

# World Growth Fund



## HIGHLIGHTS:

- *The Fund gained 10.1% in the fourth quarter and is up 13.0% over the past year.*
- *Global stocks rallied as inflation eased and led to hopes of interest rate cuts in the months ahead.*

The Fund gained 10.1% in the fourth quarter and is up 13.0% over the past year. The net asset value (NAV) per share as of December 29 was US \$1.1087. Net assets of the Fund were US \$8.9 million, up from \$7.0 million this time last year. The Fund's annual compound rate of return since inception in January 2021 is 3.6% per year. The portfolio is invested in high-quality, well-valued shares in U.S., international and emerging markets.

Global equities finished with meaningful gains for the quarter, despite having started on a less enthusiastic note. October saw weakness due to rising interest rates and geopolitical tensions. In November and December, though, moderating inflation readings in the U.S. prompted a sharp turnaround as investors began to anticipate not just an end to tightening by the Federal Reserve (Fed) but the advent of rate cuts. The year-over-year U.S. Consumer Price Index eased to 3.1% in November after peaking at a 9.1% rate in mid-2022. The Fed kept rates unchanged throughout the quarter and shifted to a softer tone in December, which reinforced expectations of future rate cuts and provided further support for equities. The more speculative segments of the market led the advance, with the largest U.S. technology stocks driving index returns as much of the rest of the U.S. market and international investments posted more modest gains. The Fund's core global investments via the Fortress Global Funds posted gains of between 8% and 12% for the quarter, across U.S., international and emerging markets.

The U.S. economy avoided a long-feared recession in 2023 as growth remained solid while inflation eased. With the Fed's target rate now at 5.25-5.5% there is significant room for rate cuts, when the time comes. The question is, will the cutting occur in a weakening economy with falling corporate profits? Some of the largest, most expensive stocks in the market are trading today at valuations so high that disappointment of any kind could be exceptionally painful. We continue to see far better risk/reward prospects where expectations, and prices, are much more down to earth and return prospects for the Fund's investments remain substantial. On a look-through basis the Fund's global equity investments now have an average price/earnings ratio of 13.0x and dividend yield of 2.8%, significantly better valuations than the broad market averages.

*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 \$1.1087
Fund Net Assets	US \$8,915,799
Fund Inception	Jan 29, 2021

## INVESTMENT RETURNS

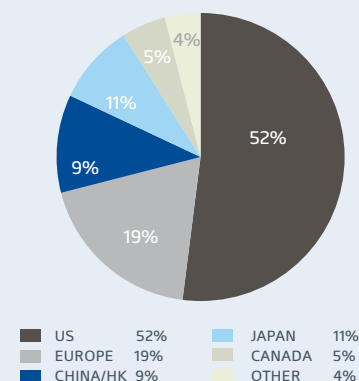
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
<b>Fortress</b>	<b>10.1%</b>	<b>13.0%</b>	<b>n/a</b>	<b>n/a</b>	<b>3.6%</b>
Index	11.0%	22.2%	5.8%	11.7%	6.1%

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

## NAV SINCE INCEPTION TO DECEMBER 31ST, 2023



## GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



## TOP ALLOCATIONS

Holding	Weight
Fortress US Equity Fund	47.5%
Fortress International Equity Fund	38.9%
Fortress Emerging Markets Fund	12.5%
Cash reserves	1.1%
<b>Total</b>	<b>100.0%</b>

## TOP 10 UNDERLYING HOLDINGS

Holding	Weight
US DOLLAR CASH	4.1%
META PLATFORMS INC-CLASS A	2.1%
LOGITECH INTERNATIONAL-REG	2.0%
GENERAL DYNAMICS CORP	1.9%
VERTEX PHARMACEUTICALS INC	1.9%
CELANESE CORP	1.9%
SMITH (A.O.) CORP	1.9%
CHECK POINT SOFTWARE TECH	1.8%
SNAP-ON INC	1.8%
DECKERS OUTDOOR CORP	1.8%

