

Fortress Global Funds SPC

Annual Report 2017





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.

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Fortress Global Funds SPC

Investment Objectives & Fund Details

The overall investment objective of the Fund is long term capital appreciation. Each of the six sub-funds pursues a discrete investment policy and strategy consistent with its particular objectives. These include funds investing for growth in a specific area of the global equity markets (i.e. U.S., international or emerging markets), bond-alternative funds with a targeted return objective, and a “whole portfolio” fund with a mix of growth and income/security assets.

The funds do not pay dividends - investors receive their entire return, including interest, dividends and capital gains, via the funds’ increase in Net Asset Value.

All dollar amounts are in U.S. dollars unless noted otherwise.

FUND NAME:	Fortress Global Funds SPC Inc.
SUB-FUNDS:	Fortress Emerging Markets Fund SP Fortress Global Opportunity Wealth Fund SP Fortress Income Builder International Fund SP Fortress Income Builder US Fund SP Fortress International Equity Fund SP Fortress US Equity Fund SP
LAUNCH DATE:	February 28, 2013 (Fortress Global Opportunity Wealth Fund: May 31, 2013)
NAV CURRENCY:	USD
LAUNCH PRICE:	\$100 per share
DEALING/NAV DATES:	15th and end of each month
MINIMUM INVESTMENT:	\$100,000 initial \$10,000 subsequent
MANAGEMENT FEE:	1.00% per annum on the net assets
ADMINISTRATOR FEE:	0.10% per annum on the net assets
NAV QUOTATIONS:	Internet: www.fortressfund.com Bloomberg: FORTEMA KY : FORTGOW KY : FORIBIA KY : FORIBUA KY : FORIEFA KY : FORUEFA KY

Please see the applicable fund Fact Sheet or Offering Supplement for details of features and expenses unique to each fund. Available at www.fortressfund.com.

Directors & Administrators

FORTRESS FUND MANAGERS DIRECTORS

Sir Geoffrey Cave, K.A., C.B.E., B.C.H., L.L.D. (Hon) - Chairman
C. David Bynoe
Kenneth Emery
Sir Fred Gollop K.A., Q.C.
John Howard
David Simpson
John Williams
Roger Cave - Investment Director

FUND DIRECTORS

C. David Bynoe
Roger Cave
John Howard

REGISTERED OFFICE

c/o Estera Trust (Cayman) Ltd.
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Cayman Islands, KY1-1108

INVESTMENT MANAGER

Fortress Fund Advisors Limited
c/o Grant Thornton
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St. Lucia

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LEGAL ADVISORS

In the Cayman Islands:
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Cayman Islands, KY1-1104

Fortress Global Funds SPC Inc. is an exempted segregated portfolio company incorporated with limited liability under the Companies Law of the Cayman Islands. It is an umbrella fund offering a range of sub-funds ("segregated portfolios"), each one of which has its own assets and liabilities, and pursues its own, independent mandate and investment objective.

Important information about the Fund is contained in its Offering Memorandum, and in the Supplements for each specific segregated portfolio, all of which are available at www.fortressfund.com. We encourage you to read the relevant documents before making an investment. Each of the funds referenced here is offered only to qualified investors. This does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Fund may not be sold to U.S. persons.

Fund Net Asset Values

As of September 30, 2017:

Fund	Net Asset Value per Share (NAV)	Fund Net Assets	Bloomberg Ticker
Fortress Emerging Markets Fund SP	\$115.5856	\$22,229,721	FORTEMA KY
Fortress Global Opportunity Wealth Fund SP	\$113.2152	\$3,943,510	FORTGOW KY
Fortress Income Builder International Fund SP	\$111.7094	\$21,583,460	FORIBIA KY
Fortress Income Builder US Fund SP	\$113.0996	\$15,221,449	FORIBUA KY
Fortress International Equity Fund SP	\$131.3617	\$21,072,977	FORIEFA KY
Fortress US Equity Fund SP	\$138.0342	\$6,960,624	FORUEFA KY

Investment Performance

Net Asset Value and Return Summary to September 30, 2017:

Fund	Sep. 30, 2016 NAV	Sep. 30, 2017 NAV	One Year Return	Return Since Inception*
Fortress Emerging Markets Fund SP	\$95.1988	\$115.5856	+21.4%	+3.2%
Fortress Global Opportunity Wealth Fund SP	\$104.5464	\$113.2152	+8.3%	+2.9%
Fortress Income Builder International Fund SP	\$102.0627	\$111.7094	+9.5%	+2.4%
Fortress Income Builder US Fund SP	\$111.8012	\$113.0996	+1.2%	+2.7%
Fortress International Equity Fund SP	\$108.5965	\$131.3617	+21.0%	+6.1%
Fortress US Equity Fund SP	\$120.9231	\$138.0342	+14.2%	+7.3%

**periods longer than one year are annual compound returns*

Quarterly reports for the funds, including current positioning and long term performance since inception of the underlying strategies, are available at www.fortressfund.com.



Directors' Report

“... the strongest returns came in international and emerging markets equities.”



Directors' Report

Investment Director Roger Cave

The year ended September 30, 2017 was positive for the Fortress Global Funds, with the strongest returns coming in international and emerging markets equities. We generally kept up with the soaring benchmark returns outside the U.S., and lagged in the U.S. where the “growth” outperformance of “value” reached rarely seen levels in 2017. Our value-based investment process continued to find reasonably priced investments to make around the world, and the funds’ portfolios remained exclusively focused in these relatively undervalued areas. Total assets in the funds increased from \$66.3 million to \$91.8 million during the year due to positive investment returns and net new subscriptions.

Each fund pursues its own, independent mandate and investment objective. The goal in all cases is to provide investors with easy access to effective and durable investment processes at reasonable cost. The range of funds allows investors to choose an investment that suits their specific needs - whether it is with a focus on a particular area of the global equity markets (i.e. U.S., international or emerging markets), a bond-alternative fund with a targeted return objective, or one with a balanced approach between the asset classes of equities and fixed income.

For a detailed listing of each portfolio’s holdings, please see the accompanying financial statements, or view the periodically updated holdings information in Bloomberg. Additional investment commentary is also contained in the quarterly investor letters and reports available at www.fortressfund.com.

MARKET ENVIRONMENT

After a volatile year in 2016, global markets had an unusually calm time in 2017. Day-to-day and month-to-month swings were subdued by historic standards, as each brief swoon met with eager buying. While interest rates generally stayed low in major economies around the world, the engine of earnings growth reasserted itself to propel shares higher. After 2-3 years of recessionary conditions in some emerging markets, earnings in Asia and South America began an upswing. European companies saw similar improvement, which supported higher share prices for many. The U.S., meanwhile, continued to see above average earnings growth and high profit margins. For the year ended September 30, 2017 U.S. large capitalisation shares returned 17.9%, international shares were up 19.6% and emerging markets gained 22.5%. The broad U.S. bond market index, facing a gradually tightening U.S. Federal Reserve (Fed), returned only 0.1%.

Late 2016 saw a significant boost in some of the most beaten down shares in the market as hope spread that the election of Donald Trump as president of the U.S. would bring a traditional revival in the form of lower taxes and increased infrastructure spending. Unfortunately, that hope was subsequently reversed in the first quarter of 2017 as the political reality set in for the U.S., and companies elsewhere in the world happened to experience significantly improved operating results and stronger currencies. While the Brexit negotiations lingered over the U.K. and Europe to some extent, fundamentals quietly improved in both regions. While the North Korean conflict worried investors, companies in China, South Korea and Japan (just to name a few) quietly reported a return to healthy earnings growth. A certain disbelieving focus remained on the U.S., where trade arrangements were canceled or threatened and other significant policies were thrown into doubt. At the margins, it would be surprising if global companies were not by necessity diversifying their operations away from the U.S., at least to some extent.

Interest rates gradually rose in the U.S. during the year, but they remained extremely low by historic standards. The European Central Bank and Bank of Japan, while hinting that they may look to reduce stimulus at some point, kept pumping with quantitative easing programmes as well as ultra-low interest rates. Government bond yields in many countries remained near or even below zero. This underlines how much ground there is to cover to normalise rates, when the time comes, but it also underlines just how extraordinary the monetary stimulus has been to engender the recovery now underway. The main bond index in the U.S. returned approximately zero for the year. This shows how rising interest rates can provide a significant headwind for investors as interest income is offset by market price declines. Tighter credit spreads added to returns for corporate bonds, but have now left prices far less attractive, with slim incremental income and little room for error in the next downturn.

Currencies mostly strengthened during the year, continuing to adjust from the relatively depressed levels of early and mid-2016. This means that in U.S. dollar terms the funds' international investments had a long-overdue tailwind to add to the substantial moves in their underlying share holdings. The Japanese yen was one exception, weakening 11%, but the euro, increased by 5%, the British Pound gained 9% and the Canadian dollar rose 5%.

The U.S. stock market has seen a multi-year trend towards relatively highly valued "growth" stocks and away from the more reasonably priced "value" shares. This year the performance gap was unusually wide. Some of the current market darlings, especially in technology and social media, have seen dramatic earnings growth and still trade at rich multiples of those earnings, embodying an expectation that rapid growth will continue even from today's high base. While companies such as Amazon are interesting, and a boon for customers, from an *investment perspective* they do not look attractive to us because they are so expensive. Of course, expensive stocks can become more expensive – and they have. This dynamic affected our relative performance in the U.S. in recent years, and it may do so in the U.S. or elsewhere in the future. Our discipline does not change as a result. As always, we know that today's prices are what drive tomorrow's long-term returns. We do not know when, or how, those returns will come, or what moods and fashions the market will go through in the meantime.

Portfolio valuations for all the Fortress Global Funds are significantly better than benchmark indexes, with higher long-term expected returns for the future to match. We continue to select investments systematically based on clear, disciplined value criteria and focus on achieving long term returns while limiting risk.

More commentary by fund may be found below, with additional detail available in the quarterly reports for each fund.

FUND PERFORMANCE AND POSITIONING

Targeted Return Funds: *Targeted return of 8% per year with bond-like risk*

Fortress Income Builder US Fund

The Fund gained 1.2% for the year ended September 30, 2017, below its objective but still favourable compared to bonds which were flat for the year. The Fund's objective is to target an 8% per year return with only bond-like volatility. It offers an alternative to bonds by investing in a portfolio of high quality U.S. stocks with put and call options around the portfolio to limit risk and generate income.

The portfolio's holdings are currently focused in the consumer discretionary, consumer staples and industrial sectors. The average Price/Earnings ratio is 14x, which equates to an earnings yield of 7.0%. The average dividend yield is 2.4%. These levels are approximately unchanged from last year. Hedges are currently focused on call option sales at the money, while still holding a moderate position in out-of-the-money put options. Cash in the Fund is 6% which is a neutral level. As always, the Fund's holdings are made up of companies that are generating consistent, high quality earnings and whose shares are trading at reasonable valuations.

U.S. equities had another strong year in 2017 and the Fund's underlying portfolio of high-quality, relatively "boring" companies participated in the gains, but to a much smaller extent than the broad market. Our financial holdings performed extremely well, while investments in consumer discretionary and industrials lagged. It was an unusual time in U.S. equities with a huge outperformance of "growth" shares relative to

"value". The Fund's portfolio is squarely in the value category, while the options contracts we use to limit much of the market risk of the portfolio and to generate incremental income are based on the broad market. The relative performance between the two was a meaningful headwind for the Fund during this period, just as it can be neutral or a tailwind in other conditions. Movements in individual shares did offer some switch opportunities during the year. We took profits on financials like Wells Fargo, Aflac and Invesco, and established positions in new holdings across a few different sectors. Shares in Royal Caribbean Cruises, Best Buy, Tyson Foods and Eversource Energy were added to the portfolio.

Implied volatility in options was unusually low through much of the year and this limited the income to be earned from our usual sales of call options. Against this backdrop, bond yields remain low with returns expected to be muted in coming years by rising interest rates. We believe the Fund's low volatility strategy continues to offer an attractive alternative to fixed income investments in the U.S., especially as the growth vs value pendulum either stalls or reverses in the months ahead.

Fortress Income Builder International Fund

The Fund returned 9.5% for the year ended September 30, 2017, above its objective and comparing well to bonds. Currency gains added to returns as the U.S. dollar generally weakened. As with the Income Builder US Fund, this fund's objective is target an 8% per year return with only bond-like volatility. It offers an alternative to bonds by investing in a portfolio of high quality *non*-U.S. stocks with put and call options around the portfolio to limit risk and generate income.

