



2023

ANNUAL REPORT



Fortress Caribbean
PENSION FUND



Fortress Fund Managers is a Barbados-based investment manager. We have been providing top-ranked returns, open communication and accessible service to our clients since 1996.

We offer a range of funds and investment products to meet the needs of individuals and institutions. In each case, our main goal is to achieve consistent long-term returns for our clients. We do this by applying sound, disciplined processes to our investments in equities, fixed income and real estate. We offer products with global reach, as well as those that focus primarily on the Caribbean region.

Please feel free to contact us to learn more about this Fund, or any of our products.

Fortress Fund Managers Limited
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Upper Collymore Rock
St. Michael, BB14004
Barbados
TEL (246) 431 2198
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www.fortressfund.com



Fortress Caribbean
Pension Fund

Investment Objectives & Fund Details

The Fortress Caribbean Pension Fund offers three classes of shares to defined contribution and defined benefit pension plans and their participants: Redeemable Aggressive Accumulator (AA), Redeemable Conservative Consolidator (CC) and the Redeemable Capital Secure (CS), each with its own investment objective. The objective of the AA class of share is to achieve growth and capital appreciation of the assets over the long term. The investment objective of the CC class of share is to achieve growth and capital appreciation over the medium term, while that of the CS class of share is to achieve capital security in the short term.

FUND NAME:	Fortress Caribbean Pension Fund Limited		
LAUNCH DATE:	October 9, 2002		
LAUNCH PRICE:	\$10.00 per share		
	AA	CC	CS
NET ASSET VALUE PER SHARE 9/30/2023	\$29.8768	\$28.4418	\$19.0459
NET ASSETS 9/30/2023	\$219,857,533	\$163,701,985	\$18,782,029
MANAGEMENT EXPENSES: <i>Management fees:</i>	0.50% per annum of net assets at the Fund level. Fees from the underlying Fortress funds in which the Fund invests are capped at between 0.25% and 0.50% per annum of net assets, depending on the Fund.		
<i>Administration fees:</i>	0.03% per annum on the net asset value of the Fund		
<i>Custodian fees:</i>	\$2,000 per annum on the first \$5M - \$15M in assets \$7,500 per annum on assets > \$50M		
INITIAL CHARGES:	Nil		
REDEMPTION CHARGES:	Nil		
INVESTMENT MANAGER & ADMINISTRATOR:	Fortress Fund Managers Limited		
CUSTODIAN:	SigniaGlobe Financial Group Inc.		
FUND VALUATIONS:	Monthly		
NAV QUOTATIONS:	www.fortressfund.com		

Directors & Administrators

DIRECTORS

Roger Cave, Chairman
René Delmas
Ruth Henry
John Howard
Desmond Kinch
Greg McConnie
Maria Nicholls
Tracey Shuffler
John Williams

COMPANY SECRETARY

Hanna M. Chrysostom
One+ Haggatt Hall
St. Michael
Barbados

FORTRESS FUND MANAGERS AUDIT COMMITTEE

John Howard
Greg McConnie
Maria Nicholls

FORTRESS FUND MANAGERS GOVERNANCE COMMITTEE

Ruth Henry
Maria Nicholls
Tracey Shuffler

REGISTERED OFFICE

Radley Court
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St. Michael, BB14004
Barbados

ATTORNEY AT LAW

Clarke Gittens Farmer
Parker House
Wildey Business Park
Wildey Road
St. Michael
Barbados

INDEPENDENT AUDITORS

Ernst & Young Ltd.
One Welches
Welches
St. Thomas
Barbados

CUSTODIAN

SigniaGlobe Financial Group Inc.
Shirley House
Hastings Main Road
Christ Church
Barbados

INVESTMENT MANAGER & ADMINISTRATOR

Fortress Fund Managers Limited
Radley Court
Upper Collymore Rock
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Barbados

Tel: (246) 431 2198
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Internet: www.fortressfund.com
Email: invest@fortressfund.com

Fortress Caribbean Pension Fund Limited ("the Fund") is an open-ended mutual fund company and was incorporated on October 9, 2002 under the provisions of the Mutual Funds Act of Barbados. The Fund maintains its registered office at Radley Court, Upper Collymore Rock, St. Michael, BB14004, Barbados.

Important information about this Fund is contained in its prospectus, which we encourage you to read before making an investment. The indicated returns in this document are net of all fees and expenses. Returns are historical and are not necessarily indicative of future performance. Investors should be aware that there are risks involved where the value of the Fund's shares may go down as well as up. A copy of the prospectus may be obtained from the offices of Fortress Fund Managers, or downloaded at www.fortressfund.com.

Background

Fortress Caribbean Pension Fund Limited ("Pension Fund") is a mutual fund company incorporated in Barbados and licensed under the Mutual Funds Act 2002-22.

Fortress Fund Managers Limited has been manager of the Fund since its inception.

The Pension Fund was established in 2002 in response to the growing trend of companies favouring Defined Contribution (DC) pension plans over Defined Benefit (DB) pension plans. In DC plans, contribution rates are fixed by employer and employee, and members bear 100% of the investment and longevity risks as there are no guarantees to the level of pension that can be provided at retirement with the member's funds.

Recognising that members at different ages have different investment risks and objectives, the Pension Fund has been structured to allow members to direct their own funds as they see fit into one of three investment shares – Aggressive Accumulator (AA) Share,

Conservative Consolidator (CC) Share and Capital Secure (CS) Share. Each share has a different asset allocation make-up, from being "aggressive" to "conservative," thus catering to members who have changing risk/reward objectives as they progress towards retirement.

Where the Pension Fund invests in other funds managed by Fortress, there is a rebate system in place for the Pension Fund to avoid double charging of management fees.

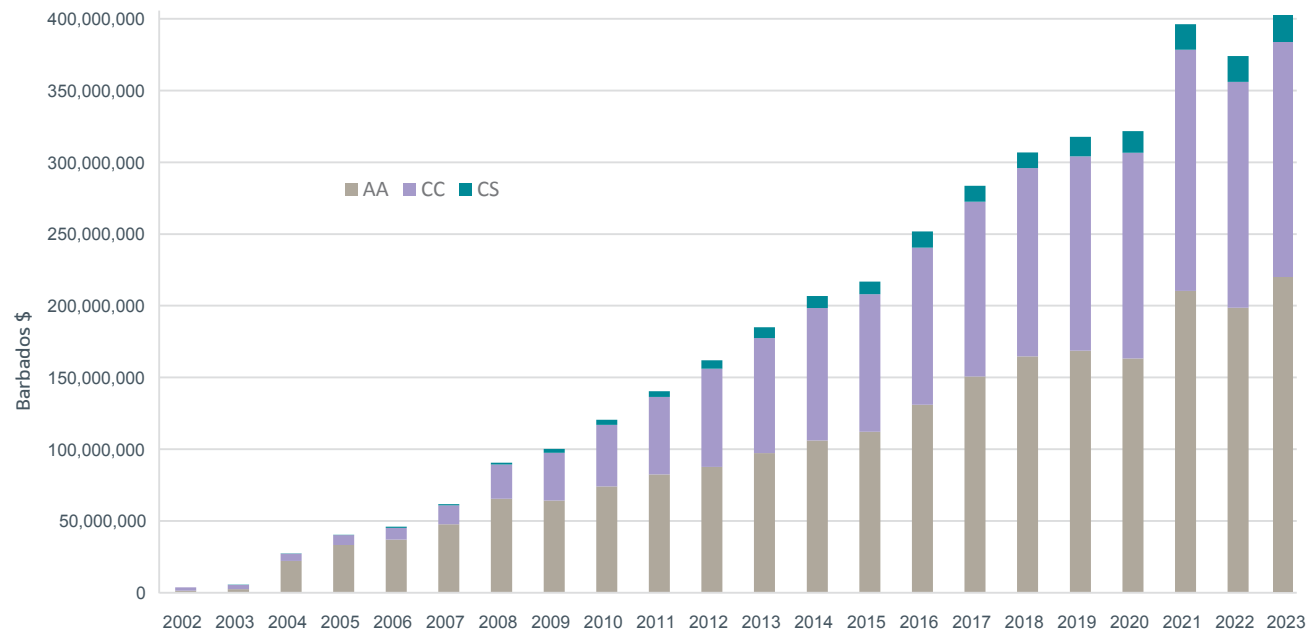
Fortress provides both record keeping and investment services to DC plans that invest in the Pension Fund, and investment only services to DB pension plans.

