Fund were US \$7.5 million, up from US \$6.9 million this time last year. The Fund's annual compound rate of return since inception in January 2021 is 1.1% per year. The portfolio is invested in high-quality, well-valued shares in U.S., international and emerging markets.

Global equities started the year on a strong note but came under pressure in February as stubbornly high inflation data revived fears that more rate hikes could be needed to bring inflation down. In March, though, the tone changed as sudden withdrawals of large deposits at U.S. regional banks Silicon Valley Bank and Signature Bank forced the sale of their bonds at discounts, crystallising previously "paper" losses and causing the institutions to become insolvent and fail. At these signs of stress, bonds rallied sharply because of expectations the U.S. Federal Reserve (Fed) and other central banks would now be forced to pursue friendlier policy. Stocks also gained, rallying after initial fears of wider banking problems were addressed. U.S. stocks finished the quarter with meaningful gains, especially among large-cap technology shares. International shares gained even more as currencies rallied against the U.S. dollar, while energy shares and financials were some of the weakest performers. The Fund's U.S., International and Emerging equity allocations gained 4%, 6% and 3% respectively during the quarter, with investments in Europe delivering some of the best returns this quarter while still trading at reasonable valuations.

It is now likely that a long-awaited U.S. economic slowdown is upon us. This could mean weaker company earnings in the months ahead, but it could also mean an end to interest rate hikes. Importantly, it may leave room for other geographies such as Europe and Asia to see better equity returns than the U.S., to the benefit of globally diversified investors. On a look-through basis the Fund's global equity investments now have an average price/earnings ratio of 12.4x and dividend yield of 2.9%. Around the world, there are still many high-quality, well-valued shares to own, and we remain constructive on their long-term prospects.

*The Fund is open to all new subscriptions in U.S. dollars.*

## FUND OBJECTIVE

Long-term growth from diversified investment in global equities.

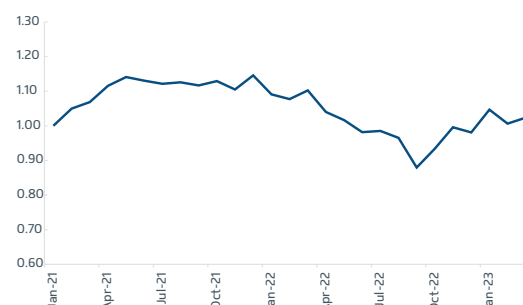
<b>Currency</b>	<b>US\$</b>
Dealing	Weekly on Fridays
Minimum Investment	US \$1,000
Net Asset Value Per Share	US \$1.0235
Fund Net Assets	US \$7,477,253
Fund Inception	Jan 29, 2021

## INVESTMENT RETURNS

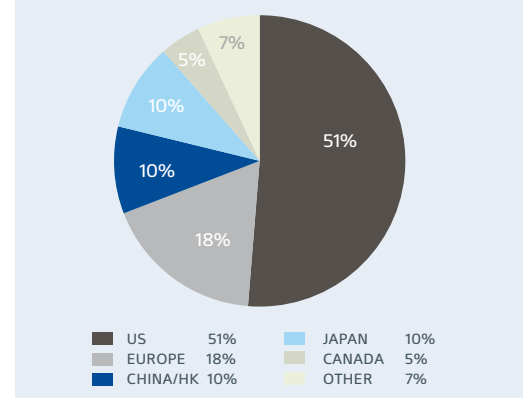
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
<b>Fortress</b>	<b>4.3%</b>	<b>-7.1%</b>	<b>n/a</b>	<b>n/a</b>	<b>1.1%</b>
Index	7.3%	-7.1%	15.4%	6.9%	2.0%

Periods longer than one year are annual compound returns. Fund returns are net of fees.

## NAV SINCE INCEPTION TO MARCH 31ST, 2023



## GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



## TOP ALLOCATIONS

Holding	Weight
Fortress US Equity Fund	47.4%
Fortress International Equity Fund	38.1%
Fortress Emerging Markets Fund	14.0%
Cash reserves	0.5%
<b>Total</b>	<b>100.0%</b>

## TOP 10 UNDERLYING HOLDINGS

Holding	Weight
US DOLLAR CASH	2.2%
O'REILLY AUTOMOTIVE INC	2.1%
VERTEX PHARMACEUTICALS INC	2.0%
TRACTOR SUPPLY COMPANY	1.9%
REGENERON PHARMACEUTICALS	1.9%
GENERAL DYNAMICS CORP	1.8%
WOLTERS KLUWER	1.8%
SMITH (A.O.) CORP	1.8%
STARBUCKS CORP	1.7%
CHECK POINT SOFTWARE TECH	1.7%

## EXPENSES

**Manager:**  
1.25% of net assets per annum

**Custodian:**  
0.05% of net assets per annum

**Administrator:**  
0.075% of net assets per annum

**Redemption charge:** 2% on redemptions made within 3 months of purchase. All other times, none.

**Where allocations are made to other Fortress funds, management fees are rebated to the Fund to avoid double charging.**

## MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd.

## CUSTODIAN

SigniaGlobe Financial Group

## AUDITORS

EY Barbados

## ATTORNEY-AT-LAW

Clarke Gittens Farmer

## DIRECTORS

John Williams, Chairman  
Ruth Henry  
John Howard  
Greg McConnie  
Maria Nicholls  
Tracey Shuffler  
Roger Cave, Investment Manager

Please see the **Offering Memorandum** for further important information.