By selecting only stocks from outside the U.S., the Fund builds a portfolio with holdings from around Europe, the Asia-Pacific region, Canada and South America. This brings a broad opportunity set where we can search

for companies with consistent earnings, responsible balance sheets and whose shares are trading at attractive valuations - as well as provide long-term currency diversification. Holdings in most regions and sectors performed well during the year as recovery continued from the lows of early 2016 and from the weakness in UK markets following the Brexit vote mid-year. Underlying fundamentals of many portfolio companies improved over the year with share price gains being supported by earnings growth. This has left valuations at still very attractive levels, which we believe imply well above average future returns.

The portfolio's holdings are currently weighted heaviest in consumer discretionary and financial sectors, where from a bottom-up perspective we are still finding the best combination of operating characteristics and reasonable prices. During the year we decreased holdings in emerging markets and increased positions in Europe. Stocks such as KDDI, Bayer and Continental were added to the portfolio, while we moved out of positions in shares like ICBC, China Construction Bank, SEB and Publicis. The portfolio has an average Price/Earnings ratio now of just over 9x, which equates to an earnings yield of 10.6%, little changed from this time last year. The average dividend yield is 3.6%. Approximately 65% of the holdings are currently in Europe, with a 10% weight in Canada, 21% in Japan and 3% in emerging markets.

Implied volatility on options spent much of the year at low levels and this limited the Fund's incremental return from call option sales. While we have no doubt that volatility will return to normal levels eventually, in the meantime the low prevailing levels will likely limit the Fund's income from this source.

Long-Term Growth Funds: *Long-term growth with limited risk in global large-cap equities*

Fortress US Equity Fund

The Fund gained 14.2% for the year ended September 30, 2017, lagging the market's return of 17.9%. The portfolio is constructed bottom-up, guided entirely by where the best value is to be found based on current prices, and typically has positions and sector weights that are different from those of the broad market. The Fund had a strong year, with significant gains among financial holdings like Lincoln National and Principal Financial Group, but once again the market index was stronger as growth stocks far outpaced value.

The handful of large, market-leading new economy stocks, often abbreviated and referred to as "FAANG", led the market advance again in 2017, accounting for a significant portion of the total gain. The Fund's disciplined, value-based process has usually avoided these companies because they are consistently too expensive relative to their fundamentals. Apple, though, one of the As in FAANG, came under severe short-term pressure in late 2015 and we were able to establish a position at a Price/Earnings ratio of only 11x. The price rallied substantially since then, to the point where the position was sold in July 2017 as it approached what we consider fair value. Aside from this, the Fund has had no exposure to the parts of the market that are currently enjoying the most enthusiastic investor support in spite of some having outlandish valuations. Other changes to the portfolio during the year included moving out of positions in Seagate Technology, Omnicom and Raytheon and establishing new holdings in Best Buy, Royal Caribbean Cruises, General Motors and Tyson Foods. As of September 30, the Fund's portfolio had an average Price/Earnings ratio of 12x, a level consistent

with attractive long-term returns, and significantly better than the market average of 18x. The average dividend yield of the portfolio is 2.4%. The largest sector weights are currently consumer discretionary and financials, where the value among overlooked shares remains substantial, in our view.

The U.S. stock market remains a special case among global markets. It has had the longest and by far the largest bull run since 2009. We see interesting and well-valued opportunities under the surface of the market, and the Fund is positioned in them. But these opportunities are by and large in areas that have participated *very little* in the outsized gains of the last three years. We believe investors in the U.S. especially need to make sure they are looking forward, and not backwards when positioning for returns.

Fortress International Equity Fund

The Fund returned 21.0% for the year ended September 30, 2017, slightly outperforming the market index return of 19.6%. The portfolio is constructed bottom-up, guided entirely by where the best value can be found at current prices. The Fund typically has positions, sector weights and geographic exposures that are substantially different from those of the broad market indexes. During the year we saw very strong returns from European and U.K. holdings as the recovery from the mid-2016 Brexit-related weakness continued. Asian shares also contributed gains but were offset in Japan by currency weakness. Other currencies strengthened during the year and this added to returns.

2017 saw a return to earnings growth in many countries in Europe, Asia and emerging markets after at least two years of subpar performance, and in some cases recessionary conditions. Technology and financials were the leading sectors. Strong share price performance was supported by similar improvements in underlying

fundamentals; this means that last year's bargain valuations are largely the same this year. Against a backdrop of very low interest rates, we continue to find excellent value in companies across a range of industries and countries outside the U.S. Even after a 21% return last year, the average Price/Earnings ratio of the Fund's portfolio is still only 9x. This is exceptional value in absolute terms and a significant discount to the broad market's 15x. The portfolio's dividend yield is 4.0%. It remains diversified among holdings in Europe (51%), Japan (28%), Canada (8%), and emerging markets (14%). The Fund's mandate caps emerging markets investments at 20%.

During the year, we moved out of positions in stocks such as ICBC, Agrium and Yara, and established new investments in WPP, NSK, Barratt Developments and Continental. Overall, the net effect was that exposure to Japan was reduced slightly, and weight in Europe was increased. While we still see potential risks to global markets coming from fully valued and possibly vulnerable U.S. stocks, and rising interest rates, we also still see compelling long-term return potential from the Fund's portfolio of reasonably valued shares *outside the U.S.*

Fortress Emerging Markets Fund

The Fund returned 21.4% for year ended September 30, 2017, a solid return that was marginally behind the market index gain of 22.5%. The portfolio is constructed bottom-up, guided entirely by where the best value can be found. The fund typically has positions, sector weights and geographic exposures that are quite different from those of the broad market indexes.

During the year, most emerging markets saw a recovery in their stock markets and many also had stronger currencies. The improvement was at least partially based on a widespread recovery in earnings after 2-3 years of

stagnation and, in some cases like Brazil, even recession. Performance was not uniform, though. Our holdings in Asia such as Hon Hai and Samsung had outsized gains, possibly not to be repeated, while some in Russia and South Africa lagged with only modest gains.

Even with the substantial price increases during the year the Fund's overall portfolio remains well valued in absolute and relative terms. The average Price/Earnings ratio of 8x is a 35% discount to the market index's 13x. The portfolio has an average dividend yield of 3.6%. Currently the largest sector weights are financials, information technology and consumer discretionary. Geographically, Hong Kong and China together account for 47% of the portfolio, with weight also in South Africa (16%), Russia (11%), Taiwan (11%) and Brazil (7%). During the year we moved out of positions in stocks like Banco do Brasil, ICICI Bank, China Mobile and Gazprom, and established new holdings in Guangzhou Automobile, LG Display, Nedbank and Itau. The Fund's exposure to India declined to zero, and its investments in Taiwan rose to 11%.

Emerging markets equity is a volatile asset class: one year's gains can easily be followed by losses in the next, and vice-versa. We believe it important to appreciate the potential for volatility, especially after good years. Just because prices are still low does not mean they must rise – there are good reasons why emerging markets shares have historically traded at a discount to their developed market peers. At the same time, the asset class increasingly contains shares of companies with robust, global operations, and a wider array of companies from which to build a portfolio. We continue to believe that the value available in *certain parts* of the emerging universe is substantial and that the return expectations for the Fund's portfolio of value-oriented holdings is well above average.

Whole Portfolio Funds: *Long-term wealth preservation and growth for the whole portfolio*

Fortress Global Opportunity Wealth Fund

The Fund gained 8.3% for the year ended September 30, 2017 as equity holdings boosted returns in a year when fixed income investments produced very little. It lagged its blended benchmark return of 10.6% during the year due to its continued relatively conservative positioning.

This fund offers investors a balanced option for wealth preservation and growth, with an allocation of approximately 60% to "growth assets" and 40% to "income and security assets". The bulk of the Fund's investments are via the other Fortress Global Funds. These funds account for approximately 60% of the Fund's portfolio, with the remainder allocated to specialist managers, and to direct investments in high quality fixed income securities. Fortress Fund Advisors rebates the management fees applicable to other Fortress funds so that the Fund does not incur two layers of fees from these allocations. During the year, the Fortress US Equity Fund and Fortress Emerging Markets Fund underperformed their respective benchmarks, while the Fortress International Equity Fund, the Fund's largest single allocation, outperformed. As international and emerging saw the best returns, our tilt in this direction, and away from the U.S., contributed positively to overall performance this year.

We use the Fortress targeted return funds as alternatives to both pure equity and fixed income exposure. Together these two targeted return funds make up approximately 19% of the fund and over time help limit volatility relative to stocks and add incremental return relative to bonds. During the year, the Income Builder US Fund gained 1.2% while the Income Builder International Fund returned

9.5%. This 5.4% average return was below the 8% target for these allocations, but it was still meaningfully positive. By comparison, the U.S. bond benchmark returned 0.1% for the year.

We continue to favour international and emerging for the Fund's equity allocations because of the superior value to be found there relative to areas in the U.S., especially small cap, where prices are high and expected returns correspondingly low. We continue to keep the duration of bond investments relatively short so that rising interest rates will not have an outsized impact on the overall portfolio. Overall the fund is positioned to benefit from advancing prices in the areas where we see the greatest value, and is still conservatively positioned enough to add significantly to market exposure in either stocks or bonds on market weakness.

OVERALL OUTLOOK

Most of the world's financial assets are still priced for lower than average future returns. With U.S. stocks trading at full multiples of unusually high profits, we see a headwind from mean reversion there and potential for disillusionment. Compelling valuations continue to draw us to international and emerging markets shares, just as they have done for the last few years. This year, companies in these areas have the added benefit of renewed profit growth. If this underlying growth continues, even at a slower pace, there are still substantial returns to be had in the coming years.

As we note the improved global economic growth of the last year, though, we should also note that *faster* growth is not necessarily better for stock market returns: the best results often come from a benign mix of moderate activity and low interest rates. Improvements in Europe and emerging markets were welcome last year because they heralded a recovery from moribund levels. As growth improves further, though, central banks will need to respond *at some point* with tighter policy. That point has already been reached in the U.S. where the Fed has raised its target rate in response to an economy running at full employment. Such a point may still be years away in Europe or Japan - and that time could prove to be a "sweet spot" for investors - but we should be aware that it will come eventually, and it may not be friendly for stocks.

Globally, we remain constructive on the potential for future returns, though certainly not everywhere or in all assets. At today's prices there are meaningful risks and large areas to avoid. Against this backdrop we will continue to position for gains with reasonable risk by applying our consistent, disciplined processes to the funds' portfolios.

Thank you very much for investing with us.



Roger Cave, CA, CFA
Investment Director



Peter Arender, CFA
Chief Investment Officer



Financial Statements

Independent Auditors' Report

The Board of Directors
Fortress Global Funds SPC Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fortress Global Funds SPC Inc., comprising of segregated portfolios namely Fortress US Equity Fund SP, Fortress International Equity Fund SP, Fortress Income Builder US Fund SP, Fortress Income Builder International Fund SP, Fortress Emerging Markets Fund SP and Fortress Global Opportunity Wealth Fund SP (each segregated portfolio the "Fund"), which comprise the statement of financial position as at September 30, 2017, and the statement of changes in equity, 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, 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 *Auditors' 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' *Code of Ethics for Professional Accountants* (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

The other information obtained at the date of the auditors' report are the Investment Objective & Fund Details, Directors & Administrators, Fund Net Asset Values, Investment Performance and Directors' Report. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do 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.

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 International Financial Reporting Standards, 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 Board of Directors are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

This report is made solely to the Board of Directors, as a body. Our audit work has been undertaken so that we might state to the Board of Directors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

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 auditors' 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.
- 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 auditors' 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 auditors' 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.

We communicate with the Board of Directors 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.

Ernst & Young Ltd.

December 27, 2017

Fortress Global Funds SPC Inc.