## 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

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

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

# World Fixed Income Fund



## HIGHLIGHTS:

- *The Fund gained 5.5% in the fourth quarter and is up 4.9% over the past year.*
- *Bond yields dropped significantly during the quarter, pushing prices higher as inflation moderated and hopes grew there would soon be rate cuts.*

The Fund gained 5.5% in the fourth quarter and is up 4.9% over the past year. The net asset value (NAV) per share as of December 29 was US \$0.9305. Net assets of the Fund were US \$5.5 million, up from \$5.1 million this time last year. The Fund's annual compound rate of return since inception in January 2021 is -2.4% per year. The portfolio is invested in a diversified portfolio of primarily high-quality US\$ bonds.

Bonds had an exceptional quarter as yields fell to reflect lower inflation and interest rate expectations. U.S. inflation, as measured by the Consumer Price Index, slowed to 3.1% year-over-year in November after two consecutive months of unchanged price levels. The U.S. Federal Reserve (Fed) kept its target rate range unchanged at 5.25-5.50% during the quarter and publicly shifted to a softer outlook. Growing expectations that the Fed was done raising interest rates and actively considering cuts led to lower bond yields in all maturities. The U.S. treasury 5-year note yield fell from 4.61% to 3.85% over the quarter, while the 10-year yield moved from 4.57% down to 3.88%. Lower yields pushed bond prices higher, erasing year to date losses, and leaving the main U.S. bond index with a 5.5% return for the year. Investment grade corporates outperformed both high yield and treasuries as credit spreads tightened even with an active new issue calendar. Emerging market bonds also gained in the quarter. Some of the Fund's corporate floating rate note positions matured during the quarter, and the proceeds will be redeployed into similar investments as opportunities arise.

At this point, yields are still high by the standards of the last 20 years, even as the market has priced in rate cuts from early 2024. Rates will almost certainly fall one day, but no one knows when this will happen or how quickly they will fall. We continued to extend duration gradually as positions matured to benefit from higher yields but were also keen to keep shorter term positions and floating rate notes in the portfolio in case current expectations for rate cuts are overdone. The average term to maturity of the Fund's portfolio is 6.6 years and the average gross yield is 4.8%, 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	99.6%
Cash reserves	0.4%

## TOP 10 UNDERLYING HOLDINGS

Holding	Weight
US DOLLAR CASH	12.4%
US TREASURY N/B 2.875 8/15/2028	12.1%
US TREASURY N/B 2.25 8/15/2049	7.3%
US TREASURY N/B 4.25 5/15/2039	5.5%
TSY INFL IX N/B 0.125 2/15/2052	4.6%
US TREASURY N/B 2.25 2/15/2027	2.9%
ISHARES JPM USD EM BOND	2.6%
GOVT OF BERMUDA 3.717 1/25/2027	2.5%
ABBVIE INC 2.95 11/21/2026	2.4%
MITSUBISHI UFJ FIN GRP FLOATING 2/20/2026	2.4%



## 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	\$0.9305
Fund Net Assets	US \$5,491,373
Fund Inception	Jan 29, 2021

## INVESTMENT RETURNS

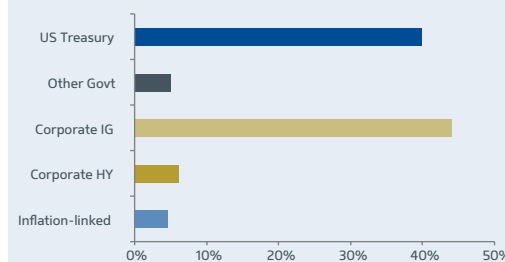
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
<b>Fortress</b>	<b>5.5%</b>	<b>4.9%</b>	<b>n/a</b>	<b>n/a</b>	<b>-2.4%</b>
Index	6.8%	5.5%	-3.3%	1.1%	-3.2%

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

## NAV SINCE INCEPTION TO DECEMBER 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.**

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Fortress Fund Managers Ltd.

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