Members of DC plans can access their accounts through our website and are also able to use our pension projection tool on the website.

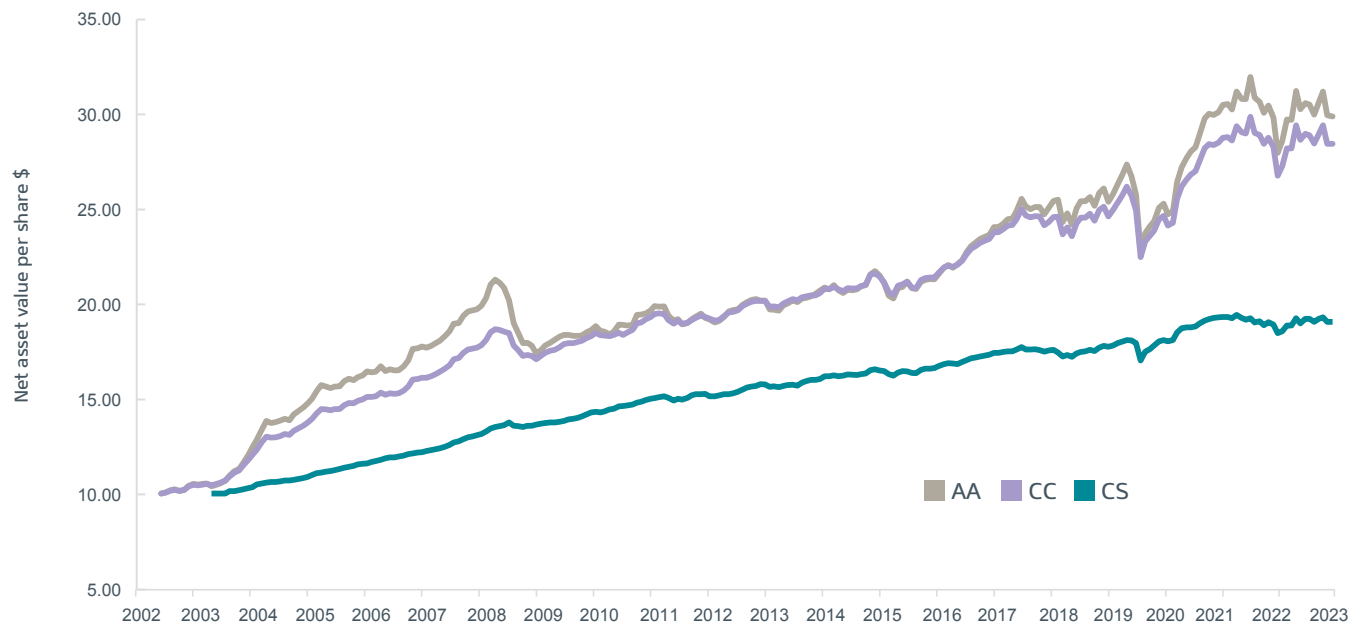
As of September 30, 2023 approximately 80 companies are investing in the Pension Fund and record keeping services are being provided for over 4,500 employees.

Asset Growth & Investment Performance

Fortress Caribbean Pension Fund - Asset Growth



Net Asset Value Performance Since Inception



Asset Growth & Investment Performance

Historical One Year Investment Returns (net of all fees and expenses)

Year Ending	AA Share Return	CC Share Return	CS Share Return
9/30/2003	10.5%	9.5%	—
9/30/2004	24.0%	17.7%	5.4%
9/30/2005	14.9%	12.1%	6.4%
9/30/2006	3.7%	4.2%	5.3%
9/30/2007	14.8%	11.8%	6.1%
9/30/2008	6.4%	8.1%	8.4%
9/30/2009	-9.0%	-3.1%	0.6%
9/30/2010	2.9%	4.2%	6.3%
9/30/2011	1.2%	1.7%	1.4%
9/30/2012	2.5%	3.2%	2.3%
9/30/2013	1.6%	2.3%	2.7%
9/30/2014	4.0%	3.8%	3.3%
9/30/2015	-2.1%	-1.4%	0.3%
9/30/2016	8.7%	7.5%	4.0%
9/30/2017	9.9%	8.7%	3.5%
9/30/2018	5.2%	2.8%	-0.2%
9/30/2019	1.1%	1.4%	2.2%
9/30/2020	-4.2%	-3.2%	1.2%
9/30/2021	23.4%	19.4%	7.2%
9/30/2022	-8.3%	-7.1%	-4.4%
9/30/2023	6.9%	6.3%	3.2%

Performance Summary as of September 30, 2023*

	1 year	3 year	5 year	Inception
AA Share	6.9%	6.5%	3.2%	5.3%
CC Share	6.3%	5.6%	3.0%	5.0%
CS Share	3.2%	1.9%	1.8%	3.2%

*periods longer than one year are annual compound returns

Portfolio Positioning

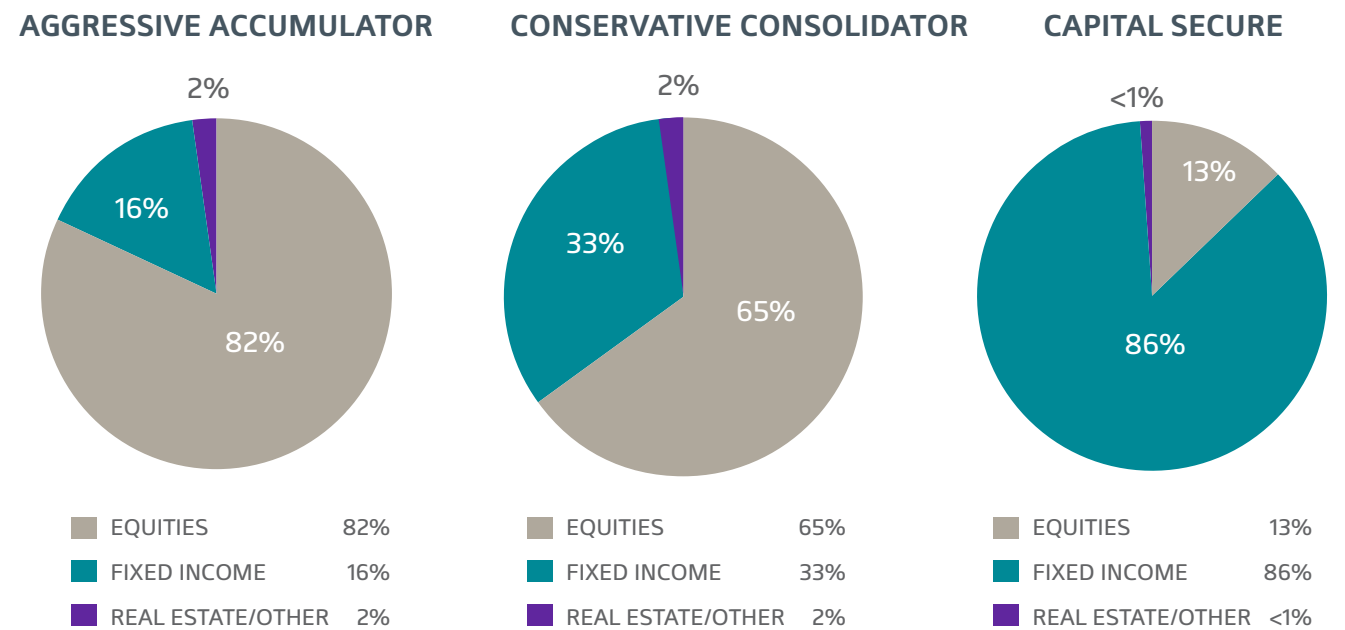
The three classes of shares of the Pension Fund invest in combinations of equities, fixed income and real estate consistent with the time horizons, risk tolerance and objectives for each class of share.

