

2020

Annual Report

Fortress Global Funds SPC



Fortress
FUND MANAGERS



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 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, a conservative fixed income fund, 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:		FUND INCEPTION:
	Fortress Fixed Income Fund SP	Oct. 2, 2017
	Fortress Global Opportunity Wealth Fund SP	May 31, 2013
	Fortress US Equity Fund SP	Feb. 28, 2013
	Fortress International Equity Fund SP	Feb. 28, 2013
	Fortress Emerging Markets Fund SP	Feb. 28, 2013
	Fortress Income Builder US Fund SP	Feb. 28, 2013
	Fortress Income Builder International Fund SP	Feb. 28, 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	
NAV QUOTATIONS:	Internet: www.fortressfund.com Bloomberg: FORFIFA KY FORTGOW KY FORUEFA KY FORIEFA KY FORTEMA KY FORIBUA KY FORIBIA KY	

Please see the applicable fund Quarterly Report, 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
John Howard
Maria Nicholls
Tracey Shuffler
John Williams
Roger Cave - Investment Director

FUND DIRECTORS

Roger Cave
John Howard

REGISTERED OFFICE

c/o Eterra Trust (Cayman) Ltd.
Clifton House, 75 Fort Street
George Town, Grand Cayman
Cayman Islands, KY1-1108

INVESTMENT MANAGER

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

ADMINISTRATOR

Fortress Fund Managers Limited
Radley Court
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PRIMARY CUSTODIAN

Morgan Stanley Smith Barney LLC
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New York, NY 10036
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INDEPENDENT AUDITORS

Ernst & Young Ltd.
62 Forum Lane
Camana Bay
P.O. Box 510, Grand Cayman

LEGAL ADVISORS

Appleby (Cayman) Ltd.
Clifton House, 75 Fort Street
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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, 2020:

Fund	Net Asset Value per Share (NAV)	Fund Net Assets	Bloomberg Ticker
Fortress Fixed Income Fund SP	\$116.7330	\$29,814,881	FORFIFA KY
Fortress Global Opportunity Wealth Fund SP	\$116.2320	\$6,529,100	FORTGOW KY
Fortress US Equity Fund SP	\$139.6704	\$14,314,815	FORUEFA KY
Fortress International Equity Fund SP	\$120.5127	\$35,635,600	FORIEFA KY
Fortress Emerging Markets Fund SP	\$114.7882	\$37,503,731	FORTEMA KY
Fortress Income Builder US Fund SP	\$102.2992	\$12,308,443	FORIBUA KY
Fortress Income Builder International Fund SP	\$86.3590	\$15,711,844	FORIBIA KY

TOTAL NET ASSETS:

\$151,818,414

Investment Performance

Net Asset Value and Return Summary to September 30, 2020:

Fund	Sep. 30, 2019 NAV	Sep. 30, 2020 NAV	One Year Return	Return Since Inception*	Fund Inception
Fortress Fixed Income Fund SP	\$107.9307	\$116.7330	+8.1%	+5.3%	Oct. 2, 2017
Fortress Global Opportunity Wealth Fund SP	\$114.4460	\$116.2320	+1.6%	+2.1%	May 31, 2013
Fortress US Equity Fund SP	\$144.8874	\$139.6704	-3.6%	+4.5%	Feb. 28, 2013
Fortress International Equity Fund SP	\$123.5488	\$120.5127	-2.5%	+2.5%	Feb. 28, 2013
Fortress Emerging Markets Fund SP	\$120.3590	\$114.7882	-4.6%	+1.8%	Feb. 28, 2013
Fortress Income Builder US Fund SP	\$115.4051	\$102.2992	-11.4%	+0.3%	Feb. 28, 2013
Fortress Income Builder International Fund SP	\$100.2351	\$86.3590	-13.8%	-1.9%	Feb. 28, 2013

**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

"After the swift and significant declines in equities and corporate bonds through March, however, the balance of the year to September 30 was characterized by recoveries..."

Directors' Report

Investment Director Roger Cave

It was an exceptionally volatile year in financial markets as the economic and market disruptions from COVID-19 were felt in every market in which the funds invest. The market dislocations in March were particularly widespread, affecting everything from short-term funding to corporate bonds and of course equities. Even the most liquid government bond markets in the U.S. saw liquidity seize up amidst a panic for cash. After the swift and significant declines in equities and corporate bonds through March, however, the balance of the year to September 30 was characterized by recoveries in asset prices as global central banks provided enormous monetary policy support and governments spent openly to keep economies moving.

As interest rates fell and corporate spreads recovered, the Fortress Fixed Income Fund had a strong year, gaining just over 8% and outperforming its benchmark. Our equity funds in the U.S., international and emerging markets meanwhile were down 3-5%, behind their respective benchmarks as growth shares once again significantly outperformed value and the kinds of well-valued shares in which we invest did not see the extraordinary gains experienced by some of the largest (and most highly valued) technology and internet shares. The Global Opportunity Wealth Fund, which has a balanced portfolio of stocks and bonds, gained just under 2% for the year as declines in equity holdings were more than offset by gains in the bond portfolio. In the period since September 30 a solid recovery has continued in the equity funds and we

remain extremely constructive on the prospects for the kinds of well-valued, high-quality holdings that make up the portfolios.

Each of the Fortress Global Funds 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 a focus on a particular area of the global equity markets (i.e. U.S., international or emerging markets), a conservative fixed income fund, or one with a balanced portfolio of global equities and fixed income. We select investments systematically based on clear, disciplined value criteria and focus on achieving long term returns while limiting risk.

For a detailed listing of each fund'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**.

INVESTMENT PERFORMANCE AND POSITIONING

Short summaries by fund are below.

Fortress Fixed Income Fund

The Fortress Fixed Income Fund returned 8.1% as interest rates fell and bond prices rose in response to aggressive easing and asset purchases by the U.S. Federal Reserve (Fed) aimed at offsetting COVID-19 disruptions. Credit spreads initially widened in March but then tightened in the following months on the back of Fed support and as the range of possible outcomes for companies narrowed. The Fund continued to maintain a relatively short duration during the year. We added to our holdings of inflation-linked bonds in the panic of March and likewise added corporate exposure as yields became exceptionally attractive. Both areas benefited substantially in the ensuing recovery, adding to the Fund's return. The portfolio of high-quality government and corporate bonds is structured to generate an acceptable yield while remaining robust to a range of risks including those from rates, inflation and credit. The average gross yield to maturity of the portfolio is 1.8%.

Fortress Global Opportunity Wealth Fund

The Fortress Global Opportunity Wealth Fund was up 1.6% reflecting its balance of exposures across global equities and fixed income. Relatively strong performance in fixed income was largely offset by weakness in equities. We added to the Fund's equity allocations during the COVID-19 related weakness early in the year when prices were down 25% or more and benefited from the ensuing recovery. The equity portfolios are as always focused in areas of high quality and reasonable valuations where we still see substantial potential for future returns. With interest rates likely to stay exceptionally low for the foreseeable future we believe equity performance will outpace bonds in the coming years and the Fund's asset allocation reflects this. Approximately two thirds of the portfolio is currently allocated to equities.

Fortress US Equity Fund

The Fortress US Equity Fund declined 3.6% during the year as share prices in the U.S. had widely divergent

performance on the back of COVID-19 disruptions and huge Fed stimulus. Value shares underperformed growth again this year and this was a headwind for relative performance of the Fund. Some of the largest technology and internet companies are now also some of the most expensive, with price/earnings ratios of 40x or more not uncommon. We are finding many profitable, growing companies in less fashionable areas where valuations are much less demanding. With an average price/earnings (PE) ratio of 13x and dividend yield of 2.5% we see significant upside to the portfolio's holdings, in both relative and absolute terms especially as earnings and markets normalise following this year's dislocations.

Fortress International Equity Fund

The Fortress International Equity Fund declined 2.5% as pressure on global equities affected equally those in Europe and Japan where we continue to see some of the best value in the world and where the Fund is positioned. The average PE of the Fund's portfolio is 11x with a dividend yield of 3%, levels consistent with years of above average future returns. Not all our holdings saw their earnings drop due to COVID-19 shutdowns but those that did have largely seen steady recoveries so far. These continued recoveries should be a tailwind for high-quality, well-valued equities as the world gradually normalises.

Fortress Emerging Markets Fund

The Fortress Emerging Markets Fund declined 4.6% for the year as economically sensitive shares and emerging currencies came under pressure from COVID-19 shutdowns. China-U.S. trade tensions also persisted in the background. To the extent that emerging markets recovered later in the year it was due primarily to the performance of the largest Chinese internet and technology companies. Shares in Brazil, Russia and South Africa remained under pressure, as did Hong Kong-listed Chinese companies in less fashionable industries still trading at exceptionally attractive valuations. We continue to find some of the best value in the world within emerging markets. The Fund's average PE of 9x and dividend yield of 4% are levels typically consistent with meaningful future returns.

