



Dear fellow investors,

The new year started on a positive note for the Fortress funds, with small gains across the board. Most areas of the global equity market strengthened, while bonds came under pressure from higher-than-expected inflation data in the U.S. In the Caribbean, shares had mixed performance with continued weakness in Jamaica and Trinidad, especially within the financial sector.

Global financial markets remain preoccupied with the question of when global central banks will cut interest rates, after two years of tight policy to fight inflation. Lower interest rates support economic growth and can push up the prices of financial assets like stocks and bonds. But we should be careful what we wish for. Rate cuts often come against a backdrop of slower economic growth and stress in credit and/or equity markets. Global stock markets, especially the U.S., are not currently priced to absorb much bad news, either from earnings or interest rates. We must therefore be exceptionally selective. Thankfully, there are still high-quality, reasonably priced shares (and bonds) to own around the world – they are just not everywhere.

In Barbados, the recent budget unfortunately did not address the well-known issue of double taxation of employees' pension contributions. While pension plans and individuals can take steps to minimise the impact of this policy, it would be far better if we, as a society, would recognise that deterring saving and investment today will no more ensure our future prosperity than will borrowing to fund today's consumption. We hope this policy can be reconsidered soon.

Thank you very much for investing with us.

Sincerely,  
Fortress Fund Managers

## OF INTEREST THIS QUARTER:

### THE CARIBBEAN GROWTH FUND

gained 2.7% in the first quarter and is up 4.9% over the past year. Global investments strengthened while Caribbean markets were mostly weaker.

### THE CARIBBEAN HIGH INTEREST FUND

gained 0.5% in the first quarter and is up 2.8% over the past year. U.S. bond prices fell as economic and inflation data were stronger than expected.

### THE CARIBBEAN PENSION FUND

shares gained between 0.8% and 2.4% in the first quarter and are up between 3.1% and 5.1% over the past year. Gains from equities outpaced bonds as inflation remained a concern.

**Ups and downs are part of life,  
especially if you're somewhere worthwhile.**

There have been plenty of ups and downs in financial markets over the 27 years since we started investing at Fortress. And there will certainly be more in the future. The conditions and terrain may change, but what doesn't change is our commitment to thinking long-term and to consistently positioning the Fortress portfolios in high-quality assets at reasonable prices.





# Caribbean Growth Fund

## HIGHLIGHTS:

- *The Fund gained 2.7% in the first quarter and is up 4.9% over the past year.*
- *Strong performance in global equities was tempered by continued weakness in the Caribbean.*

The Fund gained 2.7% in the first quarter and is up 4.9% over the past year. The net asset value (NAV) per share as of March 28 was \$7.6228. Net assets of the Fund were \$657 million, up from \$620 million this time last year. The Fund's annual compound rate of return since inception in 1996 is 7.7% per year. Its portfolio remains well diversified by security, geography, and currency.

Global equities started the year on a positive note, with broad gains across sectors and geographies. Investors reacted positively to resilient corporate earnings and to the spread of artificial intelligence technology that could benefit the largest technology companies. U.S. economic data were surprisingly strong, and inflation unfortunately ticked higher in January and February. The U.S. Federal Reserve (Fed) shifted from talking about upcoming rate cuts to more of a "wait and see" mode that could see rates stay higher for longer. The shift put pressure on bonds, but stocks largely shrugged off the news. The S&P 500 index of large U.S. stocks rallied 10%, while international stocks gained 4% and emerging markets lagged with a 1% gain. Strength in Japanese equities continued, with the Nikkei index posting a quarterly return of 20% in local terms, and 12% in U.S. dollars, as the yen weakened. The Fund's core allocations to the Fortress Global Funds returned between 1% and 10% during the quarter. Some of our other global holdings also posted meaningful returns, with PayPal up 9%, Berkshire Hathaway up 18% and Templeton Asian Smaller Companies Fund gaining 5%.

Equity performance in the Caribbean was mixed. The Trinidad index was down 2% for the quarter, Jamaica was up 2% and Barbados gained 9% on an outsized impact from FirstCaribbean International Bank which makes up most of that index. The Fund's primary holdings in the Caribbean were flat to down this quarter, with Guardian Holdings (-10%) and Banks DIH (-22%) seeing the largest declines. Two pockets of strength among regional holdings were FirstCaribbean which gained 16% and Sagicor Financial which gained 18% on stronger earnings that were boosted by gains from a recent acquisition in Canada. The Jamaica and Trinidad markets have remained under pressure over the past year with weakness in the largest financial shares. Lower share prices do not always mean better value, though, as balance sheets and earnings power may have been degraded. In some select cases we are seeing opportunities. We recently added to positions in Massy Holdings, Agostini and Eppley Caribbean Property Fund at attractive valuations.