The Fund’s largest holding of equities is in the **Fortress Caribbean Growth Fund**, while for fixed income it is in

the **Fortress Caribbean High Interest Fund**. Where the Fund invests in other funds managed by Fund Managers Limited, a rebate system is in place to avoid double charging of management fees.

The asset allocation of the three shares as at September 30, 2023 is as follows:

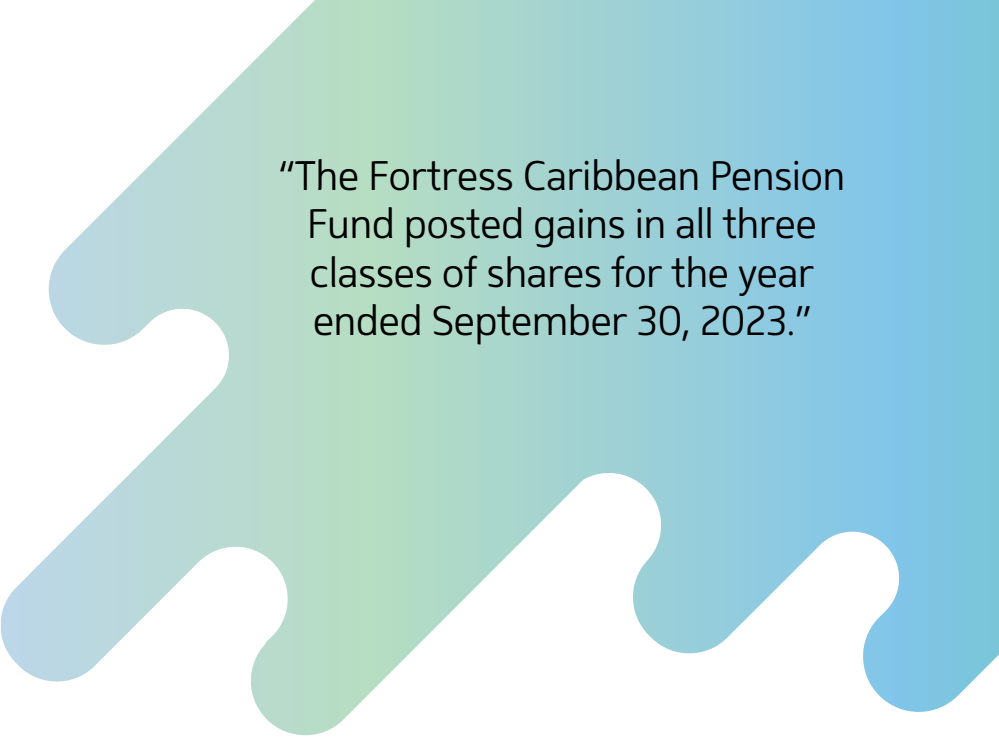
Asset Allocation of Funds





Directors' Report

Directors' Report



"The Fortress Caribbean Pension Fund posted gains in all three classes of shares for the year ended September 30, 2023."

The Fortress Caribbean Pension Fund posted gains in all three classes of shares for the year ended September 30, 2023. The AA share returned 6.9%, the CC share rose 6.3% and the CS share advanced 3.2%. These returns reflect the differing asset allocations of the classes of share. Stocks and bonds recovered meaningfully from a low point this time last year as inflation moderated and fears of a recession eased.

Since inception in 2002, the annual compound returns for the Fund's AA, CC and CS shares have been 5.3%, 5.0% and 3.2% per year respectively. Total net assets of the Fund increased from \$374 million to \$402 million during the year, surpassing the \$400 million mark for the first time.

The equity allocations of the three shares of the Pension Fund are primarily made up of investments in the **Fortress Caribbean Growth Fund**, the fixed income allocations are primarily made up of investments in the **Fortress Caribbean High Interest Fund**, and the small allocations to real estate are typically made through the Eppley Caribbean Property Fund SCC (formerly Fortress Caribbean Property Fund SCC). The returns of the three shares in the Pension Fund are therefore primarily a blend of the performance returns of these underlying funds.

Fortress Caribbean Growth Fund

The Fortress Caribbean Growth Fund gained 6.7% for the year, recouping most of the decline seen in 2022's

widespread selloff in global markets. Once again, the Fund's broad diversification paid off as stock market returns varied widely around the world with weakness in the Caribbean and strength overseas. The Jamaica and Trinidad indexes fell 11% and 10% respectively, while the global benchmark rallied 23%. The thinly traded Barbados index was up 6%.

Economic growth in the U.S. remained surprisingly strong through the year, while growth declined in Europe and China. The Chinese government announced fiscal and monetary stimulus to support the economy and markets, to limited effect. The trend of U.S. companies reducing direct investments in China in favour of other countries remained intact. Share prices there continued to trade at large discounts to global averages. Japan, on the other hand, saw substantial gains over the year as company earnings improved alongside still reasonable share valuations. The strongest returns among global equities came among the largest handful of technology stocks in the U.S. as excitement over the impact of artificial intelligence pushed valuations to new highs.

The Fund's core allocations to the Fortress US Equity, International Equity and Emerging Markets funds performed well, returning 14%, 20% and 11% respectively. Individual global investments had mixed returns. The Fund's holding in Berkshire Hathaway gained 31% during the year, while those in the U.S. biotechnology sector declined, leaving this sector one of the few in the U.S. trading at surprisingly low prices. Allocations to specialist

managers posted positive returns, with the OAM Europe and Asia Funds up 31% and 8%, and the Templeton Asian Smaller Companies Fund adding 15%. Overall, the Fund's value-oriented global investments performed well but lagged in the U.S. where market gains were attributable to the highly priced technology shares.

In the Caribbean, share prices mostly declined during the year. Holdings in Guyana corrected significantly from the highs of last year, bringing valuations down to more reasonable levels alongside exceptionally strong economic growth. The Fund's investment in Guardian Holdings in Trinidad came under pressure following a change to the new IFRS 17 financial reporting requirements. Massy, another significant holding in Trinidad was little changed. Among Barbados positions, gains in FirstCaribbean International Bank were offset by a decline in Sagicor Financial. The Fund had only minimal holdings in Jamaica and these posted declines as well.

The Fund's portfolio continues to be diversified within the Caribbean region and globally, across a range of industries, countries and individual holdings. Approximately one third of the portfolio is invested in the Caribbean region and two thirds is invested in U.S., international and emerging markets, offering Barbados-based investors access to exceptional global diversification. It is worth noting, however, that our ability to invest additional assets in local, regional and global equities continues to be constrained by exchange controls in Barbados and by relatively small, illiquid stock markets in the region.

Fortress Caribbean High Interest Fund

The Fund returned 3.2% for the year as global central banks tightened policy and government bond prices fell. One helpful dynamic was that corporate bonds recovered from the stress they were under this time last year, as did emerging markets bonds. The main index of U.S. high-quality bonds, which includes both corporates and governments, was up 0.6% for the year. The Fund's core allocation to U.S. bonds via the US\$ Fortress Fixed Income Fund outperformed with a gain of 2.2% during the year, and our select allocations to emerging and

corporate bonds saw gains of up to 9% during the year. Domestic Barbados holdings performed in line with expectations but opportunities for further investment remained severely limited.

It was another year in which interest rates preoccupied investors globally, as the fight against post-pandemic inflation continued. The U.S. Federal Reserve (Fed) raised its target rate steadily from a range of 3-3.25% to 5.25-5.5%, the highest it has been in 20 years. Bond yields also rose, with the 10-year U.S. Treasury yield moving up from 3.83% to 4.57% during the year. Inflation rates eased around the world as supply chains normalized further and higher interest rates reduced demand. Even as inflation cooled, however, it remained above central banks' targets. This suggested interest rates may need to stay high for some time, and the "higher for longer" fears were a headwind for global markets during August and September. The failure of some U.S. regional banks in March was a concern and caused a brief flight to quality in the bond market. It did not have a lasting impact outside of the regional banking sector, but the episode highlighted the vulnerability of leveraged financial institutions to the rapid declines in bond prices brought on by higher interest rates, and perhaps encouraged a more cautious approach to rate hikes from the Fed.