Fortress Income Builder US Fund & Fortress Income Builder International Fund

The Fortress Income Builder US Fund and Fortress Income Builder International Fund declined 11.4% and 13.8% respectively during the year and did not meet their return or risk objectives in the volatile period early in the year. The underlying high-quality equity portfolios came under pressure similar to that felt in global markets generally. The strategies also had a headwind from short-term differences between the behaviour of the index options used to hedge the portfolios and the performance of the portfolios themselves. This was a particular factor in the volatile markets in March and April but has since normalized and option sales have again begun generating some incremental return. The value in the underlying equity portfolios is still meaningful, and more recently volatility and basis in the portfolio has returned to normal ranges. The average price/earnings ratios of the funds are 13x and 11x respectively.

Overall, we continue to position the Fortress Global Funds in a systematic and disciplined way in high-quality, well-valued securities with limited risk. As a result, portfolio valuations for all the funds are significantly better than benchmark indexes, with higher long-term expected returns for the future to match. As always, their behaviour may in any given period be substantially different from that of the broad market indexes.

More investment commentary by fund may be found in our quarterly letters and reports for each fund.

OUTLOOK

In the wake of the COVID-19 disruptions central banks have pushed interest rates low enough to make the global investment landscape resemble a desert: assets priced for satisfying future returns are few and far between. Just as importantly, the reward for taking no risk at all has vanished, or even turned negative. As investors, if we take no risk, we should expect to earn no return. While a version of this is usually true, it is especially stark and unavoidable at this moment. The only solution, in our view, is not to chase yesterday's returns but to position patiently in the

few assets that still have reasonable price tags attached to them. We need to take risks, but to take them sensibly.

In the bond world this means we are keeping the average term to maturity of our portfolios relatively short, taking risk in select corporate bonds for additional yield, and including inflation-linked bonds whose unique properties may remain extremely useful depending on what scenarios unfold in the months ahead. Still, we do not think fixed income returns will be anything like those of the recent past, and certainly not as good as last year. Today's starting yields simply make it nearly impossible.

In the world of equities, we think one of the great remaining opportunities for investors is in the kinds of high-quality, well-valued shares that make up our portfolios. This is precisely *because* these shares have lagged the broad market over the last few years. It is because the performance and valuation differentials between growth and value shares are now at historic extremes, in the U.S. and in international markets. It is because we can construct portfolios of large, profitable, growing companies – many of them outside the U.S. – and pay reasonable prices for them because other investors are primarily looking elsewhere. We think there is an excellent chance the returns in equities over the next ten years will be earned in the very places where they were not over the last ten years. Today's situation demands that we not extrapolate the past when looking to the future but look instead at what today's prices can tell us. As always, we continue to steadily follow the value and the quality in positioning our portfolios.

Thank you very much for investing with us.



Roger Cave CA, CFA
Investment Director



Peter Arender, CFA
Chief Investment Officer



Financial Statements



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Independent Auditor's 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, Fortress Global Opportunity Wealth Fund SP and Fortress Fixed Income Fund SP (each segregated portfolio referred to as the "Fund") which comprise the statement of financial position as at September 30, 2020, 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, 2020 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Fund in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information obtained at the date of the auditor's report are the Investment Objectives & 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 is responsible for overseeing the Fund's financial reporting process.

Auditor's 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 auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 11, 2020

Fortress Global Funds SPC Inc.

Statement of Financial Position

As at September 30, 2020

(expressed in United States dollars)

	September 30, 2020						
	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 Fixed Income Fund SP \$
Assets							
Cash and cash equivalents (note 6)	291,309	1,031,569	243,308	254,859	799,300	177,264	2,062,316
Accounts receivable	10,101	62,917	18,502	11,279	55,291	—	—
Financial assets at fair value through profit or loss (note 5)	14,014,802	34,544,652	12,243,525	15,691,888	36,652,878	6,352,474	27,755,491
Total assets	14,316,212	35,639,138	12,505,335	15,958,026	37,507,469	6,529,738	29,817,807
Liabilities							
Financial liabilities at fair value through profit or loss (note 5)	—	—	195,700	244,625	—	—	—
Accounts payable and accrued expenses	1,397	3,538	1,192	1,557	3,738	638	2,926
Total liabilities	1,397	3,538	196,892	246,182	3,738	638	2,926
Equity							
Net assets attributable to holders of redeemable mutual fund shares (note 8)	14,314,815	35,635,600	12,308,443	15,711,844	37,503,731	6,529,100	29,814,881
Total liabilities and equity	14,316,212	35,639,138	12,505,335	15,958,026	37,507,469	6,529,738	29,817,807
Net asset value per share	139.6704	120.5127	102.2992	86.3590	114.7882	116.2320	116.7330

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

Approved by the Board of Directors on December 11, 2020



Director



Director

Fortress Global Funds SPC Inc.

Statement of Financial Position...continued

As at September 30, 2020

(expressed in United States dollars)

	September 30, 2019						
	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 Fixed Income Fund SP \$
Assets							
Cash and cash equivalents (note 6)	87,030	1,989,658	910,487	1,137,450	2,032,575	68,162	967,867
Accounts receivable	9,636	199,270	18,194	99,844	44,834	—	—
Financial assets at fair value through profit or loss (note 5)	14,330,956	33,858,481	13,150,324	17,417,646	36,971,201	5,360,929	26,161,101
Total assets	14,427,622	36,047,409	14,079,005	18,654,940	39,048,610	5,429,091	27,128,968
Liabilities							
Financial liabilities at fair value through profit or loss (note 5)	—	—	192,125	230,550	—	—	—
Accounts payable and accrued expenses	1,244	3,144	1,565	2,030	3,741	567	2,588
Total liabilities	1,244	3,144	193,690	232,580	3,741	567	2,588
Equity							
Net assets attributable to holders of redeemable mutual fund shares (note 8)	14,426,378	36,044,265	13,885,315	18,422,360	39,044,869	5,428,524	27,126,380
Total liabilities and equity	14,427,622	36,047,409	14,079,005	18,654,940	39,048,610	5,429,091	27,128,968
Net asset value per share	144.8874	123.5488	115.4051	100.2351	120.3590	114.4460	107.9307

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, 2020

(expressed in United States dollars)

	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 Fixed Income Fund SP
	\$	\$	\$	\$	\$	\$	\$
Balance as at September 30, 2018	11,896,921	28,477,163	15,649,219	20,820,871	31,221,061	4,668,222	17,337,730
Issue of shares	2,900,000	9,358,920	150,000	150,000	9,190,310	1,129,985	8,065,459
Redemption of shares	—	(1,214,587)	(1,668,298)	(1,513,880)	(1,321,123)	(499,440)	(100,050)
Total comprehensive income/(loss) for the year	(370,543)	(577,231)	(245,606)	(1,034,631)	(45,379)	129,757	1,823,241
Balance as at September 30, 2019	14,426,378	36,044,265	13,885,315	18,422,360	39,044,869	5,428,524	27,126,380
Issue of shares	365,000	468,729	—	—	265,000	1,134,647	799,930
Redemption of shares	—	—	—	(139,778)	—	(141,607)	(350,000)
Total comprehensive income/(loss) for the year	(476,563)	(877,394)	(1,576,872)	(2,570,738)	(1,806,138)	107,536	2,238,571
Balance as at September 30, 2020	14,314,815	35,635,600	12,308,443	15,711,844	37,503,731	6,529,100	29,814,881

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, 2020

(expressed in United States dollars)

	For the year ended September 30, 2020						
	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 Fixed Income Fund SP \$
Investment income							
Net fair value gain/(loss) on financial assets/liabilities through profit or loss (note 5)	(589,256)	(1,206,610)	(1,663,366)	(2,734,731)	(2,608,782)	111,558	1,682,150
Dividend income	382,514	908,525	340,140	463,666	1,405,011	2,296	7,664
Other income/(expense)	3,370	7	4	3	(74)	7	683,766
Total investment income/(loss)	(203,372)	(298,078)	(1,323,222)	(2,271,062)	(1,203,845)	113,861	2,373,580
Expenditure							
Management fees (note 7)	139,111	356,043	126,601	169,382	387,337	(3,968)	99,272
Withholding taxes	100,283	133,199	92,263	84,185	130,394	478	861
Brokerage and investment fees	14,352	39,214	16,990	21,367	20,609	12	3,083
Administrator fees (note 7)	13,911	35,604	12,660	16,938	38,733	6,022	21,272
Professional and audit fees	4,360	10,980	4,031	5,336	11,847	1,764	8,409
Directors fees (note 7)	366	942	298	398	981	169	846
Other operating expenses	808	3,334	807	2,070	12,392	1,848	1,266
Operating expenses	273,191	579,316	253,650	299,676	602,293	6,325	135,009
Total comprehensive income/(loss) for the year	(476,563)	(877,394)	(1,576,872)	(2,570,738)	(1,806,138)	107,536	2,238,571

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, 2020

(expressed in United States dollars)