The Fund's portfolio continues to benefit from its broad diversification and more than two thirds of total assets invested globally. While much of the action in global equities in recent years has been in the U.S., valuations elsewhere in the world are far better. In the Caribbean and around the world, our focus continues to be on owning shares of profitable, high-quality companies at attractive valuations. Return prospects remain good in this part of the investing world.

*The Fund continues to be open to all new subscriptions.*

## FUND OBJECTIVE

Capital growth over the long term. The Fund uses a value approach to invest primarily in Caribbean and international equities.

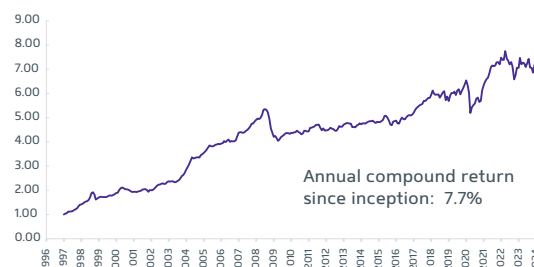
Net Asset Value per share	\$7.6228
Fund Net Assets	\$656,994,887
Fund Inception	Dec 9, 1996

## INVESTMENT RETURNS

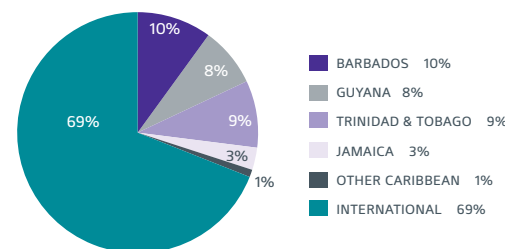
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept
<b>Fortress</b>	<b>2.7%</b>	<b>4.9%</b>	<b>4.7%</b>	<b>4.9%</b>	<b>7.7%</b>
Jamaica	1.6%	-5.2%	-6.6%	-7.0%	5.8%
Trinidad	-1.6%	-8.9%	-3.8%	-2.1%	7.1%
Barbados	8.6%	18.0%	6.9%	-1.8%	3.2%
MSCI World	9.0%	25.7%	9.1%	12.6%	7.8%

\*periods longer than 1 year are annual compound returns

## NAV SINCE INCEPTION TO MARCH 31ST, 2024



## GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



## TOP 5 HOLDINGS

Holding	Country/Region
1 Fortress International Equity Fund	International
2 Fortress US Equity Fund	US
3 Fortress Emerging Markets Fund	International
4 Berkshire Hathaway Inc Class B	US
5 Templeton Asian Smaller Companies	International

## EXPENSES

**Manager:**  
1.75% per annum on the first \$500 million of net assets  
1.50% per annum on remaining balance of net assets

**Custodian:**  
0.0875% on first \$30M in net assets  
0.075% on amounts over \$30M in net assets

**Administrator:**  
0.10% on the first \$30M in net assets  
0.0875% on amounts over \$30M in net assets

**Redemption Charge:** none

**Initial Charges:** 2%

## 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

## DEALING

Weekly on Fridays

Please see our **Fund Prospectus** for further important information.



# Caribbean High Interest Fund

## HIGHLIGHTS:

- *The Fund gained 0.5% in the first quarter and is up 2.8% over the past year.*
- *Global bond yields rose, and prices fell as the market responded to lingering inflation and strength in the U.S economy.*

The Fund gained 0.5% in the first quarter and is up 2.8% over the past year. The net asset value (NAV) of the Fund's Accumulation share as of March 28 was \$2.1736, while the Distribution share finished at \$1.0380. Net assets of the Fund were \$144 million, up from \$142 million this time last year. The Fund's annual compound rate of return since inception in 2002 is 3.6% per year. Its portfolio remains as diversified as possible across various issuers, industries, geographies, and terms to maturity.

Global bond prices declined in the first quarter as interest rates rose on stronger than expected economic growth and inflation readings in the U.S. This came after the U.S. Federal Reserve (Fed) moved to an easing bias late last year and prompted investors to reassess just how quickly the Fed might be able to cut its target rate this year. Inflation remained above the target of 2% and accelerated slightly in January and February, while labour market conditions remained tight. As the Fed adjusted to more of a "wait and see" stance, the pace of rate cuts priced into bond prices moved lower and yields rose, especially in shorter maturities. During the quarter, the U.S. 10-year Treasury yield rose to 4.2% from 3.9%, while the two-year yield increased to 4.6% from 4.2%. Corporate spreads tightened and high yield bonds held their value better than treasuries and investment grade corporates. The Bloomberg Aggregate Index market return was -0.8% for the quarter.