In Barbados, the Fund continued to face challenges finding new local investments consistent with its risk and return objectives. Corporate issuance was almost non-existent, but we did place funds in new Government of Barbados (GOB) bonds and the first issue of treasury bills offered since the 2018 restructuring. These additions were offset by principal now being paid quarterly on GOB Series B bonds, whose prices also increased during the year as their final maturity drew closer. On balance, GOB exposure increased to 14% of the total portfolio. We also placed some short-term money on deposit with finance companies Ansa Merchant Bank and SigniaGlobe. As a result of these actions, Barbados dollar cash in the Fund declined from 21% to 12% and the yield on the portfolio increased. The Fund's existing corporate holdings performed as expected and contributed to the overall return during the year.

As of September 30, 2023, the average term to maturity of the Fund's diversified holdings was just under six years and the average gross yield was 4.5%. Approximately 51% of the portfolio is invested outside the Caribbean region in U.S. dollars and other global currencies.

Asset Allocation & Outlook

Interest rates affect the prices of all financial assets. All things being equal, higher rates push down prices, and lower rates draw them higher. It is worth noting, therefore, that with the Fed's target rate now at a 20-year high and U.S. government bond yields at 15-year highs, interest rates are exerting significant downward pressure on stock and bond prices around the world. We do not know how long this period of higher rates will last, but it will eventually ease. For now, though, the situation is not without its benefits. Higher interest rates are allowing us to own and invest even more in high-quality assets around the world at reasonable prices, and this is positive for the Fund's future return prospects. With bonds once again offering meaningful return prospects, we believe balanced portfolios of stocks and bonds represent a better risk reward prospect today than they have in many years.

If you would like to learn more about the performance and positioning of the main underlying funds in which the Pension Fund invests, please see the annual and quarterly reports of the Fortress Caribbean Growth Fund and the Fortress Caribbean High Interest Fund, available to view or download at www.fortressfund.com.

Governance and complying with regulatory oversight are key aspects of the Fund's operations. The Fund's Board and that of the Manager were active and engaged throughout the year, and we would like to thank all members of our Boards for their efforts on behalf of investors. SigniaGlobe Financial, the Fund's custodian, as well as EY the external auditor and BDO the internal

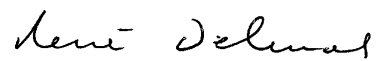
auditor, as usual worked diligently with us to oversee the safekeeping of assets and monitor the integrity of important processes and financial reporting. We would like to thank them, and the other excellent counterparties and service providers who make operating a fund like this possible and secure.

During the year, Roger Cave became Chairman of the Fund and of Fortress Fund Managers Limited. This corresponded with him taking over from John Williams as Chief Executive Officer of Fortress' parent company, Cave Shepherd & Co. Ltd., following Mr. Williams' retirement. We are grateful to Mr. Williams for his service as previous Chairman of the Fund and are delighted he will remain as a director to help guide the Fund in the years ahead. As part of these changes, Peter Arender has taken over the leadership role at Fortress Fund Managers and will continue to work closely with Mr. Cave on the management of the business and Fortress' range of funds.

Sincere thanks to you, our shareholders, for your trust and support. We look forward to reporting on the Fund's continued progress in the year ahead.



Roger Cave, CA, CFA
Chairman



René Delmas
Pension Director



Financial Statements



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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF FORTRESS CARIBBEAN PENSION FUND LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fortress Caribbean Pension Fund Limited (“the Fund”), which comprise the statement of financial position as at September 30, 2023, and the statement of net assets attributable to holders of redeemable mutual fund shares, statement of comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at September 30, 2023 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 Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (“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.

Other information included in the 2023 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF FORTRESS CARIBBEAN PENSION FUND LIMITED

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and the Board of Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Fund'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 FORTRESS CARIBBEAN PENSION FUND LIMITED

Report on the Audit of the Financial Statements (Continued)

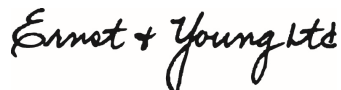
Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 Fund'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 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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Fund to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Other Matter

This report is made solely to the Fund's shareholders, as a body, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the Fund'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 Fund and the Fund's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.



BARBADOS
December 14, 2023

Fortress Caribbean Pension Fund Limited

Statement of Financial Position

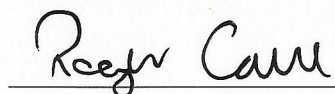
As at September 30, 2023

(expressed in Barbados dollars)

	2023			2022		
	Aggressive Accumulator \$	Conservative Consolidator \$	Capital Secure \$	Aggressive Accumulator \$	Conservative Consolidator \$	Capital Secure \$
Assets						
Financial assets (note 5)	218,629,854	161,230,470	18,808,545	198,222,774	154,506,940	17,849,202
Cash and cash equivalents (note 6)	1,713,382	3,225,730	117,142	1,649,113	3,123,575	199,143
Total assets	220,343,236	164,456,200	18,925,687	199,871,887	157,630,515	18,048,345
Liabilities						
Redemptions payable	472,988	744,798	142,582	1,233,519	281,952	20,147
Accounts payable and accrued expenses	11,936	9,220	1,052	12,220	9,523	1,083
Total liabilities (excluding net assets attributable to holder of redeemable mutual fund shares)	484,924	754,018	143,634	1,245,739	291,475	21,230
Net assets attributable to holders of redeemable mutual fund shares (note 8)	219,857,533	163,701,985	18,782,029	198,625,369	157,338,843	18,027,091
Total liabilities	220,342,457	164,456,003	18,925,663	199,871,108	157,630,318	18,048,321
Share capital (note 9)	779	197	24	779	197	24
Liabilities and shareholder funds	220,343,236	164,456,200	18,925,687	199,871,887	157,630,515	18,048,345
Net asset value per share	29.8768	28.4418	19.0459	27.9580	26.7571	18.4609

The accompanying notes form an integral part of the financial statements.

Approved by the Board of Directors on December 14, 2023



Director



Director

Fortress Caribbean Pension Fund Limited

Statement of Changes in Net Assets Attributable to Holders of Redeemable Mutual Fund Shares

For the year ended September 30, 2023

(expressed in Barbados dollars)

	Number of shares			Net assets attributable to holders of redeemable mutual fund shares		
	Aggressive Accumulator	Conservative Consolidator	Capital Secure	Aggressive Accumulator \$	Conservative Consolidator \$	Capital Secure \$
Balance as at September 30, 2021	6,901,183	5,830,593	920,852	210,407,536	167,976,371	17,784,340
Issue of shares	650,126	432,224	278,432	19,820,524	12,348,314	5,334,248
Redemption of shares	(446,893)	(382,553)	(222,781)	(13,590,330)	(11,028,664)	(4,267,017)
Total comprehensive loss for the year	—	—	—	(18,012,361)	(11,957,178)	(824,480)
Balance as at September 30, 2022	7,104,416	5,880,264	976,503	198,625,369	157,338,843	18,027,091
Issue of shares	513,530	439,904	96,887	15,546,221	12,523,707	1,833,323
Redemption of shares	(259,148)	(564,488)	(87,246)	(7,841,736)	(16,112,280)	(1,659,630)
Total comprehensive income for the year	—	—	—	13,527,679	9,951,715	581,245
Balance as at September 30, 2023	7,358,798	5,755,680	986,144	219,857,533	163,701,985	18,782,029

Fortress Caribbean Pension Fund Limited

Statement of Comprehensive Income For the year ended September 30, 2023

(expressed in Barbados dollars)