	For the year ended September 30, 2019						
	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 Fixed Income Fund SP \$
Investment income							
Net fair value gain/(loss) on financial assets/liabilities through profit or loss (note 5)	(461,953)	(1,417,719)	(353,587)	(1,500,594)	(916,191)	131,689	1,308,793
Dividend income	319,969	1,425,395	395,182	828,573	1,527,061	3,967	18,102
Other income	—	440	363	284	1,055	50	675
Interest income	5	8	5	4	6	5	590,763
Total investment income/(loss)	(141,979)	8,124	41,963	(671,733)	611,931	135,711	1,918,333
Expenditure							
Management fees (note 7)	114,580	290,802	143,715	186,563	345,860	(2,401)	73,221
Withholding taxes	85,386	209,520	101,683	123,177	187,040	534	681
Brokerage and investment fees	13,482	46,299	23,330	28,150	66,564	230	18
Administrator fees (note 7)	11,458	29,080	14,371	18,656	34,585	5,234	15,690
Professional and audit fees	2,100	5,138	2,723	3,594	5,828	873	3,323
Directors fees (note 7)	513	1,297	646	837	1,543	234	930
Other operating expenses	1,045	3,219	1,101	1,921	15,890	1,250	1,229
Operating expenses	228,564	585,355	287,569	362,898	657,310	5,954	95,092
Total comprehensive income/(loss) for the year	(370,543)	(577,231)	(245,606)	(1,034,631)	(45,379)	129,757	1,823,241

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, 2020

(expressed in United States dollars)

For the year ended September 30, 2020

	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 Fixed Income Fund SP \$
Cash flows from operating activities							
Comprehensive income/(loss) for the year	(476,563)	(877,394)	(1,576,872)	(2,570,738)	(1,806,138)	107,536	2,238,571
Adjustments for:							
Net fair value (gain)/loss on financial assets/liabilities at fair value	589,256	1,206,610	1,663,366	2,734,731	2,608,782	(111,558)	(1,682,150)
Dividend income	(382,514)	(908,525)	(340,140)	(463,666)	(1,405,011)	(2,296)	(7,664)
Interest income	(3,370)	(7)	(4)	(3)	74	(7)	(683,766)
Operating loss before working capital changes	(273,191)	(579,316)	(253,650)	(299,676)	(602,293)	(6,325)	(135,009)
Increase/(decrease) in accounts payable	153	394	(373)	(473)	(3)	71	338
Purchase of financial assets/liabilities at fair value through profit or loss	(4,818,906)	(11,155,683)	(6,027,993)	(6,545,205)	(6,807,026)	(1,179,987)	(8,636,622)
Proceeds on sale of financial assets/liabilities at fair value through profit or loss	4,545,804	9,262,902	5,275,001	5,550,307	4,516,567	300,000	8,760,491
Cash used in operations	(546,140)	(2,471,703)	(1,007,015)	(1,295,047)	(2,892,755)	(886,241)	(10,802)
Interest received	3,370	7	4	3	(74)	7	647,657
Dividend received	382,049	1,044,878	339,832	552,231	1,394,554	2,296	7,664
Net cash generated from/ (used in) operating activities	(160,721)	(1,426,818)	(667,179)	(742,813)	(1,498,275)	(883,938)	644,519

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, 2020

(expressed in United States dollars)

	For the year ended September 30, 2020						
	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 Fixed Income Fund SP
	\$	\$	\$	\$	\$	\$	\$
Cash flows from financing activities							
Issue of redeemable mutual fund shares	365,000	468,729	—	—	265,000	1,134,647	799,930
Redemption of redeemable mutual fund shares	—	—	—	(139,778)	—	(141,607)	(350,000)
Net cash generated from/(used in) financing activities	365,000	468,729	—	(139,778)	265,000	993,040	449,930
Net increase/(decrease) in cash and cash equivalents	204,279	(958,089)	(667,179)	(882,591)	(1,233,275)	109,102	1,094,449
Cash and cash equivalents - beginning of year	87,030	1,989,658	910,487	1,137,450	2,032,575	68,162	967,867
Cash and cash equivalents - end of year	291,309	1,031,569	243,308	254,859	799,300	177,264	2,062,316

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, 2020

(expressed in United States dollars)

For the year ended September 30, 2019

	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 Fixed Income Fund SP \$
Cash flows from operating activities							
Comprehensive income/(loss) for the year	(370,543)	(577,231)	(245,606)	(1,034,631)	(45,379)	129,757	1,823,241
Adjustments for:							
Net fair value (gain)/loss on financial assets/liabilities at fair value	461,953	1,417,719	353,587	1,500,594	916,191	(131,689)	(1,308,793)
Dividend income	(319,969)	(1,425,395)	(395,182)	(828,573)	(1,527,061)	(3,967)	(18,102)
Interest income	(5)	(8)	(5)	(4)	(6)	(5)	(590,763)
Operating loss before working capital changes	(228,564)	(584,915)	(287,206)	(362,614)	(656,255)	(5,904)	(94,417)
Decrease in due from broker	261,894	1,042,518	—	859,459	796,349	—	—
Increase/(decrease) in accounts payable	(528)	(3,477)	(220)	(2,604)	(3,072)	40	619
Increase in due to broker	(382,107)	(871,459)	—	(622,618)	(957,060)	—	—
Purchase of financial assets/liabilities at fair value through profit or loss	(5,725,457)	(19,034,158)	(4,674,498)	(5,310,561)	(25,113,726)	(2,149,519)	(10,761,730)
Proceeds on sale of financial assets/liabilities at fair value through profit or loss	1,738,272	10,045,181	5,812,714	5,073,273	16,017,953	1,246,172	2,876,968
Cash used in operations	(4,336,490)	(9,406,310)	850,790	(365,665)	(9,915,811)	(909,211)	(7,978,560)
Interest received	5	8	5	4	6	5	580,682
Dividend received	322,636	1,399,107	394,014	796,834	1,546,986	3,967	18,102
Net cash (used in)/generated from operating activities	(4,013,849)	(8,007,195)	1,244,809	431,173	(8,368,819)	(905,239)	(7,379,776)

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, 2020

(expressed in United States dollars)

	For the year ended September 30, 2019						
	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 Fixed Income Fund SP
	\$	\$	\$	\$	\$	\$	\$
Cash flows from financing activities							
Issue of redeemable mutual fund shares	2,900,000	9,358,920	150,000	150,000	9,190,310	1,129,985	8,065,459
Redemption of redeemable mutual fund shares	—	(1,214,587)	(1,668,298)	(1,513,880)	(1,321,123)	(499,440)	(100,050)
Net cash generated from/(used in) financing activities	2,900,000	8,144,333	(1,518,298)	(1,363,880)	7,869,187	630,545	7,965,409
Net (decrease)/increase in cash and cash equivalents	(1,113,849)	137,138	(273,489)	(932,707)	(499,632)	(274,694)	585,633
Cash and cash equivalents - beginning of year	1,200,879	1,852,520	1,183,976	2,070,157	2,532,207	342,856	382,234
Cash and cash equivalents - end of year	87,030	1,989,658	910,487	1,137,450	2,032,575	68,162	967,867

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

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(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 Estera 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, 2020, there were seven (7) 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, Fortress Global Opportunity Wealth Fund SP and Fortress Fixed Income 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, 2020

(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.
- Fortress Fixed Income Fund SP's objective is to generate consistent returns and protect principal over the medium-term. The fund seeks to achieve this by investing primarily in high quality government and corporate fixed income securities across a range of maturities, reducing risk and volatility through consistent portfolio structure and diversification. It aims to increase returns by investing selectively in corporate bonds whose yields are more attractive than would be suggested by the issuers' underlying operations, risks and business prospects

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 11, 2020.

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.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(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 new standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2019 that have a material effect on the financial statements of the Company.

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.

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

i) Classification

Assets

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

Consequently, all investments are measured at fair value through profit or loss. Financial assets in the category at fair value through profit or loss have been so designated by management at inception since the assets form part of the managed portfolio whose performance is evaluated on a fair value basis in accordance with a documented investment strategy.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

2 Summary of significant accounting policies...continued

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

i) Classification...continued

Liabilities

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

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

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

ii) Recognition, derecognition and measurement

Regular-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.

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 writes 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 and liabilities 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.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

2 Summary of significant accounting policies...continued

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

iii) Recognition, derecognition and measurement...continued

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.

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

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

iv) 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 exit price. If a significant movement in fair value occurs subsequent to the close of trading on the year end date, valuation techniques will be applied to determine the fair value. A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the 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.

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

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

2 Summary of significant accounting policies...continued

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

iv) Fair value estimation

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.

v) 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.

d) 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.

e) Due from and due to brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased, that have been contracted for but not yet settled or delivered by the statement of financial position date, respectively.

f) 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.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

2 Summary of significant accounting policies...continued

f) Equity...continued

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 2c for the purpose of determining the net asset value per share for subscriptions and redemptions.

g) Income

Interest income

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss includes interest from debt securities.

Dividend income

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

h) 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, 2020

(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, 2020

(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. Equity price risk is the risk of unfavourable changes in the fair values of equity instruments or equity-linked derivatives as the result of changes in the levels of equity indices and the value of individual shares. 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, 2020 is disclosed in note 5.

Management's best estimate of the effect on profit or loss for a year due to a reasonably possible change in equity indices, with all other variables held constant is indicated in the table below. The analysis is based using the MSCI All Country World Index, for all funds except for Fortress Fixed Income SP. The majority of the financial assets held in Fortress Fixed Income SP are listed debt securities. The analysis for this fund is based using the Bloomberg Barclays US Aggregate Bond Index. The analysis is based on the assumptions that the MSCI All Country World Index increased by 24% (2019 - 14%) and the Bloomberg Barclays US Aggregate Bond Index increased by 6% (2019- 3%), with all other variables held constant. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material.