# World Fixed Income Fund



## HIGHLIGHTS:

- *The Fund gained 3.5% in the first quarter and is down 2.2% over the past year.*
- *Global bonds gained as inflation moderated and U.S. bank failures lowered economic growth expectations.*

The Fund gained 3.5% in the first quarter and is down 2.2% over the past year as bonds recovered from an unusually negative period in 2022. The net asset value (NAV) per share as of March 31 was US \$0.9183. Net assets of the Fund were US \$5.7 million, up from US \$4.9 million this time last year. The Fund's annual compound rate of return since inception in January 2021 is -3.9% per year. The portfolio is invested in a diversified portfolio of primarily high-quality US\$ bonds.

Global bonds had a volatile quarter but ended with gains across the board. Banking issues arose in the U.S. in mid-March and suggested that the U.S. Federal Reserve (Fed) and other central banks may have hit the limit of how far they can hike rates without causing unwelcome damage to key institutions. The incidents were sparked by large deposit withdrawals at Silicon Valley Bank and Signature Bank, causing them to sell down their treasury bond portfolios at a loss and making them insolvent. The U.S. Federal Reserve (Fed) and other agencies supported the market immediately. They provided relief to uninsured depositors at the troubled banks and liquidity to other banks facing similar issues. Sensing the implied softening in Fed stance, the U.S. 10-year Treasury yield fell to 3.5% from 3.9% during the quarter, while the 2-year yield fell from a high of 4.8% to 4.0%. These are still meaningful yields and are still among the highest in the last decade. Even with the banking stress, the Fed raised its target rate by the expected 0.25% in March to a range of 4.75-5%. Their intention is to see further declines in inflation before pausing, but this may happen soon. Corporate bond spreads initially widened but finished the quarter little changed.

During the quarter we added incrementally to long-dated U.S. Treasury exposure in the portfolio as risk-reward prospects improved around the bank failures described above. The Fund's corporate holdings remain focused among the highest quality issuers at healthy yields of 4% and higher and include floating as well as fixed rate notes. We expect these to also prove resilient to future economic weakness if it develops. The average term to maturity of the Fund's portfolio is now 6.8 years and the average yield is 4.5%, a good estimate of its medium-term return potential.

*The Fund is open to all new subscriptions in U.S. dollars.*

## TOP ALLOCATIONS

Holding	Weight
Fortress Fixed Income Fund	99.7%
Cash reserves	0.3%

## TOP 10 UNDERLYING HOLDINGS

Holding	Weight
US TREASURY N/B 2.875 8/15/2028	13.4%
TSY INFL IX N/B 0.125 2/15/2052	6.2%
US TREASURY N/B 2.25 8/15/2049	5.0%
US DOLLAR CASH	3.5%
US TREASURY N/B 0.625 5/15/2030	3.3%
US TREASURY N/B 2.25 2/15/2027	3.1%
ISHARES JPM USD EM BOND	2.8%
GOVT OF BERMUDA 3.717 1/25/2027	2.7%
ABBVIE INC 2.95 11/21/2026	2.7%
MITSUBISHI UFJ FIN GRP FLOATING 2/20/2026	2.6%

## FUND OBJECTIVE

Steady returns over the medium-term from diversified investment in high-quality bonds.

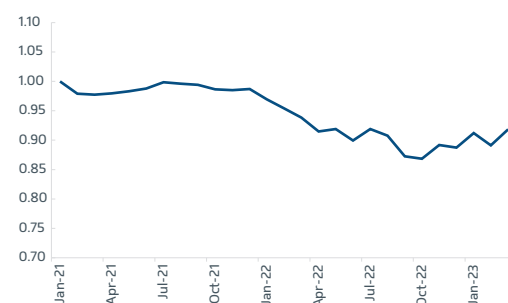
Currency	US\$
Dealing	Weekly on Fridays
Minimum Investment	US \$1,000
Net Asset Value Per Share	US \$0.9183
Fund Net Assets	US \$5,674,310
Fund Inception	Jan 29, 2021

## INVESTMENT RETURNS

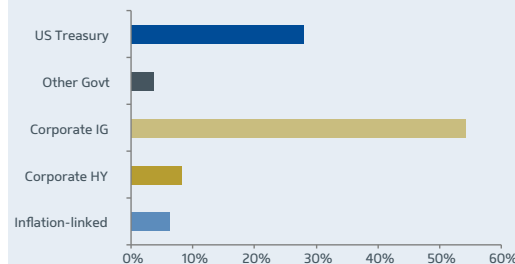
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
<b>Fortress</b>	<b>3.5%</b>	<b>-2.2%</b>	<b>n/a</b>	<b>n/a</b>	<b>-3.9%</b>
Index	3.0%	-4.8%	-2.8%	0.9%	-5.3%

Periods longer than one year are annual compound returns. Fund returns are net of fees.

## NAV SINCE INCEPTION TO MARCH 31ST, 2023



## BOND TYPE SUMMARY OF PORTFOLIO



## CURRENCY EXPOSURE

USD 100%

## EXPENSES

**Manager:**  
0.60% of net assets per annum

**Custodian:**  
0.05% of net assets per annum

**Administrator:**  
0.075% of net assets per annum

**Redemption charge:** 2% on redemptions made within 3 months of purchase. All other times, none.

**Where allocations are made to other Fortress funds, management fees are rebated to the Fund to avoid double charging.**

## MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd.

## CUSTODIAN

SigniaGlobe Financial Group

## AUDITORS

EY Barbados

## ATTORNEY-AT-LAW

Clarke Gittens Farmer

## DIRECTORS

John Williams, Chairman  
Ruth Henry  
John Howard  
Greg McConnie  
Maria Nicholls  
Tracey Shuffler  
Roger Cave, Investment Manager

Please see the **Offering Memorandum** for further important information.