Statement of Financial Position

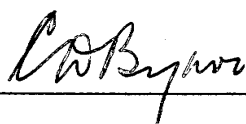
As at September 30, 2017

(expressed in United States dollars)

	September 30, 2017					
	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$
Assets						
Cash and cash equivalents (note 6)	1,273,305	1,312,839	975,942	1,278,167	3,071,262	697,093
Accounts receivable	4,940	194,254	20,092	67,071	13,651	—
Financial assets at fair value through profit or loss (note 5)	5,682,556	19,566,418	14,473,328	20,688,774	19,145,372	3,359,577
Total assets	6,960,801	21,073,511	15,469,362	22,034,012	22,230,285	4,056,670
Liabilities						
Financial liabilities at fair value through profit or loss (note 5)	—	—	247,520	450,000	—	—
Accounts payable and accrued expenses	177	534	393	552	564	113,160
Total liabilities	177	534	247,913	450,552	564	113,160
Equity						
Net assets attributable to holders of redeemable mutual fund shares (note 8)	6,960,624	21,072,977	15,221,449	21,583,460	22,229,721	3,943,510
Total liabilities and equity	6,960,801	21,073,511	15,469,362	22,034,012	22,230,285	4,056,670
Net asset value per share	138.0342	131.3617	113.0996	111.7094	115.5856	113.2152

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

Approved by the Board of Directors on December 15, 2017

 Director

 Director

Fortress Global Funds SPC Inc.

Statement of Financial Position...continued

As at September 30, 2017

(expressed in United States dollars)

	September 30, 2016					
	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$
Assets						
Cash and cash equivalents (note 6)	996,664	1,482,269	2,498,345	1,437,202	2,840,602	607,486
Accounts receivable	5,142	76,080	8,634	40,705	15,506	—
Financial assets at fair value through profit or loss (note 5)	5,104,698	14,285,773	10,600,957	11,431,305	12,322,454	3,051,323
Total assets	6,106,504	15,844,122	13,107,936	12,909,212	15,178,562	3,658,809
Liabilities						
Financial liabilities at fair value through profit or loss (note 5)	—	—	90,300	159,000	—	—
Accounts payable and accrued expenses	8,714	18,144	77,040	12,482	18,625	164,451
Total liabilities	8,714	18,144	167,340	171,482	18,625	164,451
Equity						
Net assets attributable to holders of redeemable mutual fund shares (note 8)	6,097,790	15,825,978	12,940,596	12,737,730	15,159,937	3,494,358
Total liabilities and equity	6,106,504	15,844,122	13,107,936	12,909,212	15,178,562	3,658,809
Net asset value per share	120.9231	108.5965	111.8012	102.0627	95.1988	104.5464

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

Fortress Global Funds SPC Inc.

Statement of Changes in Equity For the year ended September 30, 2017

(expressed in United States dollars)

	Number of shares						Net assets attributable to holders of redeemable mutual fund shares					
	Fortress US Equity Fund SP	Fortress International Equity Fund SP	Fortress Income Builder US Fund SP	Fortress Income Builder International Fund SP	Fortress Emerging Markets Fund SP	Fortress Global Opportunity Wealth Fund SP	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$
Balance as at September 30, 2015	50,427	145,593	117,384	125,795	161,753	33,549	5,941,250	14,549,543	12,535,691	12,204,102	13,847,941	3,332,238
Issue of shares	–	1,375	1,519	1,253	1,086	1,003	–	150,000	162,811	125,000	100,000	100,000
Redemption of shares	–	(1,236)	(3,157)	(2,245)	(3,594)	(1,128)	–	(130,260)	(346,600)	(217,396)	(300,880)	(107,263)
Total comprehensive income for the year	–	–	–	–	–	–	156,540	1,256,695	588,694	626,024	1,512,876	169,383
Balance as at September 30, 2016	50,427	145,732	115,746	124,803	159,245	33,424	6,097,790	15,825,978	12,940,596	12,737,730	15,159,937	3,494,358
Issue of shares	–	14,687	21,020	68,872	33,077	2,412	–	1,721,211	2,454,500	7,300,900	3,550,000	262,358
Redemption of shares	–	–	(2,182)	(464)	–	(1,004)	–	–	(250,000)	(50,000)	–	(113,682)
Total comprehensive income for the year	–	–	–	–	–	–	862,834	3,525,788	76,353	1,594,830	3,519,784	300,476
Balance as at September 30, 2017	50,427	160,419	134,584	193,211	192,322	34,832	6,960,624	21,072,977	15,221,449	21,583,460	22,229,721	3,943,510

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

Fortress Global Funds SPC Inc.

Statement of Comprehensive Income For the year ended September 30, 2017

(expressed in United States dollars)

	For the year ended September 30, 2017					
	Fortress US Equity Fund SP	Fortress International Equity Fund SP	Fortress Income Builder US Fund SP	Fortress Income Builder International Fund SP	Fortress Emerging Markets Fund SP	Fortress Global Opportunity Wealth Fund SP
	\$	\$	\$	\$	\$	\$
Investment income						
Net fair value gain on financial assets/liabilities through profit or loss (note 5)	832,245	3,188,133	53,737	1,441,347	3,178,874	308,254
Dividend income	148,084	661,350	302,785	577,752	663,728	2,459
Other income	6,558	12,805	13,383	9,500	13,604	3,297
Interest income	7	9	14	21	11	8,021
Total investment income	986,894	3,862,297	369,919	2,028,620	3,856,217	322,031
Expenditure						
Management fees (note 7)	66,171	181,755	146,530	178,936	184,840	14,498
Withholding taxes	40,488	100,581	82,955	124,024	85,834	—
Trade fees	6,668	21,542	40,659	98,923	26,957	—
Administrator and custodian fees (note 7)	6,617	18,176	14,653	17,894	18,483	3,770
Professional and audit fees	2,613	7,149	5,728	6,684	7,221	1,502
Directors fees (note 7)	467	1,088	1,348	1,440	1,385	272
Office and administration fees	1,036	6,218	1,693	5,889	11,713	1,513
Operating expenses	124,060	336,509	293,566	433,790	336,433	21,555
Total comprehensive income for the year	862,834	3,525,788	76,353	1,594,830	3,519,784	300,476

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

Fortress Global Funds SPC Inc.

Statement of Comprehensive Income...continued

For the year ended September 30, 2017

(expressed in United States dollars)

	For the year ended September 30, 2016					
	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$
Investment income						
Net fair value gain on financial assets/liabilities through profit or loss (note 5)	137,665	913,942	582,909	428,514	1,266,053	179,499
Dividend income	141,225	655,690	261,590	484,114	519,588	13
Interest income	179	342	797	358	536	8,623
Other income	—	261	472	2,639	879	—
Total investment income	279,069	1,570,235	845,768	915,625	1,787,056	188,135
Expenditure						
Management fees (note 7)	58,783	152,265	127,971	123,225	139,845	11,344
Withholding taxes	40,189	98,538	74,233	84,900	59,413	—
Trade fees	10,921	22,842	26,064	52,526	30,682	—
Administrator and custodian fees (note 7)	5,878	15,226	12,797	12,323	13,984	3,334
Professional fees	2,886	7,280	6,111	6,004	6,813	1,649
Directors fees (note 7)	1,838	4,745	3,926	3,869	4,567	1,055
Office and administration fees	2,034	12,644	5,972	6,754	18,876	1,370
Operating expenses	122,529	313,540	257,074	289,601	274,180	18,752
Total comprehensive income for the year	156,540	1,256,695	588,694	626,024	1,512,876	169,383

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

Fortress Global Funds SPC Inc.

Statement of Cash Flows

For the year ended September 30, 2017

(expressed in United States dollars)

	For the year ended September 30, 2017					
	Fortress US Equity Fund SP	Fortress International Equity Fund SP	Fortress Income Builder US Fund SP	Fortress Income Builder International Fund SP	Fortress Emerging Markets Fund SP	Fortress Global Opportunity Wealth Fund SP
	\$	\$	\$	\$	\$	\$
Cash flows from operating activities						
Comprehensive income for the year	862,834	3,525,788	76,353	1,594,830	3,519,784	300,476
Adjustments for:						
Net fair value gain on financial assets/liabilities at fair value	(832,245)	(3,188,133)	(53,737)	(1,441,347)	(3,178,874)	(308,254)
Dividend income	(148,084)	(661,350)	(302,785)	(577,752)	(663,728)	(2,459)
Interest income	(7)	(9)	(14)	(21)	(11)	(8,021)
Operating loss before working capital changes	(117,502)	(323,704)	(280,183)	(424,290)	(322,829)	(18,258)
Increase in accounts receivable	—	(113,066)	—	—	—	—
Decrease in accounts payable	(8,537)	(17,610)	(76,647)	(11,930)	(18,061)	(51,291)
Purchase of financial assets/liabilities at fair value through profit or loss	(1,901,568)	(5,450,347)	(10,991,874)	(19,037,473)	(7,334,457)	—
Proceeds on sale of financial assets/liabilities at fair value through profit or loss	2,155,955	3,357,835	7,330,460	11,512,351	3,690,413	—
Cash generated from/(used in) operations	128,348	(2,546,892)	(4,018,244)	(7,961,342)	(3,984,934)	(69,549)
Interest received	7	9	14	21	11	8,021
Dividend received	148,286	656,242	291,327	551,386	665,583	2,459
Net cash generated from/(used in) operating activities	276,641	(1,890,641)	(3,726,903)	(7,409,935)	(3,319,340)	(59,069)

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

Fortress Global Funds SPC Inc.

Statement of Cash Flows ...continued

For the year ended September 30, 2017

(expressed in United States dollars)

	For the year ended September 30, 2017					
	Fortress US Equity Fund SP	Fortress International Equity Fund SP	Fortress Income Builder US Fund SP	Fortress Income Builder International Fund SP	Fortress Emerging Markets Fund SP	Fortress Global Opportunity Wealth Fund SP
	\$	\$	\$	\$	\$	\$
Cash flows from financing activities						
Issue of redeemable mutual fund shares	–	1,721,211	2,454,500	7,300,900	3,550,000	262,358
Redemption of redeemable mutual fund shares	–	–	(250,000)	(50,000)	–	(113,682)
Net cash generated from financing activities	–	1,721,211	2,204,500	7,250,900	3,550,000	148,676
Net increase/(decrease) in cash and cash equivalents	276,641	(169,430)	(1,522,403)	(159,035)	230,660	89,607
Cash and cash equivalents - beginning of year	996,664	1,482,269	2,498,345	1,437,202	2,840,602	607,486
Cash and cash equivalents - end of year	1,273,305	1,312,839	975,942	1,278,167	3,071,262	697,093

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

Fortress Global Funds SPC Inc.

Statement of Cash Flows ...*continued*
For the year ended September 30, 2017

(expressed in United States dollars)

	For the year ended September 30, 2016					
	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$
Cash flows from operating activities						
Comprehensive income for the year	156,540	1,256,695	588,694	626,024	1,512,876	169,383
Adjustments for:						
Net fair value gain on financial assets/liabilities at fair value	(137,665)	(913,942)	(582,909)	(428,514)	(1,266,053)	(179,499)
Dividend income	(141,225)	(655,690)	(261,590)	(484,114)	(519,588)	(13)
Interest income	(179)	(342)	(797)	(358)	(536)	(8,623)
Operating loss before working capital changes	(122,529)	(313,279)	(256,602)	(286,962)	(273,301)	(18,752)
Decrease in accounts payable	1,802	4,731	64,079	3,845	4,611	160,991
Purchase of financial assets/liabilities at fair value through profit or loss	(1,950,855)	(3,556,717)	(5,678,815)	(4,082,644)	(5,491,083)	—
Proceeds on sale of financial assets/liabilities at fair value through profit or loss	2,295,365	3,755,795	5,707,761	4,126,554	5,992,710	189,211
Cash generated from/(used in) operations	223,783	(109,470)	(163,577)	(239,207)	232,937	331,450
Interest received	179	342	797	358	536	8,262
Dividend received	139,507	582,498	263,394	443,409	504,082	13
Net cash generated from operating activities	363,469	473,370	100,614	204,560	737,555	339,725

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

Fortress Global Funds SPC Inc.