An equivalent decrease in each of the indices shown below would have resulted in an equivalent, but opposite, impact.

Sensitivity

	2020 \$	2019 \$
Effect on net assets attributable to redeemable shares of an increase in the indices		
Fortress US Equity Fund SP	4,579,596	2,235,800
Fortress International Equity Fund SP	9,193,985	5,192,537
Fortress Income Builder US Fund SP	3,116,498	1,323,826
Fortress Income Builder International Fund SP	3,344,737	1,730,596
Fortress Emerging Markets Fund SP	8,568,852	5,100,041
Fortress Global Opportunity Wealth Fund SP	846,211	453,716
Fortress Fixed Income Fund SP	1,643,993	559,888

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

4 Financial risk management...continued

Market risk...continued

i) Price risk...continued

The Investment Manager uses the MSCI All Country World Index and the Bloomberg Barclays US Aggregate Bond Index as a reference point in making investment decisions. However, the Investment Manager does not manage the Fund's investment strategy to track the MSCI All Country World Index, the Bloomberg Barclays US Aggregate Bond Index or any other index or external benchmark.

ii) Cash flows and fair value interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow. The majority of each funds' financial assets and liabilities are non-interest bearing. The majority of 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, 2020

(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 \$	JPY \$	EUR \$
Fortress International Equity Fund SP			
At September 30, 2020			
Financial assets			
Financial assets at fair value through profit or loss	1,456,879	4,665,346	3,455,429
Accounts receivable	—	27,614	—
Total financial assets	1,456,879	4,692,960	3,455,429
Total financial liabilities	—	—	—
Net position	1,456,879	4,692,960	3,455,429
At September 30, 2019			
Financial assets			
Financial assets at fair value through profit or loss	3,021,943	4,664,130	5,103,531
Accounts receivable	—	73,086	—
Total financial assets	3,021,943	4,737,216	5,103,531
Total financial liabilities	—	—	—
Net position	3,021,943	4,737,216	5,103,531

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

4 Financial risk management...continued

Market risk...continued

iii) Foreign currency risk...continued

	GBP \$	JPY \$	EUR \$
Fortress Income Builder International Fund SP			
At September 30, 2020			
Financial assets			
Financial assets at fair value through profit or loss	512,491	1,585,115	1,647,945
Total financial assets	512,491	1,585,115	1,647,945
Total financial liabilities	—	—	—
Net position	512,491	1,585,115	1,647,945
At September 30, 2019			
Financial assets			
Financial assets at fair value through profit or loss	2,037,686	1,823,178	2,436,077
Accounts receivable	—	38,373	—
Total financial assets	2,037,686	1,861,551	2,436,077
Total financial liabilities	—	—	—
Net position	2,037,686	1,861,551	2,436,077

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(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, 2020	
Financial assets	
Financial assets at fair value through profit or loss	922,172
Total financial assets	<u>922,172</u>
Total financial liabilities	<u>—</u>
Net position	<u>922,172</u>
At September 30, 2019	
Financial assets	
Financial assets at fair value through profit or loss	1,155,518
Total financial assets	<u>1,155,518</u>
Total financial liabilities	<u>—</u>
Net position	<u>1,155,518</u>

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), Japanese Yen (JPY), Euro (EUR) and the South African Rand (ZAR). 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, 2020

(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, 2020 \$	Effect of a 5% depreciation as of September 30, 2019 \$
Fortress International Equity Fund SP		
Balances denominated in GBP	72,844	151,097
Balances denominated in JPY	234,648	236,861
Balances denominated in EUR	172,771	255,177
Fortress Income Builder International Fund SP		
Balances denominated in GBP	25,625	101,884
Balances denominated in JPY	79,256	93,078
Balances denominated in EUR	82,397	121,804
Fortress Emerging Markets Fund SP		
Balances denominated in ZAR	46,109	57,776

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, 2020

(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. It is the fund's policy to enter into financial instruments with reputable counterparties.

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 \$	Fortress Fixed Income Fund SP \$
September 30, 2020							
Cash and cash equivalents	291,309	1,031,569	243,308	254,859	799,300	177,264	2,062,316
Accounts receivable	10,101	62,917	18,502	11,279	55,291	—	—
Debt securities	—	—	—	—	—	—	27,755,491
	301,410	1,094,486	261,810	266,138	854,591	177,264	29,817,807
September 30, 2019							
Cash and cash equivalents	87,030	1,989,658	910,487	1,137,450	2,032,575	68,162	967,867
Accounts receivable	9,636	199,270	18,194	99,844	44,834	—	—
Debt securities	—	—	—	—	—	—	26,161,101
	96,666	2,188,928	928,681	1,237,294	2,077,409	68,162	27,128,968

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, 2020 none (2019- nil) of the funds' accounts receivables are impaired or past due but not impaired.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

4 Financial risk management...continued

Credit risk ...continued

The analysis below summarises the credit quality of the funds debt portfolio by rating agency category:

	2020	2019
	% of debt securities	
Fortress Fixed Income Fund SP		
AAA/Aaa	41%	41%
AA+	—	1%
AA-	1%	3%
A+	2%	2%
A/Baa1	4%	7%
A-	6%	4%
BBB+	14%	17%
BBB/Baa2	17%	16%
BBB-	7%	4%
BB+/Ba1	1%	2%
BB-	2%	1%
BB	3%	—
CCC+	2%	2%
100%	100%	100%

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.

Each funds' significant exposure to individual counterparty credit risk on its cash and cash equivalents is set out below:

	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 Fixed Income Fund SP \$
September 30, 2020							
Morgan Stanley (BBB+ by Standard & Poor's)	250,747	932,304	200,458	222,865	653,417	134,812	2,039,964

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

4 Financial risk management...continued

Credit risk ...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 \$	Fortress Fixed Income Fund SP \$
September 30, 2019							
Morgan Stanley (BBB+ by Standard & Poor's)	42,279	564,319	863,330	1,100,046	640,955	15,782	937,855

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, 2020 had a credit rating of BBB+ by Standard & Poor's. At September 30, 2020, 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 2f). 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.

	Less than 1 month \$	1 -3 months \$
2020		
Fortress US Equity Fund SP		
Accounts payable and accrued expenses	—	1,397
Net assets attributable to holders of redeemable mutual fund shares	14,314,815	—
Total financial liabilities and equity	14,314,815	1,397

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

4 Financial risk management...continued

Liquidity risk...continued

The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Less than 1 month \$	1 -3 months \$
2020		
Fortress International Equity Fund SP		
Accounts payable and accrued expenses	—	3,538
Net assets attributable to holders of redeemable mutual fund shares	35,635,600	—
Total financial liabilities and equity	35,635,600	3,538
Fortress Income Builder US Fund SP		
Accounts payable and accrued expenses	—	1,192
Net assets attributable to holders of redeemable mutual fund shares	12,308,443	—
Total financial liabilities and equity	12,308,443	1,192
Fortress Income Builder International Fund SP		
Accounts payable and accrued expenses	—	1,557
Net assets attributable to holders of redeemable mutual fund shares	15,711,844	—
Total financial liabilities and equity	15,711,844	1,557
Fortress Emerging Markets Fund SP		
Accounts payable and accrued expenses	—	3,738
Net assets attributable to holders of redeemable mutual fund shares	37,503,731	—
Total financial liabilities and equity	37,503,731	3,738
Fortress Global Opportunity Wealth Fund SP		
Accounts payable and accrued expenses	—	638
Net assets attributable to holders of redeemable mutual fund shares	6,529,100	—
Total financial liabilities and equity	6,529,100	638

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

4 Financial risk management...continued

Liquidity risk...continued

	Less than 1 month \$	1 -3 months \$
2020		
Fortress Fixed Income Fund SP		
Accounts payable and accrued expenses	—	2,926
Net assets attributable to holders of redeemable mutual fund shares	29,814,881	—
Total financial liabilities and equity	29,814,881	2,926
2019		
Fortress US Equity Fund SP		
Accounts payable and accrued expenses	—	1,244
Net assets attributable to holders of redeemable mutual fund shares	14,426,378	—
Total financial liabilities and equity	14,426,378	1,244
Fortress International Equity Fund SP		
Accounts payable and accrued expenses	—	3,144
Net assets attributable to holders of redeemable mutual fund shares	36,044,265	—
Total financial liabilities and equity	36,044,265	3,144
Fortress Income Builder US Fund SP		
Accounts payable and accrued expenses	—	1,565
Net assets attributable to holders of redeemable mutual fund shares	13,885,315	—
Total financial liabilities and equity	13,885,315	1,565
Fortress Income Builder International Fund SP		
Accounts payable and accrued expenses	—	2,030
Net assets attributable to holders of redeemable mutual fund shares	18,422,360	—
Total financial liabilities and equity	18,422,360	2,030

