

# World Growth Fund



## HIGHLIGHTS:

- *The Fund declined 2.4% in the second quarter and is up 8.8% over the past year.*
- *After a strong start to the year, the Fund's high-quality, well-valued holdings lagged as U.S. interest rate cuts were pushed farther into the future.*

The Fund declined 2.4% in the second quarter and is up 8.8% over the past year. The net asset value (NAV) per share as of June 28 was US \$1.1508. Net assets of the Fund were US \$9.4 million, up from \$7.9 million this time last year. The Fund's annual compound rate of return since inception in January 2021 is 4.2% per year. The portfolio is invested in high-quality, well-valued shares in U.S., international and emerging markets.

Global equities gave back some of the broad gains seen in the first quarter, with positive quarterly returns in only a few sections of the market. In the U.S., a small group of the largest technology shares saw outsized gains, while most other sectors were little changed or down. The U.S. Federal Reserve (Fed) kept interest rates unchanged as inflation remained above its target, and investors scaled back expectations for rate cuts later this year. This contrasted with monetary policy in other parts of the world where central banks in Canada, Europe and Switzerland began cutting interest rates. The Fed's decision to keep rates higher for longer weighed on most stocks even though some indexes were up. The standard, capitalisation-weighted S&P 500 index ended the quarter up 4% while the equal-weighted index of the same shares declined 3%, highlighting the disparity in gains between the largest (growth) companies and the rest of the market. Developed international equities weakened in local and U.S. dollar terms. Emerging markets were slightly stronger, led by Chinese shares which rebounded sharply after a period of prolonged weakness. China was unique within emerging markets, though, as most other areas (like Brazil) saw declines.

During the quarter, we added new positions in Adobe, Charter Communications, Nomura Research and Kingspan, and exited holdings in Kenvue, SAP, PayPal and Comcast. Our outlook for the Fund's globally diversified holdings remains positive, as the portfolio is positioned (as always) in high-quality shares trading at reasonable valuations. The outlook is less healthy, we believe, among highly priced shares in the U.S. where extreme optimism leaves little room for error as elections and possibly slower economic growth approach. This is especially relevant as the U.S. market has grown to two thirds of the global index. On a look-through basis the Fund's global equity investments now have an average price/earnings ratio of 12.6x and dividend yield of 2.7%, significantly better than the broad market.

*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 \$1.1508
Fund Net Assets	US \$9,426,166
Fund Inception	Jan 29, 2021

## INVESTMENT RETURNS

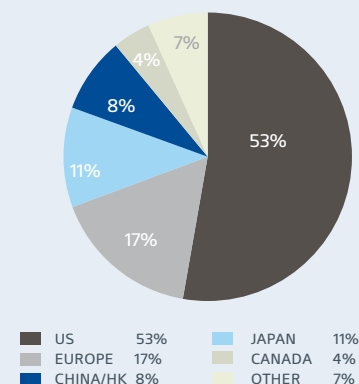
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
<b>Fortress</b>	<b>-2.4%</b>	<b>8.8%</b>	<b>0.6%</b>	<b>n/a</b>	<b>4.2%</b>
Index	2.9%	19.4%	5.3%	10.7%	8.5%

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

## NAV SINCE INCEPTION TO JUNE 30TH, 2024



## GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



## TOP ALLOCATIONS

Holding	Weight
Fortress US Equity Fund	48.8%
Fortress International Equity Fund	37.7%
Fortress Emerging Markets Fund	13.0%
Cash reserves	0.5%
<b>Total</b>	<b>100.0%</b>

## TOP 10 UNDERLYING HOLDINGS

Holding	Weight
US DOLLAR CASH	3.9%
VERTEX PHARMACEUTICALS INC	2.0%
META PLATFORMS INC-CLASS A	2.0%
APPLIED MATERIALS INC	2.0%
GENERAL DYNAMICS CORP	2.0%
ADOBE INC	1.9%
TRACTOR SUPPLY COMPANY	1.9%
CHECK POINT SOFTWARE TECH	1.8%
EBAY INC	1.8%
GARMIN LTD	1.7%

## EXPENSES

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

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

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

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

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

## MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd.

## CUSTODIAN

SigniaGlobe Financial Group

## AUDITORS

EY Barbados

## ATTORNEY-AT-LAW

Clarke Gittens Farmer

## DIRECTORS

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 was unchanged in the second quarter and is up 1.8% over the past year.*
- *Bond prices declined as U.S. interest rates stayed “higher for longer”, even as other countries began cutting interest rates.*

The Fund was unchanged in the second quarter and is up 1.8% over the past year. The net asset value (NAV) per share as of June 28 was US \$0.9251. Net assets of the Fund were US \$5.5 million, compared to \$5.6 million this time last year. The Fund’s annual compound rate of return since inception in January 2021 is -2.3% per year. The portfolio is invested in a diversified portfolio of primarily high-quality US\$ bonds.