Statement of Cash Flows ...continued

For the year ended September 30, 2017

(expressed in United States dollars)

	For the year ended September 30, 2016					
	Fortress US Equity Fund SP	Fortress International Equity Fund SP	Fortress Income Builder US Fund SP	Fortress Income Builder International Fund SP	Fortress Emerging Markets Fund SP	Fortress Global Opportunity Wealth Fund SP
	\$	\$	\$	\$	\$	\$
Cash flows from financing activities						
Issue of redeemable mutual fund shares	—	150,000	162,811	125,000	100,000	100,000
Redemption of redeemable mutual fund shares	—	(130,260)	(346,600)	(217,396)	(300,880)	(107,263)
Net cash generated from/(used in) financing activities	—	19,740	(183,789)	(92,396)	(200,880)	(7,263)
Net increase/(decrease) in cash and cash equivalents	363,469	493,110	(83,175)	112,164	536,675	332,462
Cash and cash equivalents - beginning of year	633,195	989,159	2,581,520	1,325,038	2,303,927	275,024
Cash and cash equivalents - end of year	996,664	1,482,269	2,498,345	1,437,202	2,840,602	607,486

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

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

1 Incorporation and principal activity

Fortress Global Funds SPC Inc. (the "Company") was incorporated in the Cayman Islands on October 15, 2012, as an exempted segregated portfolio company with limited liability under the Companies Law CAP 22. The Company was registered under the Mutual Funds Law of the Cayman Islands on February 19, 2013 and is regulated by the Cayman Islands Monetary Authority. The Company maintains its registered office at c/o Appleby Trust (Cayman) Ltd, Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, Cayman Islands.

The Company may offer separate classes of shares each representing interest in a separate segregated portfolio (a "Segregated Portfolio"). Each Segregated Portfolio will have a separate and distinct portfolio of investments and a separate class of shares will be issued in respect of any such Segregated Portfolio. Separate books and records have been maintained for each Segregated Portfolio.

At September 30, 2017, there were six (6) (2016- 6) Segregated Portfolios, (each "a fund" and together "the funds") in existence: Fortress US Equity Fund SP, Fortress International Equity Fund SP, Fortress Income Builder US Fund SP, Fortress Income Builder International Fund SP, Fortress Emerging Markets Fund SP and Fortress Global Opportunity Wealth Fund SP.

These are the financial statements of each of the funds.

The primary objectives of each fund are stated below:

- Fortress US Equity Fund SP's objective is long term growth with limited risk in US large cap equities. The fund invests for long term growth using a systematic, value-based process in US large cap equities. The disciplined approach consistently positions in a portfolio of approximately 30 stocks that offer the best value in the US market.
- Fortress International Equity Fund SP's objective is long term growth with limited risk in non-US large cap equities. The fund invests for long term growth using a systematic, value-based process in non-US large cap equities. The disciplined approach consistently positions in a portfolio of approximately 30 stocks that offer the best value in the international market.
- Fortress Income Builder US Fund SP targets a fixed return of 8% per year with low volatility. The fund is an alternative to low-yielding US fixed income investments. It invests in a portfolio of select high quality US equities at attractive valuations, with options around the core portfolio to limit risk and generate income.
- Fortress Income Builder International Fund SP targets a fixed return of 8% per year with low volatility. The fund is an alternative to low-yielding international fixed income investments. It invests in a portfolio of select high quality non-US equities at attractive valuations, with options around the core portfolio to limit risk and generate income.
- Fortress Emerging Markets Fund SP's objective is long term growth with limited risk in emerging markets equities. The fund invests for long term growth using a systematic, value-based process in large-cap emerging markets equities. The disciplined approach consistently positions in a portfolio of approximately 30 stocks that offer the best value in the emerging markets.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

1 Incorporation and principal activity ...continued

- Fortress Global Opportunity Wealth Fund SP's objective is long term appreciation. The fund combines investments in Fortress US Equity Fund SP, Fortress International Equity Fund SP, Fortress Income Builder US Fund SP, Fortress Income Builder International 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.

The Company's investment management and advisory activities are managed by Fortress Fund Advisors Limited ("the Manager"). The Company's administration activities are performed by Fortress Fund Managers Limited.

In accordance with the Companies Law of the Cayman Islands, the Company is a separate legal entity, while each Segregated Portfolio is not a separate legal entity. The assets and liabilities of the Company held within each Segregated Portfolio are segregated from the assets and liabilities of other Segregated Portfolios and from the general assets and liabilities of the Company. The assets of each Segregated Portfolio are only available to meet the liabilities attributable to that particular Segregated Portfolio. This segregation has not been judicially tested and may not be enforced in some jurisdictions. The directors of the Company consider that the cross liability risk between segregated portfolios are minimal.

These financial statements have been authorised for issue by the Board of Directors on December 15, 2017.

2 Summary of significant accounting policies

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

a) Basis of preparation

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 companies reporting under IFRS. The financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of financial assets and financial liabilities 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 Funds' accounting policies. Although these estimates are based on management's best knowledge of current events and conditions, actual results could differ from these estimates. These 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 Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

2 Summary of significant accounting policies...continued

a) Basis of preparation...continued

New and amended standards adopted by the Company

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning October 1, 2017 that would be expected to have a material impact on the Fund.

Standards, amendments and interpretations that are issued but not yet effective which may be relevant for the Company's operations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2017, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010 and is applicable from January 1, 2018. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after October 1, 2018.

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 United States dollars which is each of the funds' 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.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

2 Summary of significant accounting policies...continued

b) Foreign currency translation...continued

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

c) 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 interest earned on fixed income investments and short-term deposits.

Dividend income

Dividend income is recognised when each funds' right to receive payment has been established.

d) Financial assets at fair value through profit or loss

Management determines the appropriate classification of these assets at initial recognition.

Financial assets at fair value through profit or loss

i) Classification

The funds' investments have been classified as financial assets at fair value through profit or loss in accordance with International Accounting Standards 39 (IAS 39), Financial Instruments: Recognition and Measurement.

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.

ii) Recognition, derecognition and measurement

Regular-way purchases and sales of financial assets at fair value through profit or loss are recognised on the trade date, which is the date a fund commits to purchase or sell the investments. Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense. Financial assets at fair value through profit or loss are derecognised when the rights to receive cash flows from the investments have expired or a fund has transferred substantially all risks and rewards of ownership.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

2 Summary of significant accounting policies...continued

d) Financial assets at fair value through profit or loss...continued

ii) Recognition, derecognition and measurement...continued

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

Financial assets at fair value through profit or loss in other investment funds are valued at fair value on the basis of the net asset value per share as determined by the administrators of those investment vehicles in accordance with industry practice.

All other financial assets at fair value through profit or loss are initially recognised at fair value and are subsequently carried at fair value based on quoted exit prices. In the absence of quoted exit prices, the last close price and other information including the quoted offer price is considered by the Manager to determine the appropriate fair value price to be used. In the event that a security held by a fund is unquoted, if unusual market conditions exist, or in the event that a particular security's value has become impaired, the Manager, and on advice of an independent broker, will make a reasonable estimate of the fair value price by using valuation techniques. These can include the use of recent arm's length transactions, reference to other instruments that are substantially the same or discounted cash flow analysis which make maximum use of market inputs and rely as little as possible on entity-specific inputs.

Gains or losses arising from changes in the fair value of securities classified as financial assets at fair value through profit or loss are recognised in the statement of comprehensive income as they arise. Average cost is used to compute realised and unrealised gains on investments.

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 funds 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. 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 funds' 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.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

2 Summary of significant accounting policies...continued

d) Financial assets at fair value through profit or loss...continued

iii) Fair value estimation...continued

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 and from other sources. The funds use 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.

e) Financial liabilities at fair value through profit or loss

Open contracts held for trading purposes are included in the statement of financial position at fair value. Fair value is based generally on market prices or broker quotations. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The fair value of open contracts, which are comprised of call and put options, is included in financial assets at fair value through profit or loss where the fair value represents an asset of a fund. Where the fair value of the options represents an obligation of a fund, the fair value is included in derivative financial liabilities as a financial liability at fair value through profit or loss. Amounts are offset and the net amount reported in the statement of financial position if, and only if, there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or to realize an asset and settle the liability simultaneously. This is not generally the case and the related assets and liabilities are presented gross in the statement of financial position. Gains and losses arising from the application of this policy are taken to the statement of comprehensive income.

f) Cash and cash equivalents

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 value.

g) 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, each fund is responsible for the payment of all direct expenses relating to its operations such as audit, legal and professional fees.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

2 Summary of significant accounting policies...continued

h) Equity

Redeemable shares are classified as equity instruments when:

- The redeemable shares entitle the holder to a pro rata share of the funds' net assets in the event of the funds' liquidation
- The redeemable shares are in the class of instruments that is subordinate to all other classes of instruments
- All redeemable shares in the class of instruments that is subordinate to all other classes of instruments have identical features
- The redeemable shares do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the funds' net assets
- The total expected cash flows attributable to the redeemable shares over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the funds over the life of the instrument

In addition to the redeemable shares having all of the above features, the funds must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the funds
- The effect of substantially restricting or fixing the residual return to the redeemable shareholders

The Company continuously assesses the classification of the redeemable shares. If the redeemable shares cease to have all the features, or meet all the conditions set out, to be classified as equity, the fund will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable shares subsequently have all the features and meet the conditions to be classified as equity, the fund will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

Each fund issues redeemable shares which have all the features above and as such are classified as equity. Redeemable shares are redeemable at the holder's option and can be put back to a fund bi-weekly for cash equal to a proportionate share of that funds' net asset value. The redeemable shares equal the redemption amount that is payable at the statement of financial position date if the holders exercises the right to put the shares back to a fund.

Each funds' 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 each funds' regulations, investment positions are valued based on the procedures described in note 2d for the purpose of determining the net asset value per share for subscriptions and redemptions.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

2 Summary of significant accounting policies...continued

i) Distributions payable to holders of redeemable mutual fund shares

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

j) Taxation

The Company was incorporated in the Cayman Islands on October 15, 2012, as an exempted segregated portfolio company with limited liability under the Companies Law CAP 22. The Directors have resolved that all of the net income of each fund is attributable to each funds' redeemable mutual fund shareholders. The Cayman Islands at present impose no taxes on profit, income, capital gains or appreciations in value of the Company.

Dividend and interest income received by each fund may be subject to withholding tax imposed in the country of origin. Investment income is recorded gross of such taxes.

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 funds using reputable pricing sources (such as pricing agencies) or indicative prices.

The funds would exercise judgement and estimates on the quantity and quality of pricing sources used. The determination of what constitutes 'observable' requires significant judgement by the funds. The funds 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 funds' 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 on the financial instruments it holds.

The funds' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the funds' financial performance. The risk management policies employed by the funds to manage these risks are discussed below. The management of these risks is carried out by the manager under policies approved by the Board of Directors. 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.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management...continued

Market risk

i) Price risk

The funds are exposed to equity securities price risk and derivative price risk. This arises from investments held by the funds for which prices in the future are uncertain. Where non-monetary financial instruments - for example, equity securities - are denominated in currencies other than the United States dollar, the price initially expressed in foreign currency and then converted into United States dollars will also fluctuate because of changes in foreign exchange rates. The below 'Foreign currency risk' note, sets out how this component of price risk is managed and measured.

To manage this risk each 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, 2017 is disclosed in note 5.

At September 30, 2017, 88% (2016- 86%) of financial assets at fair value through profit or loss for Fortress Global Opportunity Wealth Fund SP ("FGOW"), comprise of investments in the other funds that have been fair valued in accordance with the policies set out in note 2d. Since the shares in the other funds are not publicly traded, redemption can only be made by FGOW on the redemption dates and subject to the required notice periods specified in the offering documents of each of the other funds. The rights of FGOW to request redemption of its investments in the other funds may vary in frequency from daily to monthly redemptions. As a result, the carrying values of the other funds may not be indicative of the prevailing values ultimately realised on redemption. In addition, FGOW may be materially affected by the actions of other investors who have invested in the other funds in which FGOW has invested.

The FGOW's holding in a third party investee fund, as a percentage of the investee fund's total net asset value, will vary from time to time dependent on the volume of subscriptions and redemptions at the investee fund level. It is possible that the FGOW may, at any point in time, hold a majority of an investee fund's total units in issue.