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

4 Financial risk management...continued

Liquidity risk...continued

	Less than 1 month \$	1 -3 months \$
2019		
Fortress Emerging Markets Fund SP		
Accounts payable and accrued expenses	—	3,741
Net assets attributable to holders of redeemable mutual fund shares	39,044,869	—
Total financial liabilities and equity	39,044,869	3,741
Fortress Global Opportunity Wealth Fund SP		
Accounts payable and accrued expenses	—	567
Net assets attributable to holders of redeemable mutual fund shares	5,428,524	—
Total financial liabilities and equity	5,428,524	567
Fortress Fixed Income Fund SP		
Accounts payable and accrued expenses	—	2,588
Net assets attributable to holders of redeemable mutual fund shares	27,126,380	—
Total financial liabilities and equity	27,126,380	2,588

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, 2020, 92% (2019- 93%) of financial assets at fair value through profit or loss for Fortress Global Opportunity Wealth Fund SP (FGOW), comprise of investments in the other SP funds that have been fair valued in accordance with the policies set out in note 2c. 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.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

4 Financial risk management...continued

Liquidity risk...continued

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, 2020			
Fortress US Equity Fund SP			
Total assets	<u>14,316,212</u>	—	—
Fortress International Equity Fund SP			
Total assets	<u>35,626,351</u>	<u>12,787</u>	—
Fortress Income Builder US Fund SP			
Total assets	<u>12,505,335</u>	—	—
Fortress Income Builder International Fund SP			
Total assets	<u>15,958,026</u>	—	—
Fortress Emerging Markets Fund SP			
Total assets	<u>37,507,469</u>	—	—
Fortress Global Opportunity Wealth Fund SP			
Total assets	<u>6,529,738</u>	—	—
Fortress Fixed Income Fund SP			
Total assets	<u>29,808,518</u>	—	<u>9,289</u>

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(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, 2019			
Fortress US Equity Fund SP			
Total assets	14,427,622	—	—
Fortress International Equity Fund SP			
Total assets	35,891,961	—	155,448
Fortress Income Builder US Fund SP			
Total assets	14,079,005	—	—
Fortress Income Builder International Fund SP			
Total assets	18,620,480	—	34,460
Fortress Emerging Markets Fund SP			
Total assets	39,048,610	—	—
Fortress Global Opportunity Wealth Fund SP			
Total assets	5,429,091	—	—
Fortress Fixed Income Fund SP			
Total assets	27,128,968	—	—

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, 2020			
Gross settled derivatives			
Fortress Income Builder US Fund SP			
Call SPY 340 20 November 2020	—	—	195,700
Fortress Income Builder International Fund SP			
Call SPY 340 20 November 2020	—	—	244,625

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

4 Financial risk management...continued

Liquidity risk...continued

	Less than 7 days \$	7 days -1 month \$	1- 12 months \$
September 30, 2019			
Gross settled derivatives			
Fortress Income Builder US Fund SP			
Call SPY 300 20 Dec 2019	—	—	192,125
Fortress Income Builder International Fund SP			
Call SPY 300 20 Dec 2019	—	—	230,550

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 exit price. If a significant movement in fair value occurs subsequent to the close of trading on the year end date, valuation techniques will be applied to determine the fair value.

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.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

4 Financial risk management...continued

Fair value estimation ...continued

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.

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, 2020				
Fortress US Equity Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	14,014,802	—	—	14,014,802
Fortress International Equity Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	34,544,652	—	—	34,544,652
Fortress Income Builder US Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	12,243,525	—	—	12,243,525
Financial liabilities at fair value through profit or loss:				
Written options	195,700	—	—	195,700
Fortress Income Builder International Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	15,691,888	—	—	15,691,888
Financial liabilities at fair value through profit or loss:				
Written options	244,625	—	—	244,625

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

4 Financial risk management...continued

Fair value estimation ...continued

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2020				
Fortress Emerging Markets Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	36,652,878	—	—	36,652,878
Fortress Global Opportunity Wealth Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	80,640	—	—	80,640
Mutual funds	—	6,271,834	—	6,271,834
	80,640	6,271,834	—	6,352,474
Fortress Fixed Income Fund SP				
Financial assets at fair value through profit or loss:				
Debt securities	27,746,202	9,289	—	27,755,491

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

4 Financial risk management...continued

Fair value estimation ...continued

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2019				
Fortress US Equity Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	14,330,956	—	—	14,330,956
Fortress International Equity Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	33,858,481	—	—	33,858,481
Fortress Income Builder US Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	13,150,324	—	—	13,150,324
Financial liabilities at fair value through profit or loss:				
Written options	192,125	—	—	192,125
Fortress Income Builder International Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	17,417,646	—	—	17,417,646
Financial liabilities at fair value through profit or loss:				
Written options	230,550	—	—	230,550

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

4 Financial risk management...continued

Fair value estimation ...continued

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2019				
Fortress Emerging Markets Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	36,971,201	—	—	36,971,201
Fortress Global Opportunity Wealth Fund SP				
Financial assets at fair value through profit or loss:				
Listed equity securities	74,820	—	—	74,820
Mutual funds	—	5,286,109	—	5,286,109
	74,820	5,286,109	—	5,360,929
Fortress Fixed Income Fund SP				
Financial assets at fair value through profit or loss:				
Debt securities	26,161,101	—	—	26,161,101

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, 2020

(expressed in United States dollars)

4 Financial risk management...continued

Fair value estimation ...continued

The following table presents the transfers between levels:

	Level 1 \$	Level 2 \$	Level 3 \$
September 30, 2020			
Financial assets at fair value through profit or loss:			
Debt securities	(9,289)	9,289	—

The debt transferred from Level 1 to Level 2 relates to a single corporate debt security whose issuer experienced financial difficulty during the year. This ultimately resulted in a halt in trading activity on all of its issued debt instruments.

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, 2020 but for which fair value is disclosed.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2020				
Fortress US Equity Fund SP				
Assets				
Accounts receivable	—	10,101	—	10,101
Cash and cash equivalents	291,309	—	—	291,309
Total	291,309	10,101	—	301,410
Liabilities				
Accounts payable and accrued expenses	—	1,397	—	1,397
Total	—	1,397	—	1,397

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(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, 2020				
Fortress International Equity Fund SP				
Assets				
Accounts receivable	—	62,917	—	62,917
Cash and cash equivalents	1,031,569	—	—	1,031,569
Total	1,031,569	62,917	—	1,094,486
Liabilities				
Accounts payable and accrued expenses	—	3,538	—	3,538
Total	—	3,538	—	3,538
Fortress Income Builder US Fund SP				
Assets				
Accounts receivable	—	18,502	—	18,502
Cash and cash equivalents	243,308	—	—	243,308
Total	243,308	18,502	—	261,810
Liabilities				
Accounts payable and accrued expenses	—	1,192	—	1,192
Total	—	1,192	—	1,192

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(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, 2020				
Fortress Income Builder International Fund SP				
Assets				
Accounts receivable	—	11,279	—	11,279
Cash and cash equivalents	254,859	—	—	254,859
Total	254,859	11,279	—	266,138
Liabilities				
Accounts payable and accrued expenses	—	1,557	—	1,557
Total	—	1,557	—	1,557
Fortress Emerging Markets Fund SP				
Assets				
Accounts receivable	—	55,291	—	55,291
Cash and cash equivalents	799,300	—	—	799,300
Total	799,300	55,291	—	854,591
Liabilities				
Accounts payable and accrued expenses	—	3,738	—	3,738
Total	—	3,738	—	3,738

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(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

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2020				
Fortress Global Opportunity Wealth Fund SP				
Assets				
Cash and cash equivalents	177,264	—	—	177,264
Total	177,264	—	—	177,264
Liabilities				
Accounts payable and accrued expenses	—	638	—	638
Total	—	638	—	638
Fortress Fixed Income Fund SP				
Assets				
Cash and cash equivalents	2,062,316	—	—	2,062,316
Total	2,062,316	—	—	2,062,316
Liabilities				
Accounts payable and accrued expenses	—	2,926	—	2,926
Total	—	2,926	—	2,926

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(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, 2019				
Fortress US Equity Fund SP				
Assets				
Accounts receivable	—	9,636	—	9,636
Cash and cash equivalents	87,030	—	—	87,030
Total	87,030	9,636	—	96,666
Liabilities				
Accounts payable and accrued expenses	—	1,244	—	1,244
Total	—	1,244	—	1,244
Fortress International Equity Fund SP				
Assets				
Accounts receivable	—	199,270	—	199,270
Cash and cash equivalents	1,989,658	—	—	1,989,658
Total	1,989,658	199,270	—	2,188,928
Liabilities				
Accounts payable and accrued expenses	—	3,144	—	3,144
Total	—	3,144	—	3,144

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(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, 2019				
Fortress Income Builder US Fund SP				
Assets				
Accounts receivable	—	18,194	—	18,194
Cash and cash equivalents	910,487	—	—	910,487
Total	910,487	18,194	—	928,681
Liabilities				
Accounts payable and accrued expenses	—	1,565	—	1,565
Total	—	1,565	—	1,565
Fortress Income Builder International Fund SP				
Assets				
Accounts receivable	—	99,844	—	99,844
Cash and cash equivalents	1,137,450	—	—	1,137,450
Total	1,137,450	99,844	—	1,237,294
Liabilities				
Accounts payable and accrued expenses	—	2,030	—	2,030
Total	—	2,030	—	2,030

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(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, 2019				
Fortress Emerging Markets Fund SP				
Assets				
Accounts receivable	—	44,834	—	44,834
Cash and cash equivalents	2,032,575	—	—	2,032,575
Total	2,032,575	44,834	—	2,077,409
Liabilities				
Accounts payable and accrued expenses	—	3,741	—	3,741
Total	—	3,741	—	3,741
Fortress Global Opportunity Wealth Fund SP				
Assets				
Cash and cash equivalents	68,162	—	—	68,162
Total	68,162	—	—	68,162
Liabilities				
Accounts payable and accrued expenses	—	567	—	567
Total	—	567	—	567

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

4 Financial risk management...continued

Fair value estimation ...continued

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2019				
Fortress Fixed Income Fund SP				
Assets				
Cash and cash equivalents	967,867	—	—	967,867
Total	967,867	—	—	967,867
Liabilities				
Accounts payable and accrued expenses	—	2,588	—	2,588
Total	—	2,588	—	2,588

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.