U.S. bonds traded lower in the second quarter, as yields rose to reflect a longer wait for rate cuts from the U.S. Federal Reserve (Fed). Price declines were offset by higher coupon income, leaving the Fund’s value unchanged. Importantly, this quarter marked the start of rate cuts in some parts of the world after a harsh tightening cycle from early 2022 to fight post-pandemic inflation. The Bank of Switzerland, European Central Bank and Bank of Canada all lowered their target rates, justified by lower inflation in those areas. But there were no cuts yet in the U.S. After accelerating slightly in April, U.S. economic data subsequently softened. On the labour front, the unemployment rate rose to 4% by quarter end and while the labour market remained strong overall, signs of cooling in many areas continued to emerge. Despite these more moderate data points, the Fed only hinted that rate cuts could come later but did not act yet. The U.S. 10-year Treasury yield rose to 4.4% from 4.2% during the quarter, while the two-year yield increased to 4.8% from 4.6%. Despite heavy new issuance, corporate credit spreads remained stable at relatively tight levels.

The U.S. yield curve remains inverted out to five years, which means the market has already priced in rate cuts in coming years, suggesting economic moderation or even weakness is around the corner. This expectation would normally mean wider credit spreads but for now spreads remain tight. We will see how long this can last. Within the Fund’s U.S. holdings, we continue to favour the highest quality corporate issuers. During the quarter we added to positions in long-term Treasuries and floating rate corporates. The average term to maturity of the Fund’s portfolio is slightly longer again this quarter at 7.6 years and the average gross yield is up to 5.1%, a good estimate of its medium-term return potential.

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

## FUND OBJECTIVE

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

<b>Currency</b>	<b>US\$</b>
Dealing	Weekly on Fridays
Minimum Investment	US \$1,000
Net Asset Value Per Share	US \$0.9251
Fund Net Assets	US \$5,493,445
Fund Inception	Jan 29, 2021

## INVESTMENT RETURNS

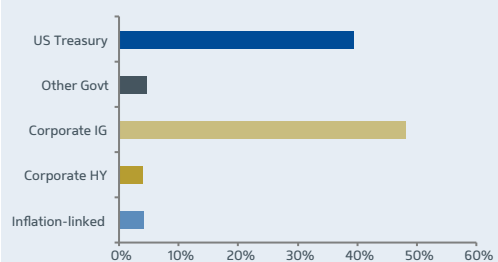
	3 Mo	1Yr	3 Yrs	5 Yrs	Incept.
<b>Fortress</b>	<b>0.0%</b>	<b>1.8%</b>	<b>-2.2%</b>	<b>n/a</b>	<b>-2.3%</b>
Index	0.1%	2.6%	-3.0%	-0.2%	-3.2%

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

## NAV SINCE INCEPTION TO JUNE 30TH, 2024



## BOND TYPE SUMMARY OF PORTFOLIO



## CURRENCY EXPOSURE

USD 100%

## TOP ALLOCATIONS

Holding	Weight
Fortress Fixed Income Fund	99.6%
Cash reserves	0.4%

## TOP 10 UNDERLYING HOLDINGS

Holding	Weight
US TREASURY N/B 2.25 8/15/2049	11.5%
US TREASURY N/B 2.875 8/15/2028	10.9%
US TREASURY N/B 4.25 5/15/2039	10.1%
TREASURY BILL 0 9/19/2024	6.8%
TSY INFL IX N/B 0.125 2/15/2052	3.8%
ISHARES JPM USD EM BOND	2.4%
GOVT OF BERMUDA 3.717 1/25/2027	2.3%
JPMORGAN CHASE FLOATING 1/23/2028	2.2%
WELLS FARGO FLOATING 4/22/2028	2.2%
BANK OF AMERICA FLOATING 7/22/2027	2.2%

## 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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