Sensitivity

The effects of a change in equity prices for each fund's financial assets at fair value through profit or loss are set out below. The analysis is based on the assumption that the equity indexes increase/decrease by 3-13% (2016- 3- 13%) with all other variables held constant. These changes represent what is considered to be a reasonable movement within the specific benchmarks by management.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management...continued

Market risk...continued

i) Price risk...continued

	Fair value \$	Effective change at September 30, 2017	Impact on income \$
2017			
Fortress US Equity Fund SP			
Listed on US stock exchanges and markets	5,682,556	13%	738,732
Fortress International Equity Fund SP			
Listed on US stock exchanges and markets	9,181,521	13%	1,193,598
Listed on European stock exchanges and markets	3,253,726	3%	97,612
Listed on London stock exchange	2,328,213	3%	69,846
Listed on Hong Kong stock exchange	597,312	3%	17,919
Listed on other exchanges and markets	4,205,646	3%	126,169
	19,566,418		1,505,144
Fortress Income Builder US Fund SP			
Listed on US stock exchanges and markets	14,473,328	13%	1,881,533
Fortress Income Builder International Fund SP			
Listed on US stock exchanges and markets	7,850,700	13%	1,020,591
Listed on European stock exchanges and markets	5,321,878	3%	159,656
Listed on London stock exchange	3,135,583	3%	94,067
Listed on other exchanges and markets	4,380,613	3%	131,418
	20,688,774		1,405,732
Fortress Emerging Markets Fund SP			
Listed on US stock exchanges and markets	10,547,237	13%	1,371,141
Listed on Hong Kong stock exchange	6,561,816	3%	196,854
Listed on other exchanges and markets	2,036,319	3%	61,090
	19,145,372		1,629,085
Fortress Global Opportunity Wealth Fund SP			
Listed on US stock exchanges and markets	405,577	4%	16,223
Unlisted Cayman securities	2,488,184	4%	99,527
Unlisted US securities	465,816	4%	18,633
	3,359,577		134,383

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management...continued

Market risk...continued

i) Price risk...continued

Sensitivity

	Fair value \$	Effective change at September 30, 2016	Impact on income \$
2016			
Fortress US Equity Fund SP			
Listed on US stock exchanges and markets	5,104,698	13%	663,611
Fortress International Equity Fund SP			
Listed on US stock exchanges and markets	5,362,820	13%	697,167
Listed on European stock exchanges and markets	2,388,029	3%	71,641
Listed on London stock exchange	1,580,228	3%	47,406
Listed on Hong Kong stock exchange	895,448	3%	26,863
Listed on other exchanges and markets	4,059,248	3%	121,777
	14,285,773		964,854
Fortress Income Builder US Fund SP			
Listed on US stock exchanges and markets	10,600,957	13%	1,378,124
Fortress Income Builder International Fund SP			
Listed on US stock exchanges and markets	3,075,000	13%	399,750
Listed on European stock exchanges and markets	3,412,267	3%	102,368
Listed on London stock exchange	1,947,024	3%	58,410
Listed on Hong Kong stock exchange	774,374	3%	23,231
Listed on other exchanges and markets	2,222,640	3%	66,679
	11,431,305		650,438
Fortress Emerging Markets Fund SP			
Listed on US stock exchanges and markets	6,338,069	13%	823,949
Listed on Hong Kong stock exchange	4,601,196	3%	138,035
Listed on other exchanges and markets	1,383,189	3%	41,496
	12,322,454		1,003,480
Fortress Global Opportunity Wealth Fund SP			
Listed on US stock exchanges and markets	415,436	4%	16,617
Unlisted Cayman securities	2,180,042	4%	87,202
Unlisted US securities	455,845	4%	18,234
	3,051,323		122,053

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management...continued

Market risk...continued

i) Price risk...continued

The carrying value of all financial assets and liabilities are considered reasonable estimates of their fair value. A depreciation in the fair value at the levels above will have an equal and opposite effect to that disclosed above.

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 majority of each funds' financial assets and liabilities are non-interest bearing. The funds' debt securities are fixed rate securities. As a result the funds are not subject to significant amounts of risk due to fluctuation in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates. The effective yield on cash and cash equivalents is disclosed in note 6.

iii) Foreign currency risk

Selected fund holds financial assets denominated in currencies other than United States dollars, the functional currency of each fund. Consequently, except where assets and liabilities are denominated in currencies fixed to the United States dollar, these funds are exposed to currency risk.

When the Manager formulates a view on the future direction of foreign exchange rates and the potential impact on the funds, the Manager factors that into its portfolio allocation decisions. While the funds have direct exposure to foreign exchange rate changes on the price of non-United States dollar-denominated securities, they may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which the funds invest, even if those companies' securities are denominated in United States dollars. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the funds' net assets attributable to holders of redeemable shares of future movements in foreign exchange rates.

Foreign currency risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management...continued

Market risk...continued

iii) Foreign currency risk...continued

Fortress US Equity Fund SP, Fortress Income Builder US Fund SP and Fortress Global Opportunity Wealth Fund SP hold financial assets denominated in United States dollars only, the functional currency of the Fund. For all other funds, the table below summarises each funds' exposure to currency risk:

	GBP \$	NOK \$	JPY \$	EUR \$
Fortress International Equity Fund SP				
At September 30, 2017				
Financial assets				
Financial assets at fair value through profit or loss	2,328,213	—	3,617,573	3,253,726
Accounts receivable	9,424	—	54,569	—
Total financial assets	2,337,637		3,672,142	3,253,726
Total financial liabilities	—	—	—	—
Net position	2,337,637	—	3,672,142	3,253,726
At September 30, 2016				
Financial assets				
Financial assets at fair value through profit or loss	1,580,228	422,294	3,129,988	2,388,029
Accounts receivable	5,860	—	59,665	—
Total financial assets	1,586,088	422,294	3,189,653	2,388,029
Total financial liabilities	—	—	—	—
Net position	1,586,088	422,294	3,189,653	2,388,029

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management...continued

Market risk...continued

iii) Foreign currency risk...continued

	GBP \$	NOK \$	JPY \$	EUR \$	SEK \$
Fortress Income Builder International Fund SP					
At September 30, 2017					
Financial assets					
Financial assets at fair value through profit or loss	3,634,746	–	2,553,029	4,494,172	711,340
Accounts receivable	11,611	–	46,100	–	–
Total financial assets	3,646,357	–	2,599,129	4,494,172	711,340
Total financial liabilities	–	–	–	–	–
Net position	3,646,357	–	2,599,129	4,494,172	711,340
At September 30, 2016					
Financial assets					
Financial assets at fair value through profit or loss	1,947,024	229,435	1,661,679	3,072,439	–
Accounts receivable	4,727	–	30,969	–	331,526
Total financial assets	1,951,751	229,435	1,692,648	3,072,439	331,526
Total financial liabilities	–	–	–	–	–
Net position	1,951,751	229,435	1,692,648	3,072,439	331,526

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management...continued

Market risk...continued

iii) Foreign currency risk...continued

	ZAR
	\$
Fortress Emerging Markets Fund SP	
At September 30, 2017	
Financial assets	
Financial assets at fair value through profit or loss	1,303,174
Total financial assets	1,303,174
Total financial liabilities	—
Net position	1,303,174
At September 30, 2016	
Financial assets	
Financial assets at fair value through profit or loss	920,551
Total financial assets	920,551
Total financial liabilities	—
Net position	920,551

Sensitivity

Each of the above funds is most exposed to currency risk in its operating currencies whose values have noticeably fluctuated against the United States dollar. These currencies include the Great Britain Pound (GBP), Norwegian Krone (NOK), Japanese Yen (JPY), Euro (EUR), the Canadian dollar (CAD), the Swedish Krone (SEK), the South African Rand (ZAR), the Swiss Franc (CHF), the Indonesian Rupiah (IDR), the Danish Krone (DKK) and the Thai Baht (THB). The theoretical decrease in net assets if these currencies had depreciated by 5% against the United States dollar with all other variables held constant is considered below.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management...continued

Market risk...continued

iii) Foreign currency risk...continued

	Effect of a 5% depreciation as of September 30, 2017 \$	Effect of a 5% depreciation as of September 30, 2016 \$
Fortress International Equity Fund SP		
Balances denominated in GBP	116,882	79,304
Balances denominated in JPY	183,607	159,482
Balances denominated in EUR	162,686	119,401
Balances denominated in NOK	—	21,114
Fortress Income Builder International Fund SP		
Balances denominated in GBP	182,318	97,587
Balances denominated in JPY	129,956	84,632
Balances denominated in EUR	224,708	153,622
Balances denominated in SEK	35,567	16,576
Balances denominated in NOK	—	11,472
Fortress Emerging Markets Fund SP		
Balances denominated in ZAR	65,158	46,028

A 5% appreciation in the currencies will have an equal and opposite effect to that disclosed above.

While each fund has direct exposure to foreign exchange rate changes on the price of non-United States-denominated securities, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which each fund invests, even if those companies' securities are denominated in United States dollars. For that reason, the above sensitivity analysis may not necessarily indicate the total effect on each funds' net assets attributable to holders of redeemable shares of future movements in foreign exchange rates.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management...continued

Credit risk

Credit risk is the risk that an issuer or counterparty to a financial instrument will be unable or unwilling to meet a commitment thereby causing a financial loss to a fund.

The maximum exposure of each fund to the credit risk is set out in the following table:

	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$
September 30, 2017						
Cash and cash equivalents	1,273,305	1,312,839	975,942	1,278,167	3,071,262	697,093
Accounts receivable	4,940	194,254	20,092	67,071	13,651	—
Debt securities	—	—	—	—	—	405,577
	1,278,245	1,507,093	996,034	1,345,238	3,084,913	1,102,670
September 30, 2016						
Cash and cash equivalents	996,664	1,482,269	2,498,345	1,437,202	2,840,602	607,486
Accounts receivable	5,142	76,080	8,634	40,705	15,506	—
Debt securities	—	—	—	—	—	415,436
	1,001,806	1,558,349	2,506,979	1,477,907	2,856,108	1,022,922

Credit risk is minimised through holding a diversified portfolio of investments, purchasing securities after careful assessment of the borrower and placing deposits with financial institutions with a strong capital base.

As of September 30, 2017, (2016- nil) none of the other funds' accounts receivables are impaired or past due but not impaired.

Notes to the Financial Statements
September 30, 2017

4 Financial risk management...continued

The analysis below summarises the credit quality of the funds debt portfolio:

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal since delivery of securities sold is only made once the broker has delivered payment. On a purchase, payment is made once the securities have been received by the broker. The trade will fail if either party fails to meet their obligation.

	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$
September 30, 2017						
Morgan Stanley (BBB+ by Standard & Poor's)	1,222,779	1,261,287	920,085	1,179,522	2,527,563	644,205
	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$
September 30, 2016						
Morgan Stanley (BBB+ by Standard & Poor's)	899,207	1,395,159	2,463,132	1,347,391	2,743,034	292,195
FirstCaribbean Int'l Bank (Cayman) Ltd (not rated)	96,309	87,110	32,802	89,811	97,568	315,291
	995,516	1,482,269	2,495,934	1,437,202	2,840,602	607,486

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management...continued

Credit risk ...continued

The clearing and depository operations for each fund's security transactions were mainly concentrated with one prime broker Morgan Stanley Smith Barney LLC., a member of a major securities exchange, and at September 30, 2017 had a credit rating of BBB+ by Standard & Poor's. At September 30, 2017, substantially all cash and cash equivalents and investments are placed in custody with Morgan Stanley Smith Barney LLC.

There is a risk involved in dealing with custodians or brokers who settle trades with regard to the segregation of assets. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of each fund; each fund should not therefore be exposed to a credit risk with respect to such parties. However, it may not always be possible to achieve this segregation, so the portfolios of the funds may experience increased exposure to credit risk associated with the applicable custodians or brokers.

Liquidity risk

Each fund is exposed to bi-monthly cash redemptions of Redeemable Mutual Fund Shares (note 2h). They therefore invest the majority of their assets in investments that are traded in an active market and can be readily disposed of. The table below analyses each funds' non- derivative financial liabilities and equity 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.