	2023			2022		
	Aggressive Accumulator \$	Conservative Consolidator \$	Capital Secure \$	Aggressive Accumulator \$	Conservative Consolidator \$	Capital Secure \$
Revenue						
Net gain/(loss) on financial assets at fair value through profit or loss (note 5)	12,287,080	9,217,684	579,343	(19,226,058)	(12,708,612)	(830,555)
Other income (note 7)	1,215,512	740,472	14,053	1,199,161	760,222	15,945
Interest and other investment income	4	45,428	—	3	39,582	—
Dividend income	162,725	53,567	383	122,930	36,359	252
Total investment gain/(loss)	13,665,321	10,057,151	593,779	(17,903,964)	(11,872,449)	(814,358)
Expenditure						
Administrator and custodian fees (note 7)	68,339	52,758	6,023	68,205	53,811	6,058
Director fees	49,138	36,623	4,239	19,096	15,091	1,813
Professional and audit fees	11,837	9,303	1,068	11,442	8,788	990
Office and administrative expenses	8,328	6,752	1,204	9,654	7,039	1,261
Operating expenditure	137,642	105,436	12,534	108,397	84,729	10,122
Comprehensive income/(loss) for the year	13,527,679	9,951,715	581,245	(18,012,361)	(11,957,178)	(824,480)

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

Fortress Caribbean Pension Fund Limited

Statement of Cash Flows

For the year ended September 30, 2023

(expressed in Barbados dollars)

	2023			2022		
	Aggressive Accumulator \$	Conservative Consolidator \$	Capital Secure \$	Aggressive Accumulator \$	Conservative Consolidator \$	Capital Secure \$
Cash flows from operating activities						
Total comprehensive income/(loss) for the year	13,527,679	9,951,715	581,245	(18,012,361)	(11,957,178)	(824,480)
Adjustment for:						
Interest income	(4)	(45,428)	–	(3)	(39,582)	–
Dividend income	(162,725)	(53,567)	(383)	(122,930)	(36,359)	(252)
Net (gain)/loss on financial assets at fair value through profit or loss	(12,287,080)	(9,217,684)	(579,343)	19,226,058	12,708,612	830,555
Operating income before working capital changes	1,077,870	635,036	1,519	1,090,764	675,493	5,823
(Decrease)/increase in accounts payable	(284)	(303)	(31)	(221)	(515)	2
Purchase of financial assets at fair value through profit or loss	(11,320,000)	(5,650,000)	(1,450,000)	(13,564,422)	(5,381,012)	(3,450,000)
Proceeds on sale of financial assets at fair value through profit or loss	3,200,000	8,150,000	1,070,000	4,331,415	5,881,356	2,922,043
Cash (used in)/generated from operations	(7,042,414)	3,134,733	(378,512)	(8,142,464)	1,175,322	(522,132)
Interest received	4	39,582	–	3	39,582	–
Dividend received	162,725	53,567	383	122,930	36,359	252
Net cash (used in)/generated from operating activities	(6,879,685)	3,227,882	(378,129)	(8,019,531)	1,251,263	(521,880)
Cash flows from financing activities						
Issue of redeemable mutual fund shares	15,546,221	12,523,707	1,833,323	19,820,524	12,348,314	5,334,248
Redemption of redeemable mutual fund shares	(8,602,267)	(15,649,434)	(1,537,195)	(12,584,287)	(13,088,268)	(4,919,113)
Net cash generated from/(used in) financing activities	6,943,954	(3,125,727)	296,128	7,236,237	(739,954)	415,135

Fortress Caribbean Pension Fund Limited

Statement of Cash Flows ...*continued*

For the year ended September 30, 2023

(expressed in Barbados dollars)

	2023			2022		
	Aggressive Accumulator \$	Conservative Consolidator \$	Capital Secure \$	Aggressive Accumulator \$	Conservative Consolidator \$	Capital Secure \$
Net increase/(decrease) in cash and cash equivalents	64,269	102,155	(82,001)	(783,294)	511,309	(106,745)
Cash and cash equivalents- beginning of year	1,649,113	3,123,575	199,143	2,432,407	2,612,266	305,888
Cash and cash equivalents- end of year	1,713,382	3,225,730	117,142	1,649,113	3,123,575	199,143

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

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

1 Incorporation and principal activity

The Fund was incorporated in Barbados on October 9, 2002, under the Companies Act of Barbados and is licensed under the Mutual Funds Act 2002-22 of Barbados as an authorised mutual fund. The Fund maintains its registered office at Radley Court, Upper Collymore Rock, St. Michael, Bridgetown, Barbados.

The primary objective of each class of share is stated below:

The investment objective of the Aggressive Accumulator (AA) class of shares is to achieve growth and capital appreciation of the assets over the long term.

The investment objective of the Conservative Consolidator (CC) class of shares is to achieve growth and capital appreciation of the assets over the medium term.

The investment objective of the Capital Secure (CS) class of shares is to achieve the highest possible return compatible with the preservation of capital in the short term.

The Fund's investment and administration activities are managed by Fortress Fund Managers Limited ("the Investment Manager").

These financial statements were authorised for issue by the Board of Directors on December 14, 2023.

2 Summary of significant accounting policies

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

a) Basis of presentation

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 entities reporting under IFRS. The financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of financial assets held at fair value through profit or loss.

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 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.

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

2 Summary of significant accounting policies ...continued

a) Basis of presentation ...continued

New and amended standards and interpretations

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2022, that have a material effect on the financial statements of the Fund.

b) Foreign currency translation

Functional and presentation currency

Items included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Barbados dollars which is the Fund's functional and presentation currency.

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 statement of comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the statement of comprehensive income as part of net (loss)/gain on financial assets at fair value through profit or loss.

c) Financial assets and financial liabilities at fair value through profit or loss

i) *Classification*

Assets

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss. 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.

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

2 Summary of significant accounting policies ...continued

c) Financial assets and financial liabilities at fair value through profit or loss...continued

i) Classification

Liabilities

A financial liability is measured at fair value through profit or loss if it meets the definition of held for trading. The Fund includes in this category derivative contracts in a liability position and equity and debt instruments sold short. The Fund may make short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss.

The Fund's policy requires the Investment Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

ii) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date, which is the date the Fund commits to purchase or sell the investments. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income which include the bid-ask spread, fees and commissions paid to agents, advisers, brokers and dealers.

Financial assets at fair value through profit or loss are derecognised when the rights to receive cash flows from these assets have expired or the Fund has transferred substantially all risks and rewards of ownership.

When the Fund purchases an option, an amount equal to fair value which is based on the premium paid is recorded as an asset. When the Fund writes an option, an amount equal to fair value which is based on the premium received by the Fund is recorded as a liability. When options are closed, the difference between the premium and the amount paid or received, net of brokerage commissions or the full amount of the premium, if the option expires worthless, is recognised as a gain or loss and is presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss.

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.

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

2 Summary of significant accounting policies ...continued

c) Financial assets and financial liabilities at fair value through profit or loss...continued

ii) *Recognition, derecognition and measurement...continued*

All other financial assets at fair value through profit or loss are initially recognised at fair value and subsequently carried at fair value.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Fund's right to receive payments is established. Interest on debt securities at fair value through profit or loss is recognised in the statement of comprehensive income.

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 fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting 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 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. 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 (for example, over-the-counter derivatives) is determined using valuation techniques or from other sources. 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. Investments in other funds are measured on the net asset value per share as determined by the administrator of the fund.

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.

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

2 Summary of significant accounting policies ...continued

d) Cash and cash equivalents

Cash and 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 fair value.

e) Investment income

Interest income

Interest income is recognised in the statement of comprehensive income for all interest-bearing instruments on an accrual basis using the effective interest method. Interest income relates to coupons earned on fixed income investments and short-term deposits.

Dividend income

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

f) Expenses

Expenses are accounted for on an accrual basis. Expenses are charged to the 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.

g) Redeemable mutual fund shares/net asset value

The Fund issues redeemable mutual fund shares which are redeemable at the holder's option and are classified as financial liabilities. The Fund's net asset value per redeemable mutual fund share is calculated by dividing the net assets attributable to those shares by the number of outstanding redeemable shares. In accordance with the provisions of the Fund's regulations, investment positions are valued based on the procedures described in note 2c for the purpose of determining the net asset value per share for subscriptions and redemptions.

h) Distributions payable to holders of redeemable mutual fund shares

The Fund does not pay dividends or distributions to the holders of redeemable mutual fund shares. All income, including interest, dividends and capital gains earned by the Fund, is automatically reinvested and this income is reflected in the net asset value of the shares.

i) Taxation

The Fund is licensed as an authorized mutual fund under the Mutual Funds Act, 2002-22 of Barbados. The Directors have resolved that all of the net income of the Fund is attributable to the Fund's redeemable mutual fund 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.