Against the backdrop of higher rates, the Fund's core allocation to the US\$ Fortress Fixed Income Fund outperformed its benchmark but still declined 0.2% over the quarter. As inflation persisted, the Fund's holdings of inflation-linked bonds performed well and its allocations to emerging market bonds gained slightly. No one knows when the Fed will start cutting rates, or how far they will cut. But that time is drawing closer: since the last rate hike in July 2023, the Fed has now held rates steady at five consecutive meetings. In the meantime, bond yields provide investors with healthy yields, and the potential for meaningful gains when rates fall. The Fund's portfolio is positioned to benefit in a range of possible outcomes. We have recently been extending term gradually while maintaining substantial holdings in floating-rate notes.

In Barbados, the local bond market saw some marginal activity over the quarter as the Government of Barbados (GOB) increased its treasury bill issuance. Coming out of the recent 2024/25 budget, we expect this activity to grow as the Government leans on the local market more to fund expenditure. Over the quarter, the Fund's corporate holdings performed as expected, and some GOB positions benefited from slightly higher market prices. Cash in the Fund is now 14%, still higher than we would like but improving. The average term to maturity of the Fund's portfolio is six years and the gross yield is 4.4%, a good estimate of its medium-term return potential.

*The Fund is currently open only to monthly savings programmes and pensions. It remains closed to new lump sum investments.*

## FUND OBJECTIVE

Income and capital preservation over the medium term. The Fund actively invests in a diversified portfolio of primarily Caribbean and international debt securities.

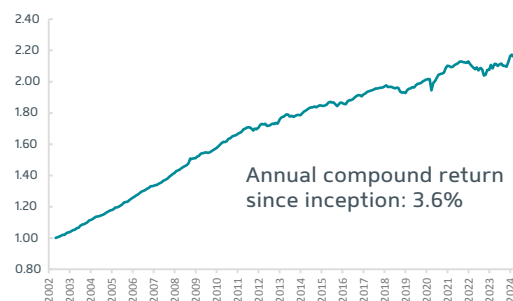
<i>Net Asset Value per share</i>	\$2.1736/ \$ 1.0380
<i>Fund Net Assets</i>	\$144,310,068
<i>Fund Inception</i>	May 17, 2002

## INVESTMENT RETURNS

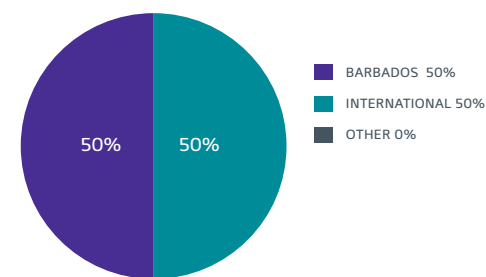
3 Months	1 Year	3 Years	5 Years	Inception
<b>0.5%</b>	<b>2.8%</b>	<b>1.2%</b>	<b>2.1%</b>	<b>3.6%</b>

\*periods longer than 1 year are annual compound returns

## NAV SINCE INCEPTION TO MARCH 31ST, 2024



## GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



## TOP 5 HOLDINGS

<i>Holding</i>	<i>Country</i>
1 Fortress Fixed Income Fund	International
2 Deposits - CIBC FirstCaribbean Intl Bank	Barbados
3 Fortress World Fixed Income Fund	International
4 Barbados Series B Sep 30, 2033	Barbados
5 GEL Note Nov 30 2024	Barbados

## EXPENSES

*Manager:* 0.75% per annum  
*Custodian & Administrator:*  
 0.20% on first \$30M in net assets  
 0.175% on next \$50M in net assets  
 0.15% on amounts over \$80M in net assets  
*Redemption Charge:*  
 2% for funds held less than 6 months  
 Up to 1% for funds held less than 6 months - 2 years  
 Nil after 2 years  
*Initial Charges:* none

## 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

## DEALING

Weekly on Fridays

Please see our **Fund Prospectus** for further important information.



# Caribbean Pension Fund

## HIGHLIGHTS:

- The three classes of shares of the Pension Fund gained between 0.8% and 2.4% in the first quarter and are up between 3.1% and 5.1% over the past year. Global stocks strengthened while bond prices fell on better-than-expected economic data in the U.S.
- Returns by class of share are shown in the table to the right.