	Less than 1 month \$	1 -3 months \$
2017		
Fortress US Equity Fund SP		
Accounts payable and accrued expenses	—	177
Net assets attributable to holders of redeemable mutual fund shares	6,960,624	—
Total financial liabilities and equity	6,960,624	177
Fortress International Equity Fund SP		
Accounts payable and accrued expenses	—	534
Net assets attributable to holders of redeemable mutual fund shares	21,072,977	—
Total financial liabilities and equity	21,072,977	534
Fortress Income Builder US Fund SP		
Accounts payable and accrued expenses	—	393
Net assets attributable to holders of redeemable mutual fund shares	15,221,449	—
Total financial liabilities and equity	15,221,449	393

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management...continued

Liquidity risk...continued

	Less than 1 month \$	1 -3 months \$
2017		
Fortress Income Builder International Fund SP		
Accounts payable and accrued expenses	—	552
Net assets attributable to holders of redeemable mutual fund shares	21,583,460	—
Total financial liabilities and equity	21,583,460	552
Fortress Emerging Markets Fund SP		
Accounts payable and accrued expenses	—	564
Net assets attributable to holders of redeemable mutual fund shares	22,229,721	—
Total financial liabilities and equity	22,229,721	564
Fortress Global Opportunity Wealth Fund SP		
Accounts payable and accrued expenses	113,056	104
Net assets attributable to holders of redeemable mutual fund shares	3,943,510	—
Total financial liabilities and equity	4,056,566	104

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management...continued

Liquidity risk...continued

	Less than 1 month \$	1 -3 months \$
2016		
Fortress US Equity Fund SP		
Accounts payable and accrued expenses	8,002	712
Net assets attributable to holders of redeemable mutual fund shares	6,097,790	—
Total financial liabilities and equity	6,105,792	712
Fortress International Equity Fund SP		
Accounts payable and accrued expenses	16,305	1,839
Net assets attributable to holders of redeemable mutual fund shares	15,825,978	—
Total financial liabilities and equity	15,842,283	1,839
Fortress Income Builder US Fund SP		
Accounts payable and accrued expenses	75,519	1,521
Net assets attributable to holders of redeemable mutual fund shares	12,940,596	—
Total financial liabilities and equity	13,016,115	1,521
Fortress Income Builder International Fund SP		
Accounts payable and accrued expenses	10,983	1,499
Net assets attributable to holders of redeemable mutual fund shares	12,737,730	—
Total financial liabilities and equity	12,748,713	1,499
Fortress Emerging Markets Fund SP		
Accounts payable and accrued expenses	16,855	1,770
Net assets attributable to holders of redeemable mutual fund shares	15,159,937	—
Total financial liabilities and equity	15,176,792	1,770
Fortress Global Opportunity Wealth Fund SP		
Accounts payable and accrued expenses	164,042	409
Net assets attributable to holders of redeemable mutual fund shares	3,494,358	—
Total financial liabilities and equity	3,658,400	409

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management...continued

Liquidity risk...continued

Redeemable shares are redeemed bi-monthly on demand at the holder's option (note 8). In the event that a fund receives any request for redemption in respect of any one Redemption Day, either singly or when aggregated with other redemption requests, representing more than 20% of the number of Redeemable Shares of any Class outstanding and the Directors determine that the redemption of such volume of Redeemable Shares of that Class would materially prejudice the interests of the other Shareholders of that Class or otherwise materially and adversely affect that fund, the Directors may scale down, on a pro-rata basis, each request for redemption with respect to such Redemption Day so that not more than 20% of the issued and outstanding Redeemable Shares of the relevant Class shall be redeemed on such relevant Redemption Day. Each such redemption request shall be treated with respect to the unsatisfied balance as if a further request has been made by the redeeming Shareholder in respect of the next Redemption Day until the request for redemption is satisfied in full. In the event of unusual circumstances, the directors of the Company reserve the right to suspend the determination of the net asset value, the sale, allotment, issue or redemption of a fund's shares.

At September 30, 2017, 88% (2016- 86%) of financial assets at fair value through profit or loss for FGOW, comprise of investments in the other funds that have been fair valued in accordance with the policies set out in note 2d. Since the shares in the other funds are not publicly traded, redemption can only be made by FGOW on the redemption dates and subject to the required notice periods specified in the offering documents of each of the other funds. The rights of FGOW to request redemption of its investments in the other funds may vary in frequency from daily to monthly redemptions. As a result, the carrying values of the other funds may not be indicative of the prevailing values ultimately realised on redemption. In addition, FGOW may be materially affected by the actions of other investors who have invested in the other funds in which FGOW has invested.

The fund manages its liquidity risk by investing predominantly in securities that it expects to be able to liquidate within 1 month or less. The following table illustrates the expected liquidity of assets held.

	Less than 1 month \$	1 - 3 months \$	Over 3 months \$
September 30, 2017			
Fortress US Equity Fund SP			
Total assets	6,960,801	—	—
Fortress International Equity Fund SP			
Total assets	21,001,747	71,764	—
Fortress Income Builder US Fund SP			
Total assets	15,469,362	—	—
Fortress Income Builder International Fund SP			
Total assets	21,978,552	55,460	—

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management...continued

Liquidity risk...continued

	Less than 1 month \$	1 - 3 months \$	Over 3 months \$
September 30, 2017			
Fortress Emerging Markets Fund SP			
Total assets	22,230,285	—	—
Fortress Global Opportunity Wealth Fund SP			
Total assets	4,056,670	—	—
September 30, 2016			
Fortress US Equity Fund SP			
Total assets	6,106,504	—	—
Fortress International Equity Fund SP			
Total assets	15,777,927	11,134	55,061
Fortress Income Builder US Fund SP			
Total assets	13,107,936	—	—
Fortress Income Builder International Fund SP			
Total assets	12,878,243	6,744	24,225
Fortress Emerging Markets Fund SP			
Total assets	15,178,562	—	—
Fortress Global Opportunity Wealth Fund SP			
Total assets	3,658,809	—	—

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management...continued

Liquidity risk...continued

The table below analyses the Fund's derivative financial instruments in a loss position for which the contractual maturities are considered to be essential to an understanding of the timing of cash flows based on the Fund's investment strategy.

	Less than 7 days \$	7 days -1 month \$	1- 12 months \$
September 30, 2017			
Gross settled derivatives			
Fortress Income Builder US Fund SP			
Call BBY 60 20 Oct 2017	—	3,612	—
Call RTN 180 17 Nov 2017	—	—	27,308
Call SPY 245 20 Oct 2017	—	70,050	—
Call SPY 249 17 Nov 2017	—	—	146,550
	—	73,662	173,858
Fortress Income Builder International Fund SP			
Call EFA 67 17 Nov 2017	—	—	292,500
Call EFA 68 15 Dec 2017	—	—	157,500
	—	—	450,000
September 30, 2016			
Gross settled derivatives			
Fortress Income Builder US Fund SP			
Call Spy 216 21 Oct 2016	—	90,300	—
Fortress Income Builder International Fund SP			
Call EFA 58 21 Oct 2016	—	109,200	—
Call EFA 59 21 Oct 2016	—	49,800	—
	—	159,000	—

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management ...continued

Capital risk management

The capital of each fund is represented by the net assets attributable to holders of redeemable shares. The amount of net asset attributable to holders of redeemable shares can change significantly on a monthly basis as the funds are subject to bi-monthly subscriptions and redemptions at the discretion of shareholders. The funds' objective when managing capital is to safeguard the funds' 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 funds.

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 funds is the 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.

The funds are 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 each fund. Each 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.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management ...continued

Fair value estimation ...continued

The following table analyses within the fair value hierarchy each funds' financial assets and liabilities (by class) measured at fair value:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2017				
Fortress US Equity Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	5,682,556	—	—	5,682,556
Fortress International Equity Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	19,566,418	—	—	19,566,418
Fortress Income Builder US Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	14,464,928	—	—	14,464,928
Purchased options	8,400	—	—	8,400
	14,473,328	—	—	14,473,328
Financial liabilities at fair value through profit or loss:				
Written options	247,520	—	—	247,520

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management ...continued

Fair value estimation ...continued

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2017				
Fortress Income Builder International Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	20,678,274	—	—	20,678,274
Purchased options	10,500	—	—	10,500
	20,688,774	—	—	20,688,774
Financial liabilities at fair value through profit or loss:				
Written options	450,000	—	—	450,000
Fortress Emerging Markets Fund SP				
Listed equity securities	19,145,372	—	—	19,145,372
Fortress Global Opportunity Wealth Fund SP				
Debt securities	405,577	—	—	405,577
Mutual funds	—	2,954,000	—	2,954,000
	405,577	2,954,000	—	3,359,577

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management ...continued

Fair value estimation ...continued

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2016				
Fortress US Equity Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	5,104,698	—	—	5,104,698
Fortress International Equity Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	14,285,773	—	—	14,285,773
Fortress Income Builder US Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	10,562,157	—	—	10,562,157
Purchased options	38,800	—	—	38,800
	10,600,957	—	—	10,600,957
Financial liabilities at fair value through profit or loss:				
Written options	90,300	—	—	90,300

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

4 Financial risk management ...continued

Fair value estimation ...continued

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2016				
Fortress Income Builder International Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	11,411,305	—	—	11,411,305
Purchased options	20,000	—	—	20,000
	11,431,305	—	—	11,431,305
Financial liabilities at fair value through profit or loss:				
Written options	159,000	—	—	159,000
Fortress Emerging Markets Fund SP				
Listed equity securities	12,322,454	—	—	12,322,454
Fortress Global Opportunity Wealth Fund SP				
Debt securities	415,436	—	—	415,436
Mutual funds	—	2,635,887	—	2,635,887
	415,436	2,635,887	—	3,051,323

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The funds do 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 include unlisted mutual funds. 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, are unquoted or are determined by a third party.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States 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 funds' assets and liabilities (by class) not measured at fair value at September 30, 2017 but for which fair value is disclosed.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2017				
Fortress US Equity Fund SP				
Assets				
Accounts receivable	4,940	—	—	4,940
Cash and cash equivalents	1,273,305	—	—	1,273,305
Total	1,278,245	—	—	1,278,245
Liabilities				
Accounts payable and accrued expenses	—	177	—	177
Net assets attributable to holders of redeemable mutual fund shares	—	6,960,624	—	6,960,624
Total	—	6,960,801	—	6,960,801
Fortress International Equity Fund SP				
Assets				
Accounts receivable	194,254	—	—	194,254
Cash and cash equivalents	1,312,839	—	—	1,312,839
Total	1,507,093	—	—	1,507,093
Liabilities				
Accounts payable and accrued expenses	—	534	—	534
Net assets attributable to holders of redeemable mutual fund shares	—	21,072,977	—	21,072,977
Total	—	21,073,511	—	21,073,511

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States 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 \$	Total \$
September 30, 2017				
Fortress Income Builder US Fund SP				
Assets				
Accounts receivable	20,092	—	—	20,092
Cash and cash equivalents	975,942	—	—	975,942
Total	996,034	—	—	996,034
Liabilities				
Accounts payable and accrued expenses	—	393	—	393
Net assets attributable to holders of redeemable mutual fund shares	—	15,221,449	—	15,221,449
Total	—	15,221,842	—	15,221,842
Fortress Income Builder International Fund SP				
Assets				
Accounts receivable	67,071	—	—	67,071
Cash and cash equivalents	1,278,167	—	—	1,278,167
Total	1,345,238	—	—	1,345,238
Liabilities				
Accounts payable and accrued expenses	—	522	—	522
Net assets attributable to holders of redeemable mutual fund shares	—	21,583,460	—	21,583,460
Total	—	21,583,982	—	21,583,982

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States 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 \$	Total \$
September 30, 2017				
Fortress Emerging Market Fund SP				
Assets				
Accounts receivable	13,651	—	—	13,651
Cash and cash equivalents	3,071,262	—	—	3,071,262
Total	3,084,913	—	—	3,084,913
Liabilities				
Accounts payable and accrued expenses	—	564	—	564
Net assets attributable to holders of redeemable mutual fund shares	—	22,229,721	—	22,229,721
Total	—	22,230,285	—	22,230,285
Fortress Global Opportunity Wealth Fund SP				
Assets				
Cash and cash equivalents	697,093	—	—	697,093
Total	697,093	—	—	697,093
Liabilities				
Accounts payable and accrued expenses	—	113,160	—	113,160
Net assets attributable to holders of redeemable mutual fund shares	—	3,943,510	—	3,943,510
Total	—	4,056,670	—	4,056,670

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States 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 \$	Total \$
September 30, 2016				
Fortress US Equity Fund SP				
Assets				
Accounts receivable	5,142	—	—	5,142
Cash and cash equivalents	996,664	—	—	996,664
Total	1,001,806	—	—	1,001,806
Liabilities				
Accounts payable and accrued expenses	—	8,714	—	8,714
Net assets attributable to holders of redeemable mutual fund shares	—	6,097,790	—	6,097,790
Total	—	6,106,504	—	6,106,504
Fortress International Equity Fund SP				
Assets				
Accounts receivable	76,080	—	—	76,080
Cash and cash equivalents	1,482,269	—	—	1,482,269
Total	1,558,349	—	—	1,558,349
Liabilities				
Accounts payable and accrued expenses	—	18,144	—	18,144
Net assets attributable to holders of redeemable mutual fund shares	—	15,825,978	—	15,825,978
Total	—	15,844,122	—	15,844,122