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

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 unquoted investments and the determination of impairment provisions. The fair value of such securities not quoted in an active market may be determined by the Fund using reputable pricing sources (such as pricing agencies) or indicative prices.

The Fund exercises judgement and estimates on the quantity and quality of pricing sources used. The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be 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. Management policies surrounding these estimates and assumptions are disclosed in note 4.

4 Financial risk management

The Fund's activities expose it to a variety of financial risks: market risk (which includes price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk.

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 Fund's policy allows it to use derivative financial instruments to moderate certain risk exposures.

The risk management policies employed by the Fund to manage these risks are discussed below. There are no changes in the risk management policies from the prior year.

The management of these risks is carried out by the investment manager under policies approved by the Board of Directors ("the Board"). 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

Equity price risk is the risk of unfavourable changes in the fair values of equity instruments or equity-linked derivatives as the result of changes in the levels of equity indices and the value of individual shares.

The equity price risk exposure arises from the Fund's investments in equity securities and units in managed equity funds. To manage this risk the Fund holds a diversified portfolio of investments in accordance with its investment policy. A summary of the overall statement of financial position market exposures at September 30, 2023 is disclosed in note 5.

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

4 Financial risk management...continued

Market risk

i) Price risk ...continued

Sensitivity

Management's best estimate of the effect on profit or loss for a year due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the table below. The analysis is based on the assumptions that the MSCI All Country World Index increased by 15% (2022 - 21%) and the Bloomberg Barclays US Aggregate Bond Index increased by 4% (2022- 8%), with all other variables held constant, and that the fair value of the Fund's portfolio of equity securities and equity-based investments moved according to their historical correlation with the indices. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material. An equivalent decrease in each of the indices shown below would have resulted in an equivalent, but opposite, impact.

	2023	2022
	\$	\$
Effect on net assets attributable to redeemable shares of an increase in the indices		
Aggressive Accumulator	12,479,114	16,778,332
Conservative Consolidator	7,926,057	11,544,706
Capital Secure	387,090	655,885

The Investment Manager uses the MSCI All Country World Index as a reference point in evaluating portfolio risk and performance. However, the Investment Manager does not manage the Fund's investment strategy to track the MSCI All Country World Index or any other index or external benchmark.

ii) Cash flows and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk. The Fund's significant interest-bearing financial assets earn interest at fixed rates and therefore the cash flows of the Fund are not affected by fluctuations in the prevailing levels of market interest rates. The Fund therefore has no significant interest rate risk on its cash flows.

The majority of the Fund's financial assets and liabilities of the Fund are non-interest bearing. The Fund would be impacted by movement in the market interest rates on the maturity of short-term fixed rate instruments which would have to be reinvested at different rates of return.

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

4 Financial risk management ...continued

Market risk ...continued

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

The following table indicates the sensitivity to the fair value of the Fund's long term fixed rate financial assets at fair value through profit or loss, to a reasonable possible change in interest rates with all other variables being constant.

	2023 Effect on net income \$	2022 Effect on net income \$
Conservative Consolidator		
Change in interest rate:		
-2%	765,462	359,643
2%	(485,151)	(264,917)

The Fund has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Fund invests and impact on the valuation of certain over-the-counter derivative products that use interest rates as an input in their valuation model.

Therefore, the above sensitivity analysis may not fully indicate the total effect on the Fund's net assets attributable to holders of redeemable shares of future movements in interest rates.

iii) Foreign currency risk

The Fund holds financial assets denominated in currencies other than Barbados dollars, the functional currency of the Fund. Consequently, except where assets and liabilities are denominated in currencies fixed to the Barbados dollar, the Fund is exposed to currency risk. The Fund's policy is not to enter into any hedging transactions to mitigate currency risk. The Fund has no significant exposure to currency risk at year end as the foreign currencies within the Fund do not fluctuate noticeably against the Barbados dollar.

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

4 Financial risk management ...continued

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment entered into with the Fund.

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

	Aggressive Accumulator	Conservative Consolidator	Capital Secure
	\$	\$	\$
September 30, 2023			
Government backed securities	—	1,987,994	—
Cash and cash equivalents	1,713,382	3,225,730	117,142
	1,713,382	5,213,724	117,142
September 30, 2022			
Government backed securities	—	1,441,232	—
Cash and cash equivalents	1,649,113	3,123,575	199,143
	1,649,113	4,564,807	199,143

The Fund holds government bonds issued by the Government of Barbados which maintains a B (2022- B-) rating by Standard and Poor's.

The Fund's significant exposure to individual counterparty credit risk on its cash and cash equivalents is set out below:

	Aggressive Accumulator	Conservative Consolidator	Capital Secure
	\$	\$	\$
Cash and cash equivalents			
September 30, 2023			
CIBC FirstCaribbean International Bank (not rated)	1,713,382	3,225,730	117,142
September 30, 2022			
CIBC FirstCaribbean International Bank (not rated)	1,649,113	3,123,575	199,143

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

4 Financial risk management...continued

Liquidity risk

The Fund is exposed to monthly cash redemptions of redeemable mutual fund shares (note 2g). It therefore invests the majority of its assets in investments that are easily liquidated. The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position 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 balances, as the impact of discounting is not significant.

	Less than 1 month \$	1 - 3 months \$
At September 30, 2023		
Aggressive Accumulator		
Redemptions payable	472,988	—
Accounts payable and accrued expenses	—	11,936
Net assets attributable to holders of redeemable fund shares	—	219,857,533
Total financial liabilities	472,988	219,869,469
Conservative Consolidator		
Redemptions payable	744,798	—
Accounts payable and accrued expenses	—	9,220
Net assets attributable to holders of redeemable fund shares	—	163,701,985
Total financial liabilities	744,798	163,711,205
Capital Secure		
Redemptions payable	142,582	—
Accounts payable and accrued expenses	—	1,052
Net assets attributable to holders of redeemable fund shares	—	18,782,029
Total financial liabilities	142,582	18,783,081

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

4 Financial risk management...continued

Liquidity risk...continued

	Less than 1 month \$	1 - 3 months \$
At September 30, 2022		
Aggressive Accumulator		
Redemptions payable	1,233,519	—
Accounts payable and accrued expenses	—	12,220
Net assets attributable to holders of redeemable fund shares	—	198,625,369
Total financial liabilities	1,233,519	198,637,589
Conservative Consolidator		
Redemptions payable	281,952	—
Accounts payable and accrued expenses	—	9,523
Net assets attributable to holders of redeemable fund shares	—	157,338,843
Total financial liabilities	281,952	157,348,366
Capital Secure		
Redemptions payable	20,147	—
Accounts payable and accrued expenses	—	1,083
Net assets attributable to holders of redeemable fund shares	—	18,027,091
Total financial liabilities	20,147	18,028,174

In the event of unusual circumstances and redemption requests representing more than 20% of the Fund's assets are received within 30 consecutive days, the directors of the Fund reserve the right to suspend redemptions and to hold a special meeting of the Fund shareholders to determine the future of the Fund, including the liquidation of the Fund's assets. In any event, redemptions may be paid in cash or by an appropriate transfer in specie.

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

4 Financial risk management...continued

Liquidity risk...continued

The Fund manages its liquidity risk by investing in securities that it expects to be able to easily liquidate. The following table illustrates the expected liquidity of assets held.

	Less than 1 month \$	1 - 3 months \$	Over 3 months \$
Total assets			
September 30, 2023			
Aggressive Accumulator	5,021,933	215,300,816	20,487
Conservative Consolidator	4,248,022	160,206,342	1,836
Capital Secure	126,043	18,799,644	—
September 30, 2022			
Aggressive Accumulator	5,042,606	194,801,658	27,623
Conservative Consolidator	4,169,898	153,458,141	2,476
Capital Secure	208,310	17,840,035	—

Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable shares. The amount of net assets attributable to holders of redeemable shares can change significantly on a monthly basis as the Fund is subject to monthly subscriptions and redemptions at the discretion of shareholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for shareholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end 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.