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

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 \$	Fortress Fixed Income Fund SP \$
September 30, 2020							
Financial assets designated at fair value through profit or loss:							
Listed equity investments	14,014,802	34,544,652	12,243,525	15,691,888	36,652,878	80,640	—
Debt securities	—	—	—	—	—	—	27,755,491
Mutual funds	—	—	—	—	—	6,271,834	—
Total financial assets designated at fair value through profit or loss	14,014,802	34,544,652	12,243,525	15,691,888	36,652,878	6,352,474	27,755,491
Financial liabilities designated at fair value through profit or loss:							
Written options	—	—	195,700	244,625	—	—	—
Total gain/(losses) recognized in relation to financial assets and liabilities at fair value through profit or loss:							
Realized gains/(losses)	(914,163)	(2,188,470)	(1,184,658)	(2,193,759)	(912,361)	25,507	485,535
Change in unrealized gains /(losses)	324,907	981,860	(478,708)	(540,972)	(1,696,421)	86,051	1,196,615
	(589,256)	(1,206,610)	(1,663,366)	(2,734,731)	(2,608,782)	111,558	1,682,150

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(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 \$	Fortress Fixed Income Fund SP \$
September 30, 2019							
Financial assets designated at fair value through profit or loss:							
Listed equity investments	14,330,956	33,858,481	13,150,324	17,417,646	36,971,201	74,820	—
Debt securities	—	—	—	—	—	—	26,161,101
Mutual funds	—	—	—	—	—	5,286,109	—
Total financial assets designated at fair value through profit or loss	14,330,956	33,858,481	13,150,324	17,417,646	36,971,201	5,360,929	26,161,101
Financial liabilities designated at fair value through profit or loss:							
Written options	—	—	192,125	230,550	—	—	—
Total gain/(losses) recognized in relation to financial assets and liabilities at fair value through profit or loss:							
Realized gains/(losses)	(134,768)	(702,589)	84,965	(934,109)	920,719	66,611	5,891
Change in unrealized gains /(losses)	(327,185)	(715,130)	(438,552)	(566,485)	(1,836,910)	65,078	1,302,902
	(461,953)	(1,417,719)	(353,587)	(1,500,594)	(916,191)	131,689	1,308,793

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(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:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Financial assets at fair value through profit and loss:				
Fortress US Equity Fund SP				
Tractor Supply Co	321,735	702,366	321,735	443,156
Best Buy Co Inc	380,396	689,998	380,396	427,738
Target Corp	333,233	645,422	414,509	545,241
D R Horton Inc	349,016	627,729	412,092	516,558
United Health Group Inc	271,946	623,540	271,946	434,640
Anthem Inc	337,948	510,321	337,948	456,190
Morgan Stanley	504,359	502,840	504,359	443,768
Hormel Foods Corp	361,746	498,678	361,746	446,046
Ameriprise Financial Inc	430,002	493,152	430,002	470,720
Kroger Co	431,639	491,695	—	—
MCKESSON Corp	459,631	491,469	459,631	450,978
TE Connectivity Ltd	386,037	478,926	386,037	456,582
Garmin Ltd	434,827	455,328	—	—
Comcast Corp	455,160	453,348	—	—
Accenture PLC	424,942	451,980	—	—
Philip Morris International	453,865	442,441	—	—
Snap-On Inc	482,508	441,390	482,508	469,620
SPDR S&P 500 ETF	352,630	435,357	260,193	296,770
Check Point Software Tech	462,204	433,224	—	—
Northrop Grumman Corp	457,744	410,137	—	—
Lyondellbasell Ind	440,018	373,597	440,018	474,191
Interpublic Group of Cos Inc	466,659	366,740	466,659	474,320
Gilead Sciences Inc	419,106	347,545	—	—
Foot Locker Inc	482,930	346,815	482,930	453,180
General Dynamics Corp Com	448,033	346,075	448,033	456,825
Synchrony Financial	465,986	345,444	—	—
Intel Corp	408,418	336,570	—	—
Principal Financial Group Inc	436,104	326,187	436,104	462,834
Discover Financial Services	377,244	323,568	377,244	454,104
Tyson Foods Inc	355,607	321,192	355,607	465,156
Walgreens Boots Alliance Inc	536,047	301,728	536,047	464,604
Balance c/fwd	12,927,720	14,014,802	8,565,744	9,563,221

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

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

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Financial assets at fair value through profit and loss:				
Fortress US Equity Fund SP				
Balance b/fwd	12,927,720	14,014,802	8,565,744	9,563,221
GAP Inc	—	—	472,642	270,816
Prudential Financial Inc	—	—	469,650	467,740
Lincoln National Corp	—	—	467,801	458,432
Whirlpool Corp	—	—	502,178	490,916
Royal Caribbean Cruises Ltd	—	—	403,724	444,153
Eastman Chemical Co	—	—	446,699	398,682
Southwest Airlines	—	—	476,179	453,684
AT&T Inc	—	—	437,679	510,840
Capital One Financial Corp	—	—	475,970	454,900
International Paper Co	—	—	440,472	460,020
Kohls Corp	—	—	410,043	357,552
	12,927,720	14,014,802	13,568,781	14,330,956

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

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

	2020		2019	
	Cost \$	Fair Value \$	Cost \$	Fair Value \$
Financial assets at fair value through profit and loss:				
Fortress International Equity Fund SP				
Ashtead Group PLC	878,262	1,682,184	878,262	1,293,737
Logitech International - Reg	882,351	1,623,510	1,176,468	1,140,720
Tokyo Electron Ltd	853,300	1,606,428	990,929	1,369,985
ITOCHU Corp	864,965	1,545,127	864,965	1,252,976
Koninklijke Ahold NV	929,930	1,368,467	929,930	1,156,837
Alibaba Group Holdings- SP ADR	1,136,939	1,322,910	—	—
ATOS SE	1,294,165	1,241,864	—	—
Canadian Tire Corp	1,368,966	1,228,519	1,151,475	1,145,257
China Merchants Bank	1,190,614	1,179,032	—	—
Wolters Kluwer	1,070,416	1,178,186	—	—
Persimmon PLC	1,068,984	1,175,804	1,068,984	981,349
Kirkland Lake Gold Ltd	1,115,393	1,169,520	—	—
Sekisui House Ltd	1,081,991	1,142,891	1,081,991	1,276,022
Ping An Insurance GP	1,287,468	1,107,875	—	—
Toyota Motor CP	1,015,208	1,099,252	1,015,208	1,116,267
Roche Holding AG	1,138,431	1,095,103	—	—
Orix Corporation	1,291,857	1,092,452	1,038,528	1,092,582
Daimler AG	1,450,544	1,044,163	1,450,544	961,526
Michelin	1,127,367	1,042,799	1,127,367	1,082,576
KDDI Corp	1,155,290	1,037,420	1,155,290	1,076,886
Manulife Financial Corp	1,303,793	1,025,167	1,303,793	1,353,132
Heineken Holding NV	1,067,448	1,012,518	—	—
Magna International Inc	1,122,054	992,775	1,122,054	1,157,261
Nippon Telegraph & Telephone Corp	861,291	946,228	861,291	1,096,681
Daito Trust Construction Co Ltd	1,314,174	936,595	1,099,675	1,098,871
Toronto Dominion Bank	1,116,633	892,432	1,116,633	1,124,418
Marubeni Corp	1,113,027	884,876	1,113,027	1,042,550
China Overseas Land & Invt Ltd	1,084,662	840,825	1,084,662	1,056,271
Legal & General Group PLC	1,172,894	761,680	1,172,894	955,460
WPP PLC	1,445,399	695,199	1,445,399	1,107,152
Ishare MSCI EAFE ETF	541,141	572,851	754,570	782,520
Samsung Electronics Ltd	—	—	851,311	1,112,674
Bayerische Motoren Werke AG	—	—	1,351,831	968,766
Valeo SA	—	—	1,160,200	933,826
Babcock Intl Group PLC	—	—	1,490,509	959,331
Randstad Holdings	—	—	996,193	1,086,074
Continental AG	—	—	1,281,700	830,711
Sumitomo Chemical Co Ltd	—	—	1,438,734	1,052,295
MTU Aero Engines AG	—	—	1,066,230	1,193,768
	34,344,957	34,544,652	34,640,647	33,858,481