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States 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 \$	Total \$
September 30, 2016				
Fortress Income Builder US Fund SP				
Assets				
Accounts receivable	8,634	—	—	8,634
Cash and cash equivalents	2,498,345	—	—	2,498,345
Total	2,506,979	—	—	2,506,979
Liabilities				
Accounts payable and accrued expenses	—	77,040	—	77,040
Net assets attributable to holders of redeemable mutual fund shares	—	12,940,596	—	12,940,596
Total	—	13,017,636	—	13,017,636
Fortress Income Builder International Fund SP				
Assets				
Accounts receivable	40,705	—	—	40,705
Cash and cash equivalents	1,437,202	—	—	1,437,202
Total	1,477,907	—	—	1,477,907
Liabilities				
Accounts payable and accrued expenses	—	12,482	—	12,482
Net assets attributable to holders of redeemable mutual fund shares	—	12,737,730	—	12,737,730
Total	—	12,750,212	—	12,750,212

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States 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 \$	Total \$
September 30, 2016				
Fortress Emerging Market Fund SP				
Assets				
Accounts receivable	15,506	—	—	15,506
Cash and cash equivalents	12,322,454	—	—	12,322,454
Total	12,337,960	—	—	12,337,960
Liabilities				
Accounts payable and accrued expenses	—	18,625	—	18,625
Net assets attributable to holders of redeemable mutual fund shares	—	15,159,937	—	15,159,937
Total	—	15,178,562	—	15,178,562
Fortress Global Opportunity Wealth Fund SP				
Assets				
Cash and cash equivalents	607,486	—	—	607,486
Total	607,486	—	—	607,486
Liabilities				
Accounts payable and accrued expenses	—	164,451	—	164,451
Net assets attributable to holders of redeemable mutual fund shares	—	3,494,358	—	3,494,358
Total	—	3,658,809	—	3,658,809

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States 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 assets and liabilities, other than redeemable shares, included in the above table are carried at amortised cost; their carrying values are a reasonable approximation of fair value. Cash and cash equivalents include cash in hand, deposits held with banks and other short-term investments in an active market.

The puttable value of redeemable shares is calculated based on the net difference between total assets and all other liabilities of the funds in accordance with the funds' 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 funds at any dealing date for cash equal to a proportionate share of the funds' net asset value attributable to the share class (Note 2h). 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 and liabilities at fair value through profit or loss

	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$
September 30, 2017						
Financial assets designated at fair value through profit or loss:						
- listed equity investments	5,682,556	19,566,418	14,464,928	20,678,274	19,145,372	—
- purchased options	—	—	8,400	10,500	—	—
- debt securities	—	—	—	—	—	405,577
- mutual funds	—	—	—	—	—	2,954,000
Total financial assets designated at fair value through profit or loss	5,682,556	19,566,418	14,473,328	20,688,774	19,145,372	3,359,577

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

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

	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$
September 30, 2017						
Financial liabilities designated at fair value through profit or loss:						
- written options	—	—	247,520	450,000	—	—
Total gain/(losses) recognized in relation to financial assets and liabilities at fair value through profit or loss:						
- realized gains/(losses)	386,576	110,611	(326,514)	(1,388,101)	(396,437)	—
- change in unrealized gains	445,669	3,077,522	380,251	2,829,448	3,575,311	308,254
	832,245	3,188,133	53,737	1,441,347	3,178,874	308,254

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

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

	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$
September 30, 2016						
Financial assets designated at fair value through profit or loss:						
- listed equity investments	5,104,698	14,285,773	10,562,157	11,411,305	12,322,454	—
- purchased options	—	—	38,800	20,000	—	—
- debt securities	—	—	—	—	—	415,436
- mutual funds	—	—	—	—	—	2,635,887
Total financial assets designated at fair value through profit or loss	5,104,698	14,285,773	10,600,957	11,431,305	12,322,454	3,051,323
Financial liabilities designated at fair value through profit or loss:						
- written options	—	—	90,300	159,000	—	—
Total gain/(losses) recognized in relation to financial assets and liabilities at fair value through profit or loss:						
- realized gains/(losses)	279,236	(193,819)	96,949	20,465	(856,201)	15,896
- change in unrealized gains/(losses)	(141,571)	1,107,761	485,960	408,049	2,122,254	163,603
	137,665	913,942	582,909	428,514	1,266,053	179,499

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

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

The detailed portfolios of financial assets at fair value through profit or loss are as follows:

	2017		2016	
	Cost \$	Fair Value \$	Cost \$	Fair Value \$
Financial assets at fair value through profit and loss:				
Fortress US Equity Fund SP				
Lincoln National Corp	209,865	264,528	209,865	169,128
Principal Financial Group Inc	197,303	257,360	197,303	206,000
Cummins Inc	174,012	252,045	174,012	192,210
Anthem Inc	171,651	246,844	171,651	162,864
Aflac Inc	152,165	244,170	152,165	215,610
General Motors Co	211,429	242,280	—	—
TE Connectivity Ltd	195,574	240,874	195,574	186,702
Tractor Supply Co	211,906	240,502	—	—
Ameriprise Finl Inc	203,130	237,616	203,130	159,616
Cisco Systems Inc	185,150	235,410	185,150	221,970
Eastman Chemical Co	209,495	235,274	—	—
Tyson Foods Inc	214,319	232,485	—	—
Best Buy Co	215,239	222,144	—	—
UnitedHealth GRP	58,795	215,435	80,175	210,000
Royal Caribbean Cruises Ltd	153,967	213,372	—	—
Prudential Financial Inc	164,058	212,640	213,275	212,264
Whirlpool Corp	194,140	202,884	194,140	178,376
CVS Caremark Corp	122,688	195,168	122,688	213,552
Snap-On Inc	220,699	193,713	—	—
Hormel Geo A & Co	207,118	189,626	—	—
Discover Financial Services	165,470	186,992	233,940	231,855
Ford Motor Co	186,260	166,383	186,260	167,634
Harley Davidson Inc	192,427	159,093	192,427	173,514
Kohls Corp	174,430	155,210	174,430	148,716
GAP Inc	201,048	147,650	201,048	111,150
Foot Locker Inc	176,571	112,704	176,571	216,672
Kroger Co	189,833	110,330	189,833	163,185
Macy's Inc	203,195	69,824	203,195	118,528
Raytheon Company	—	—	81,855	204,180
Seagate Technology	—	—	214,081	146,490
Apple Inc	—	—	190,770	192,117
W W Grainger Inc	—	—	206,728	179,896
Balance c/fwd	5,161,937	5,682,556	4,350,266	4,382,229

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

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

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Financial assets at fair value through profit and loss:				
Fortress US Equity Fund SP				
Balance b/fwd	5,161,937	5,682,556	4,350,266	4,382,229
Omnicom Group	—	—	195,994	238,000
CF Industries Holdings Inc	—	—	201,933	85,190
Gamestop Corp	—	—	187,174	168,299
Aetna Inc	—	—	94,380	230,980
	5,161,937	5,682,556	5,029,747	5,104,698
Fortress International Equity Fund SP				
Samsung Electronics Ltd	437,273	784,476	563,470	645,193
Magna International Inc	744,460	779,348	564,368	433,593
Assicurazione Gen Intl	626,442	754,065	—	—
Randstad Holdings	421,999	729,647	421,999	537,451
Persimmon PLC	573,514	726,466	573,514	494,155
Continental AG	630,008	709,393	—	—
Manulife Financial Corp	590,134	693,918	521,224	426,122
Hon Hai Precision Ind Ltd Global Dep	458,091	693,000	458,091	452,700
Ashtead Grp PLC	395,832	691,756	486,173	617,306
ITOCHU Corp	499,961	689,630	408,680	441,517
Michelin	491,371	685,744	491,371	519,860
Barratt Developments PLC	533,001	683,347	—	—
AXA SA	561,235	683,244	561,235	480,654
Bayerische Motoren Werke AG	725,336	677,478	557,808	403,112
Orix Corporation	538,501	677,353	538,501	612,077
Daimler AG	743,964	668,266	560,419	406,780
Toyota Motor CP	660,186	667,352	501,930	475,764
NSK Ltd	640,768	660,677	—	—
Legal & General Group PLC	725,790	647,330	576,430	394,056
Nissan Motor Co Ltd	600,539	633,970	566,406	584,556
Nippon Telegraph & Telephone Corp	394,913	608,076	252,355	462,378
Sekisui House Ltd	558,240	598,398	558,240	599,139
China Construction Bank Corp	548,171	597,312	467,596	459,621
Balance c/fwd	13,099,729	15,740,246	9,629,810	9,446,034

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

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

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Financial assets at fair value through profit and loss:				
Fortress International Equity Fund SP				
Balance b/fwd	13,099,729	15,740,246	9,629,810	9,446,034
Subaru Corp	557,552	595,414	525,405	577,977
KDDI Corp	655,007	588,073	501,315	506,966
Babcock Intl Group PLC	744,468	587,603	489,535	402,781
WPP 2012 PLC	643,473	575,243	—	—
Koninklijke Ahold NV	508,493	538,994	436,476	577,623
Old Mutual PLC	621,756	518,037	548,382	443,758
Marubeni Corp	419,004	422,808	419,004	314,722
Skandinaviska Enskilda Banken AKT	—	—	464,488	400,984
EasyJet PLC	—	—	548,446	339,633
Yara International	—	—	565,061	422,294
Agrium Inc	—	—	428,153	417,174
Industrial & Commercial Bank of China	—	—	490,285	435,827
	17,249,482	19,566,418	15,046,360	14,285,773

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

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

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Financial assets at fair value through profit and loss:				
Fortress Income Builder US Fund SP				
Raytheon Company	218,717	615,714	245,228	503,644
Ameriprise Finl Inc	506,569	594,040	381,963	299,280
UnitedHealth GRP	493,651	587,550	—	—
V F Corporation	514,822	578,487	—	—
Honeywell Intl Inc	399,976	566,960	375,118	440,409
TE Connectivity Ltd	416,583	556,502	401,728	418,470
Tyson Foods Inc	507,945	549,510	—	—
Torchmark Corp	363,794	544,612	363,794	434,452
Whirlpool Corp	518,642	544,098	400,170	364,860
Principal Financial Group Inc	416,863	540,456	416,863	432,600
Tractor Supply Co	476,700	537,965	—	—
Eastman Chemical Co	474,082	533,891	—	—
Time Warner Inc	431,986	522,495	394,150	422,092
United Technologies Corp	421,585	517,950	388,197	422,818
Kohls Corp	473,463	511,280	397,747	402,408
CVS Caremark Corp	388,154	506,950	247,010	394,537
Cisco Systems Inc	398,352	504,450	398,352	475,650
Eversource Energy Co	461,593	495,608	—	—
Best Buy Co	474,330	489,856	—	—
Hormel Geo A & Co	342,248	456,388	191,643	371,714
Walgreens Boots Alliance Inc	487,108	455,598	—	—
Snap-On Inc	480,816	447,030	398,720	379,700
Prudential Financial Inc	483,000	446,544	—	—
Walt Disney Co Holdings	413,616	433,708	402,364	399,255
Omnicom Group	420,155	429,606	369,554	442,000
Cardinal Health Inc	491,843	401,520	—	—
Scana Corp	372,924	358,826	299,855	455,868
Kroger Co	565,762	339,014	394,677	326,370
Balance c/fwd	12,415,279	14,066,608	6,467,133	7,386,127

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

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

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Financial assets at fair value through profit and loss:				
Fortress Income Builder US Fund SP				
Balance b/fwd	12,415,279	14,066,608	6,467,133	7,386,127
Macy's Inc	489,786	211,654	377,084	211,128
Foot Locker Inc	295,336	186,666	395,638	480,741
Put SPY 230 20 Oct 2017	103,200	8,400	—	—
Aetna Inc	—	—	381,997	404,215
Aflac Inc	—	—	374,690	438,407
CSX Corp	—	—	270,412	344,537
Harley Davidson Inc	—	—	370,211	310,222
INVECO Ltd	—	—	375,339	312,600
Put Spy 200 18 Nov 2016	—	—	30,000	38,800
W W Grainger Inc	—	—	407,828	359,792
Wells Fargo & Co	—	—	371,417	314,388
	13,303,601	14,473,328	9,821,749	10,600,957