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.

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

4 Financial risk management ...continued

Fair value estimation...continued

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' 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.

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2023				
Financial assets at fair value through profit or loss				
Aggressive Accumulator				
Mutual funds	—	215,300,816	—	215,300,816
Listed equities and mutual funds	3,308,551	—	20,487	3,329,038
	3,308,551	215,300,816	20,487	218,629,854

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

4 Financial risk management ...continued

Fair value estimation...continued

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2023				
Financial assets at fair value through profit or loss				
Conservative Consolidator				
Mutual funds	—	158,218,348	—	158,218,348
Listed equities and mutual funds	1,022,292	—	1,836	1,024,129
Government backed securities	—	—	1,987,994	1,987,994
	1,022,292	158,218,348	1,989,830	161,230,470
Capital Secure				
Mutual funds	—	18,799,644	—	18,799,644
Listed equities and mutual funds	8,901	—	—	8,901
	8,901	18,799,644	—	18,808,545
September 30, 2022				
Financial assets at fair value through profit or loss				
Aggressive Accumulator				
Mutual funds	—	194,801,658	—	194,801,658
Listed equities and mutual funds	3,393,493	—	27,623	3,421,116
	3,393,493	194,801,658	27,623	198,222,774
Conservative Consolidator				
Mutual funds	—	152,016,909	—	152,016,909
Listed equities and mutual funds	1,046,323	—	2,476	1,048,799
Government backed securities	—	—	1,441,232	1,441,232
	1,046,323	152,016,909	1,443,708	154,506,940
Capital Secure				
Mutual funds	—	17,840,035	—	17,840,035
Listed equities and mutual funds	9,167	—	—	9,167
	9,167	17,840,035	—	17,849,202

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

4 Financial risk management ...continued

Fair value estimation...continued

Investments whose value are based on quoted market prices in active markets, and therefore classified within level 1, include active listed close-ended mutual funds. 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 are unlisted mutual funds and listed equity securities. 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. Level 3 instruments include government issued debt. As observable prices are not available for these securities, the Fund has used valuation techniques to derive the fair value.

There were no transfers between levels as at September 30, 2023.

The following tables present the movement in level 3 instruments by class of financial instrument:

	Listed equities and mutual funds \$	Total balance \$
September 30, 2023		
Aggressive Accumulator		
Opening balance	27,623	27,623
Losses recognised in the statement of comprehensive income	(7,136)	(7,136)
Closing balance	20,487	20,487
Change in unrealised losses for level 3 assets held at year end and included in other net changes in fair value on financial assets at fair value through profit or loss	(7,136)	(7,136)

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

4 Financial risk management ...continued

Fair value estimation...continued

	Listed equities and mutual funds \$	Total balance \$	
September 30, 2022			
Aggressive Accumulator			
Opening balance	39,049	39,049	
Losses recognised in the statement of comprehensive income	(11,426)	(11,426)	
Closing balance	27,623	27,623	
Change in unrealised losses for level 3 assets held at year end and included in other net changes in fair value on financial assets at fair value through profit or loss	(11,426)	(11,426)	
	Listed equities and mutual funds \$	Government backed securities \$	Total balance \$
September 30, 2023			
Conservative Consolidator			
Opening balance	2,476	1,441,232	1,443,708
(Losses)/gains recognised in the statement of comprehensive income	(640)	546,762	546,122
Closing balance	1,836	1,987,994	1,989,830
Change in unrealised (losses)/gain for level 3 assets held at year end and included in other net changes in fair value on financial assets at fair value through profit or loss	(640)	546,762	546,122

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

4 Financial risk management ...continued

Fair value estimation...continued

	Listed equities and mutual funds \$	Government backed securities \$	Total balance \$
September 30, 2022			
Conservative Consolidator			
Opening balance	3,500	1,086,866	1,090,366
(Losses)/gains recognised in the statement of comprehensive income	(1,024)	354,366	353,342
Closing balance	2,476	1,441,232	1,443,708
Change in unrealised (losses)/gain for level 3 assets held at year end and included in other net changes in fair value on financial assets at fair value through profit or loss	(1,024)	354,366	353,342

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

Description	Fair value at September 30, 2023 \$	Fair value at September 30, 2022 \$	Valuation technique	Unobservable inputs	Relationship of unobservable inputs to fair value
Aggressive Accumulator					
Listed equities and mutual funds	20,487	27,623	Third party valuation of net asset value per share	Net asset value per share	The higher the net asset value per share the higher the fair value
Conservative Consolidator					
Listed equities and mutual funds	1,836	2,476	Third party valuation of net asset value per share	Net asset value per share	The higher the net asset value per share the higher the fair value
Government backed securities	1,987,994	1,441,232	DCF method	Discount rate	The higher the discount rate, the lower the fair value

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

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, 2023, but for which fair value is disclosed.

	Level 1 \$	Level 2 \$	Level 3 \$
September 30, 2023			
Aggressive Accumulator			
Assets			
Cash and cash equivalents	1,713,382	—	—
Total	1,713,382	—	—
Liabilities			
Redemptions payable	—	472,988	—
Accounts payable and accrued expenses	—	11,936	—
Net assets attributable to holders of redeemable mutual fund shares	—	219,857,533	—
Total	—	220,342,457	—
Conservative Consolidator			
Assets			
Cash and cash equivalents	3,225,730	—	—
Total	3,225,730	—	—
Liabilities			
Redemptions payable	—	744,798	—
Accounts payable and accrued expenses	—	9,220	—
Net assets attributable to holders of redeemable mutual fund shares	—	163,701,985	—
Total	—	164,456,003	—

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

4 Financial risk management ...continued

Fair value estimation...continued

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

	Level 1 \$	Level 2 \$	Level 3 \$
September 30, 2023			
Capital Secure			
Assets			
Cash and cash equivalents	117,142	—	—
Total	117,142	—	—
Liabilities			
Redemptions payable	—	142,582	—
Accounts payable and accrued expenses	—	1,052	—
Net assets attributable to holders of redeemable mutual fund shares	—	18,782,029	—
Total	—	18,925,663	—
September 30, 2022			
Aggressive Accumulator			
Assets			
Cash and cash equivalents	1,649,113	—	—
Total	1,649,113	—	—
Liabilities			
Redemptions payable	—	1,233,519	—
Accounts payable and accrued expenses	—	12,220	—
Net assets attributable to holders of redeemable mutual fund shares	—	198,625,369	—
Total	—	199,871,108	—

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

4 Financial risk management ...continued

Fair value estimation...continued

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

	Level 1 \$	Level 2 \$	Level 3 \$
September 30, 2022			
Conservative Consolidator			
Assets			
Cash and cash equivalents	3,123,575	—	—
Total	3,123,575	—	—
Liabilities			
Redemptions payable	—	281,952	—
Accounts payable and accrued expenses	—	9,523	—
Net assets attributable to holders of redeemable mutual fund shares	—	157,338,843	—
Total	—	157,630,318	—
Capital Secure			
Assets			
Cash and cash equivalents	199,143	—	—
Total	199,143	—	—
Liabilities			
Redemptions payable	—	20,147	—
Accounts payable and accrued expenses	—	1,083	—
Net assets attributable to holders of redeemable mutual fund shares	—	18,027,091	—
Total	—	18,048,321	—

The assets and liabilities, except for redeemable mutual fund shares, included in the above table are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

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

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

4 Financial risk management ...continued

Fair value estimation...continued

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

The puttable value of redeemable shares is calculated based on the net difference between total assets and all other liabilities of the Fund in accordance with the Fund's offering memorandum. These shares are not traded on an active market. A demand feature is attached to these shares, as they are redeemable at the holders' option and can be put back to the Fund at any dealing date for cash equal to a proportionate share of the Fund's net asset value attributable to the share class (note 2g). The fair value is based on the amount payable on demand, discounted from the first date that the amount could be required to be paid. The impact of discounting in this instance is not material. As such, Level 2 is deemed to be the most appropriate categorisation for net assets attributable to holders of redeemable shares.