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

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

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Financial assets at fair value through profit and loss:				
Fortress Income Builder US Fund SP				
Best Buy Co Inc	483,348	779,030	483,348	482,930
Tractor Supply Co	291,628	745,368	291,628	470,288
Fortune Brands Home & Security	349,968	666,204	418,144	503,240
UnitedHealth Group Inc	329,101	623,540	329,101	434,640
Target Corp	261,448	519,486	419,902	566,623
Ameriprise Financial Inc	417,920	508,563	417,920	485,430
TE Connectivity Ltd	323,318	508,248	323,318	484,536
Hormel Foods Corp	245,840	498,678	245,840	446,046
Eastman Chemical Co	474,082	460,908	474,082	435,597
Snap-On Inc	480,816	441,390	480,816	469,620
Kroger Co	391,719	437,439	—	—
Globe Life Inc	283,545	423,470	363,794	651,168
Discover Financial Services	464,814	410,238	464,814	575,739
Garmin Ltd	396,125	407,898	—	—
DTE Energy Company	373,334	402,640	—	—
Walt Disney Co	291,411	384,648	291,411	403,992
Anthem Inc	410,366	376,026	—	—
Eversource Energy Co	236,425	350,910	349,009	529,915
Tyson Foods Inc	377,702	344,984	377,702	499,612
Principal Financial Group Inc	416,863	338,268	416,863	479,976
General Dynamics Corp Com	426,742	332,233	426,742	438,552
Raytheon Technologies Corp	159,034	322,397	—	—
Synchrony Financial	449,526	319,274	—	—
Prudential Financial Inc	560,184	317,600	560,184	449,750
US Bancorp	429,176	293,970	429,176	453,788
Intel Corp	349,580	289,968	—	—
Omnicom Group	420,155	287,100	420,155	454,140
Foot Locker Inc	389,976	241,119	389,976	315,068
Walgreens Boots Alliance Inc	487,108	211,928	487,108	326,329
Raytheon Company	—	—	159,067	470,856
GAP Inc	—	—	475,443	262,136
Kohls Corp	—	—	253,641	297,960
Royal Caribbean Cruises Ltd	—	—	551,719	530,817
Amgen Inc	—	—	475,332	541,828
AT&T Inc	—	—	588,435	689,748
	10,971,254	12,243,525	11,364,670	13,150,324

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

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

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Financial assets at fair value through profit and loss:				
Fortress Income Builder International Fund SP				
Tokyo Electron Ltd	484,259	906,855	622,618	856,241
ITOCHU Corp	526,327	776,382	647,123	774,079
Toyota Motor CP	638,335	715,176	638,335	726,246
Bunzl Plc	541,870	689,915	—	—
Magna International Inc	737,735	667,951	737,735	778,618
Michelin	582,773	634,280	582,773	658,475
Securitas AB	697,094	628,243	697,094	628,313
CRH PLC	558,661	624,357	558,661	594,428
Allianz SE	530,912	615,118	530,912	743,573
Nippon Telegraph & Telephone Corp	505,527	599,140	505,527	694,405
ATOS SE	622,939	596,740	—	—
KDDI Corp	607,824	589,214	607,824	611,629
Randstad Holdings	434,463	574,130	434,463	540,580
Henkel AG & Co KGAA	613,398	561,553	613,398	546,694
Orix Corporation	600,692	515,915	600,692	621,564
Canadian Imperial Bank of Commerce	564,973	515,568	564,973	569,664
Canadian Tire Corp	561,994	513,561	561,994	572,628
Legal & General Group PLC	717,340	512,491	717,340	642,875
Toronto Dominion Bank	618,824	508,640	—	—
Manulife Financial Corp	629,551	493,805	629,551	651,780
Daimler AG	689,434	452,112	689,434	416,331
Bank of Nova Scotia	507,155	440,006	507,155	602,610
Heineken Holding NV	460,150	436,162	—	—
Barratt Developments PLC	425,263	435,229	521,368	691,214
D S Smith PLC	646,541	392,172	646,541	456,187
MTU Aero Engines AG	537,619	381,999	537,619	610,148
Continental AG	652,509	313,124	652,509	370,625
Sumitomo Chemical Co Ltd	661,600	309,232	661,600	421,816
Subaru Corp	626,846	292,818	626,846	427,535
Whitbread PLC	—	—	667,482	670,166
Bayerische Motoren Werke AG	—	—	526,940	477,363
Valeo SA	—	—	482,464	337,214
Babcock Intl Group PLC	—	—	791,553	388,121
WPP PLC	—	—	562,745	336,524
	16,982,608	15,691,888	18,125,269	17,417,646

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

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

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Financial assets at fair value through profit and loss:				
Fortress Emerging Markets Fund SP				
Great Wall Motor Co Ltd	1,750,214	2,165,391	1,750,214	1,143,375
Taiwan Semiconductor	1,012,133	2,067,285	1,587,660	1,859,200
Netease Inc-ADR	1,306,418	1,818,680	—	—
Haier Electronics Group	1,109,654	1,725,882	1,109,654	1,246,224
CSPC Pharmaceutical Group	1,164,168	1,672,272	1,164,168	1,445,688
Shimao Property Holdings Ltd	833,741	1,643,355	1,043,224	1,454,821
Nine Dragons Paper Holdings	1,604,986	1,552,323	1,604,986	1,042,143
Alibaba Group Holdings- SP ADR	1,117,173	1,528,696	—	—
Naspers Ltd	1,391,098	1,487,869	1,197,088	1,078,560
Ping An Insurance GP	1,260,013	1,282,263	1,260,013	1,435,950
China Merchants Bank	672,534	1,271,469	672,534	1,282,843
Ishare MSCI Emerging Markets	1,053,187	1,190,430	413,807	408,700
Mondi Ltd	1,261,603	1,188,327	1,261,603	1,074,107
China Longyuan Power GRP	1,384,691	1,167,815	1,384,691	1,049,631
Sberbank Russia Sponsored ADR	1,428,097	1,166,163	1,428,097	1,414,665
Commercial Intl Bank-GDR Reg	1,244,025	1,075,000	—	—
Rosneft Oil Co PJSC	1,101,405	1,037,979	1,101,405	1,354,418
Grupo Aeroportuario	1,366,957	963,049	1,366,957	1,265,750
Banco Bradesco SA	1,542,939	951,866	1,027,598	1,209,995
China Overseas Land & Invt Ltd	1,214,654	941,454	1,214,654	1,182,684
Industrial & Commercial Bank of China	1,310,935	938,139	1,310,935	1,211,286
Itau Unibanco Holdings	1,672,109	934,902	1,211,467	1,240,475
Barloworld Ltd	1,672,943	922,172	1,330,841	1,155,518
Guangzhou Automobile Group Co	1,184,193	917,244	1,184,193	1,054,451
Agricultural Bank of China	1,351,178	913,103	1,351,178	1,144,960
Companhia De Sanamento Basico	825,134	913,000	825,134	1,306,800
Lukoil PJSC	831,431	850,836	831,431	1,216,278
Beijing Enterprises Holdings	1,248,029	696,900	1,248,029	1,068,324
TATNEFT PAO	681,840	626,150	681,840	1,111,250
Momo Inc	1,556,693	624,704	1,270,883	1,115,280
Nedbank Group Ltd	1,337,273	418,160	1,337,273	1,041,471
Ishare MSCI South Korea Index Fund	—	—	1,276,124	1,143,702
DongFeng Motor GRP Co Ltd	—	—	1,492,492	1,137,045
ABSA Group Ltd (form.Barclays Africa	—	—	1,173,178	1,075,607
	38,491,448	36,652,878	37,113,351	36,971,201

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

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

	2020		2019	
	Cost \$	Fair Value \$	Cost \$	Fair Value \$
Financial assets at fair value through profit and loss:				
Fortress Global Opportunity Wealth Fund SP				
FortressFixed Income Fund	1,756,440	2,002,955	1,780,933	1,897,550
Fortress International Equity Fund	1,557,618	1,704,229	1,172,618	1,344,499
Fortress US Equity Fund	1,261,200	1,425,986	896,200	1,056,159
Fortress Emerging Markets Fund	631,400	681,476	581,400	667,463
Frank Temp Inv TE AS SM-AA	350,970	336,564	220,982	205,355
Legg Mason WA Asian Opp A	99,994	120,624	99,994	115,083
Vanguard TTL World STK Index	69,531	80,640	69,531	74,820
	5,727,153	6,352,474	4,821,658	5,360,929