Fortress Income Builder International Fund SP

Michelin	582,773	860,827	445,442	530,921
Allianz Aktiengesellschaft Holdings	613,867	827,706	374,203	339,828
Magna International Inc	737,735	779,348	453,081	343,440
AXA SA	641,450	776,963	428,475	363,680
Assicurazion Gen Intl	641,910	772,684	—	—
Valeo SA	482,464	771,350	323,548	454,640
Bayer AG Namen AKT	582,789	750,822	—	—
Continental AG	652,509	734,729	—	—
Legal & General Group PLC	717,340	733,339	410,982	303,557
Henkel AG & Co KGAA	613,398	729,177	433,729	499,192
Manulife Financial Corp	629,551	720,295	451,104	369,682
Barratt Developments PLC	521,368	714,633	—	—
Nordea Bank	647,011	711,340	417,256	331,526
Marubeni Corp	658,890	706,957	415,327	320,315
Hon Hai Precision Ind Ltd Global Dep	456,384	700,001	348,123	377,250
Bayerische Motoren Werke AG	526,940	687,589	334,249	394,714
Balance c/fwd	9,706,379	11,977,760	4,835,519	4,628,745

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

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

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Financial assets at fair value through profit and loss:				
Fortress Income Builder International Fund SP				
Balance b/wd	9,706,379	11,977,760	4,835,519	4,628,745
Bank of Nova Scotia	507,155	681,050	405,032	471,611
Randstad Holdings	434,463	680,180	329,016	419,030
Orix Corporation	600,692	672,515	466,936	488,204
Daimler AG	689,434	668,266	402,181	322,619
Nippon Telegraph & Telephone Corp	505,527	662,940	209,704	357,084
Toyota Motor CP	638,335	643,518	417,736	406,140
Whitbread PLC	667,482	640,802	375,821	345,252
Old Mutual PLC	714,609	638,244	427,846	357,946
Babcock Intl Group PLC	791,553	627,515	441,148	342,364
Nissan Motor Co Ltd	592,530	625,055	472,264	501,187
KDDI Corp	607,824	617,081	—	—
Subaru Corp	626,846	548,502	401,367	351,973
WPP 2012 PLC	562,745	499,163	264,954	331,424
EasyJet PLC	590,329	495,683	469,414	266,481
Put SPY 230 20 Oct 2017	127,000	10,500	—	—
China Construction Bank Corp	—	—	413,135	389,195
Industrial & Commercial Bank of China	—	—	431,006	385,179
Publicis Group SA	—	—	472,114	506,673
Put EFA 53 18 Nov 2016	—	—	30,000	20,000
Skandinaviska Enskilda Banken AKT	—	—	363,435	310,763
Yara International	—	—	297,672	229,435
	18,362,903	20,688,774	11,926,300	11,431,305

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

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

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Financial assets at fair value through profit and loss:				
Fortress Emerging Markets Fund SP				
Ishare MSCI Taiwan ETF	1,037,265	1,317,650	372,871	486,390
Guangzhou Automobile Group Co	483,200	925,880	—	—
Samsung Electronics Ltd	513,942	905,600	513,942	578,000
Shimao Property Holdings Ltd	741,951	815,879	573,851	373,898
Hon Hai Precision Ind Ltd Global Dep	533,601	814,100	385,651	417,490
China Merchants Bank	491,675	811,095	491,675	580,839
Haier Electronics Group	584,525	780,032	475,119	437,992
Banco Bradesco SA	616,074	751,498	488,789	447,287
Mondi Ltd	537,107	733,145	408,681	462,638
TATNEFTY	602,294	730,170	598,662	528,728
Industrial & Commercial Bank of China	662,479	721,380	662,479	607,469
PICC Property & Casualty Co Ltd	616,756	700,908	519,668	556,713
DongFeng Motor GRP Co Ltd	736,279	699,847	560,234	378,897
Itau Unibanco Holdings	626,755	685,000	—	—
Imperial Holdings Ltd	802,249	674,150	628,997	423,357
OJSC Oc Rosneft	540,147	664,934	402,744	543,864
China Overseas Land & Invt Ltd	599,666	642,556	516,383	580,746
Lukoil OAO	646,655	640,453	569,300	516,114
Beijing Enterprises Holdings	629,935	639,863	227,148	197,605
Great Wall Motor Co Ltd	702,768	633,937	506,527	345,873
LG Display Co	621,561	630,740	—	—
Barloworld Ltd	531,758	629,024	624,117	497,194
China Resources Power Holdings	750,701	613,028	531,099	378,250
Bank of Communications Co	661,738	589,411	576,157	530,714
Barclays Africa Group Ltd	528,611	574,084	438,277	528,182
Nedbank Group Ltd	568,754	487,233	—	—
Lenovo Group Limited	700,712	333,775	578,029	267,797
Banco do Brazil SA	—	—	495,788	487,902
China Unicom Hong Kong	—	—	565,694	417,431
Gazprom OAO	—	—	547,742	333,324
ICICI Bank Ltd	—	—	561,926	417,760
	17,069,158	19,145,372	13,821,550	12,322,454

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

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

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Financial assets at fair value through profit and loss:				
Fortress Global Opportunity Wealth Fund SP				
Fortress International Equity Fund	672,618	852,245	672,618	704,548
Fortress US Equity Fund	460,200	570,680	460,200	499,939
US Treasury Note 31 July 2020	398,464	405,577	398,464	415,436
Fortress Income Builder International Fund	391,357	426,460	391,357	389,634
Fortress Income Builder US Fund	339,210	362,588	339,210	358,428
Pimco GLB Invest GRD CRDT	299,994	357,352	299,994	347,241
Fortress Emerging Markets Fund	212,400	276,211	212,400	227,493
Legg Mason WA Asian Opp A	99,994	108,464	99,994	108,604
	2,874,237	3,359,577	2,874,237	3,051,323

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

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

The detailed portfolios of financial liabilities at fair value through profit or loss are as follows:

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Financial liabilities at fair value through profit and loss:				
Fortress Income Builder US Fund SP				
Call BBY 60 20 Oct 2017	14,114	3,612	—	—
Call RTN 180 17 Nov 2017	14,685	27,308	—	—
Call SPY 245 20 Oct 2017	54,200	70,050	—	—
Call SPY 249 17 Nov 2017	124,200	146,550	—	—
Call Spy 216 21 Oct 2016	—	—	90,650	90,300
	207,199	247,520	90,650	90,300
Fortress Income Builder International Fund SP				
Call EFA 67 17 Nov 2017	260,980	292,500	—	—
Call EFA 68 15 Dec 2017	153,604	157,500	—	—
Call EFA 58 21 Oct 2016	—	—	78,400	109,200
Call EFA 59 21 Oct 2016	—	—	36,600	49,800
	414,584	450,000	115,000	159,000

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

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

The funds use put and call options primarily to reduce the market risk from its portfolio of equity investments as conditions warrant. An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (in the case of a “call” option) or sell (in the case of a “put” option) a specified amount of an underlying security at a specified price on or before the expiry date of the option. The seller receives a premium from the purchaser in return for this right. The market values of these options change primarily in response to changes in values of the underlying assets.

Options which the funds may enter into are generally all exchange-traded, with pricing for valuation purposes readily available from the exchange(s). Options are shown in the financial statements on a gross basis.

At September 30, 2017 the following funds held purchased options contracts. The table below shows the carrying value and the underlying notional amount of the options purchased. These numbers are most meaningfully considered in the context of the total market value and offsetting exposures within each funds’ portfolio.

	2017		2016	
	Carrying value \$	Notional value \$	Carrying value \$	Notional value \$
Fortress Income Builder US Fund SP				
Purchased options	8,400	18,400,000	38,800	20,000,000
Fortress Income Builder International Fund SP				
Purchased options	10,500	23,000,000	20,000	5,300,000

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

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

At September 30, 2017 the funds held written option contracts. The table below shows the carrying value and the underlying notional amount of the options written. These numbers are most meaningfully considered in the context of the total market value and offsetting exposures within each fund's portfolio.

	2017		2016	
	Carrying value \$	Notional value \$	Carrying value \$	Notional value \$
Fortress Income Builder US Fund SP				
Written options	247,520	11,030,000	90,300	7,560,000
Fortress Income Builder International Fund SP				
Written options	450,000	16,850,000	159,000	7,600,000

6 Cash and cash equivalents

Cash and cash equivalents are placed with leading commercial banks. The effective yield on cash and cash equivalents is nil (2016- 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 Advisors Limited serves as investment advisor and manager of the funds. As a result of providing management services, Fortress Fund Advisors Limited receives a monthly management fee based on the actual net asset value of each Fund, calculated monthly and payable in arrears. The gross management fee amounted to \$795,930 (2016- \$635,424) for the year.

Management fees of \$23,200 (2016- \$21,991) were refunded by Fortress Fund Advisors Limited being 1% of the net asset values of Fortress US Equity Fund SP, Fortress International Equity Fund Limited SP, Fortress Income Builder US Fund SP, Fortress Income Builder Intl Fund SP and the Fortress Emerging Markets Fund SP shares held by the Fortress Global Opportunity Wealth Fund SP during the year. This is to avoid double charging of management fees on assets invested in related funds which have the same manager.

Fortress Fund Managers Limited serves as administrator of the funds. As a result of providing administrator services, Fortress Fund Managers Limited receives a monthly administration fee based on the actual net asset value of each fund, calculated monthly and payable in arrears. The administrator fees amounted to \$79,593 (2016- \$63,542) for the year.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

7 Related parties ...continued

Directors' fees of \$6,000 (2016- \$20,000) were accrued during the year. Directors' interest (including beneficial interests) in participating redeemable mutual fund shares are as follows:

Shareholder	Number of shares at start of year	Number of shares acquired in the year	Number of shares redeemed in the year	Number of shares at year end
Director	268	—	—	268

Related party interests in participating redeemable mutual fund shares are as follows:

	Number of shares	
	2017	2016
Fortress Mutual Fund Limited		
Fortress US Equity Fund SP	44,695	44,695
Fortress International Equity Fund SP	141,797	128,032
Fortress Income Builder US Fund SP	86,087	68,936
Fortress Income Builder International Fund SP	152,400	85,409
Fortress Emerging Markets Fund SP	158,973	130,733
Fortress Global Opportunity Wealth Fund SP	29,999	29,999
Fortress Caribbean High Interest Fund Limited		
Fortress Income Builder US Fund SP	19,859	19,859
Fortress Income Builder International Fund SP	20,430	20,430
Fortress Caribbean Pension Fund Limited		
Fortress Emerging Markets Fund SP	2,856	2,856
Fortress Global Opportunity Wealth Fund SP	2,421	2,421
Fortress Global Opportunity Wealth Fund SP		
Fortress US Equity Fund SP	4,134	4,134
Fortress International Equity Fund SP	6,488	6,488
Fortress Income Builder US Fund SP	3,206	3,206
Fortress Income Builder International Fund SP	3,818	3,818
Fortress Emerging Markets Fund SP	2,390	2,390
Fortress Fund Advisors Limited		
Fortress International Equity Fund SP	1,847	1,847
Fortress Income Builder US Fund SP	1,148	1,148
Fortress Income Builder International Fund SP	1,420	1,420
Fortress Emerging Markets Fund SP	1,865	1,865

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2017

(expressed in United States dollars)

8 Capital management

The authorized share capital of the Company is \$50,000 divided into 100 voting, non-redeemable management shares and 4,999,900 redeemable participating shares at par value \$0.01 each, which may be issued in classes. Each class of shares participates in a Segregated Portfolio.

Management shares carry one vote each. No other shares have a right to receive notice, attend or vote at the general meetings of the Company. Management shares do not have a right to dividends. On a winding up of the Company, Management shares rank only for a return of the nominal amount paid up thereon provided the Company has sufficient assets after settlement of all obligations to creditors and the holders of participating shares. The management shares are held by the investment manager, Fortress Fund Advisors Limited.

Redeemable participating shares were sold during the initial offering at a price of \$100, and thereafter, any subsequent issuance and redemptions are valued at the applicable net asset value per participating redeemable share on the valuation date. Holders of redeemable participating shares have the right to redeem or require the funds to repurchase their shares. A redemption notice or repurchase request must be submitted to the Administrator at least 1 business day prior to the valuation date.

Holders of redeemable participating shares do not have the right to vote, but are entitled to receive upon winding up of the Company, a return of the nominal value paid in respect to such shares, and the right to share in surplus assets available for distribution after return of the nominal value paid up on all shares.



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