5 Financial assets at fair value through profit or loss

The classification of the Fund's investments is detailed below:

	Aggressive Accumulator \$	Conservative Consolidator \$	Capital Secure \$
September 30, 2023			
Financial assets designated at fair value through profit or loss:			
- Mutual funds	215,300,816	158,218,348	18,799,644
- Listed equities and mutual funds	3,329,038	1,024,128	8,901
- Government backed securities	—	1,987,994	—
Total financial assets designated at fair value through profit or loss	218,629,854	161,230,470	18,808,545
Net gains recognised in relation to investments:			
- realised gains	278,505	998,756	100,424
- change in unrealised gains	12,008,575	8,218,928	478,919
	12,287,080	9,217,684	579,343

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

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

	Aggressive Accumulator \$	Conservative Consolidator \$	Capital Secure \$
September 30, 2022			
Financial assets designated at fair value through profit or loss:			
- Mutual funds	194,801,658	152,016,909	17,840,035
- Listed equities and mutual funds	3,421,116	1,048,799	9,167
- Government backed securities	—	1,441,232	—
Total financial assets designated at fair value through profit or loss	198,222,774	154,506,940	17,849,202
Net gains recognised in relation to investments:			
- realised gains	682,021	1,059,622	338,237
- change in unrealised gains	(19,908,079)	(13,768,234)	(1,168,792)
	(19,226,058)	(12,708,612)	(830,555)

The detailed portfolio of investments is as follows:

	2023		2022	
	Cost \$	Market value \$	Cost \$	Market value \$
Financial assets at fair value through profit or loss				
Aggressive Accumulator				
Fortress Mutual Fund Limited	119,531,153	177,070,238	110,617,761	157,127,480
Fortress Caribbean High Interest Fund	27,896,466	34,367,399	28,411,354	34,185,074
Fortress Global Opportunity Wealth Fund SP	3,453,460	3,533,874	3,453,460	3,192,067
Eppley Caribbean Property Fund- Value Fund	3,770,079	2,825,079	3,770,080	2,881,581
Eppley Caribbean Property Fund- Development Fund	1,652,893	483,472	1,652,892	511,912
Fortress Emerging Markets Fund SP	253,375	329,305	253,375	297,037
Praetorian Property Mutual Fund	320,215	20,487	320,215	27,623
	156,877,641	218,629,854	148,479,137	198,222,774

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

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

			2023		2022	
	Rate	Maturity	Cost \$	Market value \$	Cost \$	Market value \$
Financial assets at fair value through profit or loss:						
Conservative Consolidator						
Fortress Mutual Fund Limited			70,081,251	102,997,168	68,517,446	95,023,717
Fortress Caribbean High Interest Fund			44,626,609	51,942,534	47,691,658	54,032,083
Fortress Global Opportunity Wealth Fund SP			2,803,460	2,949,341	2,803,460	2,664,072
Government of Barbados- Series D	2.00%	2053-08-31	2,638,613	1,987,994	2,638,613	1,441,232
Eppley Caribbean Property Fund-Value Fund			1,161,460	929,976	1,161,460	948,576
Fortress Emerging Markets Fund SP			253,375	329,305	253,375	297,037
Eppley Caribbean Property Fund-Development Fund			313,755	92,316	313,755	97,747
Praetorian Property Mutual Fund			28,854	1,836	28,854	2,476
			121,907,377	161,230,470	123,408,621	154,506,940
Capital Secure						
Fortress Caribbean High Interest Fund			14,727,109	16,275,484	15,236,417	16,386,998
Fortress Mutual Fund Limited			2,080,148	2,524,160	1,090,416	1,453,037
Eppley Caribbean Property Fund-Value Fund			10,434	6,643	10,434	6,776
Eppley Caribbean Property Fund-Development Fund			7,896	2,258	7,896	2,391
			16,825,587	18,808,545	16,345,163	17,849,202

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

5 Financial assets...continued

The Fortress Mutual Fund Limited aims to achieve long term capital appreciation from Caribbean securities. The fund's assets are invested mainly in shares of companies listed on the Caribbean stock exchanges.

The Fortress Caribbean High Interest Fund Limited aims to achieve the highest level of income compatible with the preservation of capital by investing in medium to high grade debt and equity securities issued by corporate and government entities with a short to medium term maturity profile principally in the Caribbean Region.

The objective of Fortress Emerging Markets Fund SP is long term growth with limited risk in emerging markets equities.

The objective of Fortress Global Opportunity Wealth Fund SP is long term appreciation. The fund combines investments in Fortress US Equity Fund SP, Fortress International Equity Fund SP, Fortress Emerging Markets Fund SP, direct holding in global government fixed income securities and allocations to select specialist managers in fixed income, equity and alternatives assets classes.

6 Cash and cash equivalents

	Aggressive Accumulator \$	Conservative Consolidator \$	Capital Secure \$
September 30, 2023			
Cash at bank	<u>1,713,382</u>	<u>3,225,730</u>	<u>117,142</u>
September 30, 2022			
Cash at bank	<u>1,649,113</u>	<u>3,123,575</u>	<u>199,143</u>

The effective yield on interest bearing cash and cash equivalents is nil% (2022 – nil%).

7 Related parties

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.

Fortress Fund Managers Limited serves as manager, registrar and administrator of the Fund. As a result of providing investment advisory, management, registrar and administrator services, Fortress Fund Managers Limited receives a monthly management fee based on the actual net asset value of the Fund, calculated monthly and payable in arrears, at the rate of 0.50% per annum. The Fund invests in mutual funds managed by the same manager. The management fee amounted to \$2,003,953 (2022 - \$2,009,569) for the year. The administrator fees amounted to \$120,237 (2022- \$120,574) for the year.

Management fees of \$3,973,990 (2022 - \$3,984,897) were refunded by Fortress Fund Managers Limited being 0.50% - 1.25% of the net asset values of Fortress Mutual Fund Limited, Fortress Caribbean High Interest Fund, Fortress Emerging Markets Fund SP and Fortress Global Opportunity Wealth Fund SP shares held by the Fund during the year. This is to avoid double charging of management fees on assets invested in related Funds which have the same Manager.

Fortress Caribbean Pension Fund Limited

Notes to the Financial Statements

September 30, 2023

(expressed in Barbados dollars)

7 Related parties...continued

The Fund holds 40,077,088 (2022 - 38,547,535) shares valued at \$282,591,566 (2022 - \$253,604,234) in the Fortress Mutual Fund Limited.

The Fund holds 48,815,330 (2022- 51,294,148) shares valued at \$102,585,417 (2022- \$104,604,155) in the Fortress Caribbean High Interest Fund Limited.

The Fund holds 2,856 (2022 - 2,856) shares valued at \$ 658,610 (2022- \$594,074) in the Fortress Emerging Markets Fund Limited.

The Fund holds 25,189 (2022- 25,189) shares valued at \$6,483,215 (2022- \$5,856,139) in the Fortress Global Opportunity Wealth Fund Limited.

Director fees of \$90,000 (2022 - \$36,000) were paid during the year. This increase followed a review and normalisation of fees in line with market and other Fortress funds.

8 Redeemable mutual fund shares

Each class of Fund shares is entitled to share in the net income and net capital gains of the Fund. Fund shareholders shall not be entitled to vote at meetings of shareholders of the Fund save and except as permitted under the Companies Act CAP 308 and of the following:

- i) Disposal of substantially all of the Assets of the Fund, other than the course of ordinary business.
- ii) Any change or abrogation of the rights attached to the shares or any variation affecting the rights attached to the Fund shares.
- iii) Any proposed amalgamation of the Fund with another company or any amalgamation of the Fund with another Mutual Fund.
- iv) Any proposed liquidation or dissolution of the Fund.

9 Share capital

The 1,000 common shares held by the Fund Manager, carry full voting rights, but do not share in the profits of the Fund. On winding up of the Fund, the shares will be repaid at issue value.



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