	Rate	Maturity	2020		2019	
			Cost \$	Fair Value \$	Cost \$	Fair Value \$
Financial assets at fair value through profit and loss:						
Fortress Fixed Income Fund SP						
US Treasury TIPS Note	0.63%	2043-02-15	3,294,307	4,160,917	3,298,183	3,443,806
US Treasury	2.88%	2028-08-15	1,523,092	1,776,446	1,999,044	2,207,031
US Treasury TIPS Note	0.25%	2025-01-15	1,536,991	1,751,176	1,540,090	1,632,473
US Treasury TIPS Note	0.88%	2029-01-15	1,233,257	1,316,473	—	—
US Treasury TIPS Note	0.63%	2030-05-15	1,201,125	1,198,593	—	—
US Treasury	2.25%	2027-02-15	994,582	1,118,984	1,988,524	2,092,657
Morgan Stanley Float Rate Corp	5.60%	2023-10-24	713,066	713,756	714,118	718,113
Verizon Communications FR	4.92%	2023-10-24	602,051	614,383	602,213	612,533
AT&T Inc FR	4.72%	2024-06-12	596,684	611,433	596,368	612,282
Kohl's Corp	9.50%	2025-05-15	514,750	610,209	—	—
American Express Co	2.60%	2023-02-27	599,656	604,263	599,608	602,693
Becton Dickinson & Co FLR	4.12%	2022-06-06	599,424	601,736	599,851	601,720
AT&T Bond	3.88%	2026-01-15	509,113	571,541	509,748	536,296
Spirit Aerosystems Inc FR	3.20%	2021-06-15	600,000	570,220	600,000	599,254
Juniper Networks	4.35%	2025-03-15	518,021	569,709	519,482	541,571
Southwest Airlines Co	5.25%	2025-05-04	498,708	562,306	—	—
Govt of Bermuda	4.88%	2023-12-15	506,153	554,136	506,520	536,141
ABBVIE INC	2.95%	2026-11-21	499,417	550,335	-	-
PNC Financial Serv	2.60%	2026-07-23	499,113	548,700	499,054	508,728
MGM Resorts Intl	6.75%	2025-05-01	495,625	538,842	—	—
Balance c/fwd			17,535,135	19,544,158	14,572,803	15,245,298

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

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

			2020		2019	
	Rate	Maturity	Cost \$	Fair Value \$	Cost \$	Fair Value \$
Financial assets at fair value through profit and loss:						
Fortress Fixed Income Fund SP						
Balance b/fwd			17,535,135	19,544,158	14,572,803	15,245,298
Amgen Inc	2.25%	2023-08-19	492,499	525,331	491,624	503,864
JP Morgan Chase & Co Var Note	4.92%	2023-10-24	509,430	509,173	510,479	511,555
Bayer US Finance FLR	4.04%	2023-12-15	496,078	505,453	495,659	501,970
PNC Bank NA FR Bond	1.80%	2022-07-22	500,000	502,236	500,000	503,136
Mosaic Co	4.25%	2023-11-15	460,698	495,454	461,869	484,291
Analog Devices Inc	8.88%	2022-08-11	405,860	462,448	406,276	433,930
KB HOME	4.80%	2029-11-15	403,333	448,308	—	—
SYSCO Corp	3.55%	2025-03-15	399,058	437,410	398,981	425,282
LYB Intl Finance BV	4.00%	2023-07-15	406,853	436,755	407,676	426,707
Northrop Grumman Corp	3.25%	2023-01-08	400,136	434,441	400,156	419,203
Goldman Sachs Group Inc VR	6.40%	2023-11-29	400,283	412,079	400,313	413,471
Amazon.com Inc	5.20%	2025-12-03	332,451	370,506	334,764	357,981
ABBVIE INC	2.60%	2022-11-21	350,000	352,111	—	—
Anthem Inc	3.35%	2024-12-01	301,567	332,620	301,701	315,847
Scotiabank Peru SA	4.50%	2027-12-13	310,333	322,380	310,881	315,477
General Electric Co Float Rate	1.52%	2026-05-05	292,268	279,151	291,755	271,095
Helmerich & Payne Inc	4.65%	2025-03-15	260,075	274,805	260,891	270,844
Lennar Corp	4.88%	2023-12-15	259,507	272,946	260,525	270,284
Sagicor Finance Ltd	8.88%	2022-08-11	269,334	261,257	272,486	266,905
Xerox Corporation	3.80%	2024-05-15	248,980	257,867	248,880	252,608
Anthem Inc	4.10%	2028-03-01	200,000	233,526	200,000	216,942
Transocean Inc	11.50%	2027-01-30	112,674	75,787	—	—
Noble Holdings Int Ltd	4.63%	2021-03-01	192,078	9,289	190,244	176,519
US Treasury	2.00%	2020-07-31	—	—	1,003,148	1,004,585
CVS Health Corp	4.10%	2025-03-25	—	—	499,942	534,670
Cisco Systems Inc	2.20%	2023-09-20	—	—	495,262	506,458
Starbucks Corp	3.10%	2023-03-01	—	—	399,907	414,333
Johnson & Johnson	2.63%	2025-01-15	—	—	390,138	414,885
Transocean Inc	5.80%	2022-10-15	—	—	248,319	250,562
United Tech Corp	1.95%	2021-11-01	—	—	248,031	251,481
Alphabet Inc	1.99%	2026-08-15	—	—	190,400	200,918
			25,538,630	27,755,491	25,193,110	26,161,101

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(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:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Financial liabilities at fair value through profit and loss:				
Fortress Income Builder US Fund SP				
Call SPY 340 20 November 2020	251,000	195,700	—	—
Call SPY 300 20 Dec 2019	—	—	212,750	192,125
	251,000	195,700	212,750	192,125
Fortress Income Builder International Fund SP				
Call SPY 340 20 November 2020	311,500	244,625	—	—
Call SPY 300 20 Dec 2019	—	—	255,300	230,550
	311,500	244,625	255,300	230,550

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, 2020 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.

	2020		2019	
	Carrying value	Notional value	Carrying value	Notional value
	\$	\$	\$	\$
Fortress Income Builder US Fund SP				
Written options	195,700	6,800,000	192,125	7,500,000
Fortress Income Builder International Fund SP				
Written options	244,625	8,500,000	230,550	9,000,000

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

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 (2019- 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 (0.35%-1%) based on the actual net asset value of each Fund, calculated monthly and payable in arrears. The gross management fee amounted to \$1,316,888 (2019 - \$1,188,758) for the year.

Management fees of \$43,110 (2019 - \$36,418) were refunded by Fortress Fund Advisors Limited being 0.35%-1% of the net asset values of Fortress US Equity Fund SP, Fortress International Equity Fund Limited SP, Fortress Fixed Income 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 \$145,140 (2019- \$129,074) for the year.

Directors' fees of \$4,000 (2020- \$6,000) 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	5,704	1,927	—	7,631

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

7 Related parties

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

	Number of shares	
	2020	2019
Fortress Mutual Fund Limited		
Fortress Emerging Markets Fund SP	280,022	280,022
Fortress International Equity Fund SP	266,246	266,246
Fortress Income Builder International Fund SP	153,901	153,901
Fortress US Equity Fund SP	91,498	91,498
Fortress Income Builder US Fund SP	87,418	87,418
Fortress Global Opportunity Wealth Fund SP	29,999	29,999
Fortress Caribbean High Interest Fund Limited		
Fortress Fixed Income Fund SP	127,339	127,339
Fortress Income Builder International Fund SP	20,430	20,430
Fortress Income Builder US Fund SP	19,859	19,859
Fortress Caribbean Pension Fund Limited		
Fortress Global Opportunity Wealth Fund SP	13,484	11,842
Fortress Emerging Markets Fund SP	2,856	2,856
Fortress Global Opportunity Wealth Fund SP		
Fortress Fixed Income Fund SP	17,158	17,158
Fortress International Equity Fund SP	14,141	10,882
Fortress US Equity Fund SP	10,210	7,289
Fortress Emerging Markets Fund SP	5,936	5,546
Fortress Fund Advisors Limited		
Fortress Fixed Income Fund SP	6,455	3,846

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(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.

During the year ended September 30, 2020, the number of redeemable participating shares issued, redeemed and outstanding were as follows:

	Number of shares						
	Fortress US Equity Fund SP	Fortress International Equity Fund SP	Fortress Income Builder US Fund SP	Fortress Income Builder Fund SP	Fortress Emerging Markets Fund SP	Fortress Global Opportunity Wealth Fund SP	Fortress Fixed Income Fund SP
Balance as at September 30, 2018	79,698	224,306	133,969	197,763	261,243	41,248	174,712
Issue of shares	19,872	77,622	1,330	1,501	73,824	10,582	77,595
Redemption of shares	—	(10,187)	(14,981)	(15,472)	(10,664)	(4,397)	(975)
Balance as at September 30, 2019	99,570	291,741	120,318	183,792	324,403	47,433	251,332
Issue of shares	2,920	3,959	—	—	2,318	10,065	7,191
Redemption of shares	—	—	—	(1,856)	—	(1,325)	(3,112)
Balance as at September 30, 2020	102,490	295,700	120,318	181,936	326,721	56,173	255,411

Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2020

(expressed in United States dollars)

9 Covid-19

In December 2019, a novel strain of coronavirus, (“COVID-19”), surfaced in Wuhan, China. This virus continues to spread around the world, resulting in business and social disruption. COVID-19 was declared a global pandemic by the World Health Organization on 11 March 2020. The operations and business results of the Fund could be materially adversely affected. As the COVID-19 pandemic is ongoing and the near term worldwide economic outlook remains uncertain, we cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact our financial statements.

As at the reporting date any impact on the balances as of 30 September 2020 due to the ongoing COVID-19 pandemic have been appropriately accounted for in accordance with the reporting framework.

Management does not believe there is any risk to the Fund’s ability to continue as a going concern for the foreseeable future from the reporting date linked to the COVID-19 pandemic.

We have evaluated all significant activities through to 11 December 2020, the date these financial statements were available to be issued and concluded that no additional subsequent events occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.



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