*“The first rule is that you must not fool yourself, and you are the easiest person to fool.”*  
–Richard Feynman.

We humans can be surprisingly easy to fool, especially when we’re faced with trade-offs between everyday life and long-term projects like preparing for retirement. Daily, we find ourselves distracted, spending without thinking another \$20 here and \$20 there – or much more if we’re not careful – simply out of habit. If our money’s purpose is to serve us both now and in the future, then it is all too easy to forget about this second purpose: the future.

On some level, we know that our small purchases add up to something bigger at the end of each month. But most of us do not know, for example, that the true cost of spending that extra \$100 a month until retirement, for a 30-year-old retiring at age 65, is probably more than \$90,000 in foregone future savings. There’s just too much math to bother with. And, to make matters worse, we are all wired to feel an irrational discomfort when the value of our investments temporarily moves up or down, which as we all know is just a part of how things work. Both feelings make saving and investing harder.

So how do we defend ourselves against... ourselves? By using a system. In saving and investing, one of the best systems we have is a pension plan because it puts so many decisions aimed at the future on “autopilot”. There is no fooling ourselves as savings are each month taken off our pay before we can spend them. And there is no room for daily emotions as those savings are invested steadily in long-term assets to be there for us long into the future, the product of our hard work and steady hands.

*Investors in the Pension Fund typically select from three different classes of shares, based on personal circumstances and risk tolerance. These classes differ in how their assets are spread across the major asset classes of equities, bonds, and real estate and other assets. The graphs show how each of the classes (AA, CC, CS) is allocated currently. The reports on the Caribbean Growth Fund and Caribbean High Interest Fund on pages two and three of this quarterly report give you a direct look into the performance, positioning and outlook for the major underlying investments in the Pension Fund.*

**Fortress is a leading provider of investment management and pension administration services to defined contribution (DC) and defined benefit (DB) pension plans of all sizes.**

In addition, our proprietary pension products serve companies and employees both before and after retirement:

### Fortress Multi-Employer Pension Plan

- Complete outsourced solution helps companies bypass the expense and burden of maintaining a standalone pension plan.
- Each company selects their own suite of plan details including eligibility, vesting periods, contribution rates, and retirement age.
- As a participant, you select your own investment option from the three classes of the Fortress Caribbean Pension Fund.

### Personal Pension (RRSP)

- Individual account for investing your own pension savings.
- If you change employers your accumulated pension savings can be transferred into an RRSP and remain invested as you select.

### INNOVA Lifestage Income Plan

- An alternative to low rates on fixed annuities after retirement.
- You stay invested even in retirement and draw down a variable monthly pension from your own investment account.
- Any unwithdrawn amount forms part of your estate.

*The Fortress Caribbean Pension Fund is the primary investment offering behind all our pension products and for company defined contribution pension plans.*

## EXPENSES

**Manager:** 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.  
**Custodian:** \$7,500 per year paid by the Fund as a whole.  
**Administrator:** 0.03% per annum.  
**Sales Charge:** None  
**Redemption Charge:** none

## MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd

## CUSTODIAN

SigniaGlobe Financial Group

## AUDITORS

EY Barbados

## ATTORNEY-AT-LAW

Clarke Gittens Farmer

## FUND OBJECTIVE

Capital growth, income and security over the long term, as appropriate to each class of share. The Fund invests in equities, fixed income, and real estate assets primarily via the other Fortress funds.

### Net Asset Value

**Per Share:** \$32.15 / \$30.35 / \$19.80  
(AA/CC/CS)

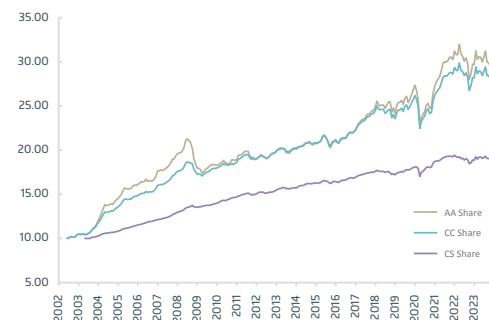
**Fund Net Assets:** \$432,405,997

## INVESTMENT RETURNS

	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
<b>AA Share</b>	2.4%	5.1%	4.4%	4.8%	5.5%
<b>CC Share</b>	2.1%	4.8%	4.0%	4.3%	5.2%
<b>CS Share</b>	0.8%	3.1%	1.7%	2.5%	3.3%

\*periods longer than 1 year are annual compound returns

## NAV SINCE INCEPTION TO MARCH 31ST, 2024



## ASSET ALLOCATION

