



Your Future. Our Business.

Dear fellow investors,

The Fortress funds posted some of their strongest performance ever in the fourth quarter as world equity markets recovered further. Once again, our global investments led the way with the Fortress Emerging Markets Fund and the Fortress International Equity Fund, the two largest allocations in the Fortress Caribbean Growth Fund, returning 26% and 18% respectively. Our bond portfolios also posted gains, finishing a strong year for fixed income investments. All told, the Caribbean Growth Fund finished 2020 down only marginally and the Caribbean High Interest Fund registered a solid gain.

A year like 2020 is a reminder of two important aspects of investing. The first is that a **long time horizon** is essential. There will always be ups and downs in mutual funds (and the stocks and bonds in which they invest). Taking the long view allows us to respond with enthusiasm rather than fear when quality investments go on sale. The second reminder from 2020 is that **diversification matters**. While the global stocks in our portfolios have largely recovered (or better) from their March 2020 losses those in the Caribbean are still down. This is because earnings here remain under pressure and options for monetary and fiscal support are limited. Investors benefit from having access to a wider range of options, especially at times like these.

We do not know what the next years will bring in the investing world or in everyday life. We continue to focus on the things we can control – positioning in diversified portfolios of reasonably priced securities to grow your money for the long term. We remain positive on their prospects for the years ahead.

Thank you very much for investing with us.

Sincerely,
Fortress Fund Managers

OF INTEREST THIS QUARTER:

THE CARIBBEAN GROWTH FUND

gained 11.3% in the fourth quarter and is down 2.9% over the past year. Global equities rallied after U.S. elections and vaccine news and Caribbean stocks were mixed.

THE CARIBBEAN HIGH INTEREST FUND

returned 2.3% in the fourth quarter and is up 4.4% over the past year. Corporate bonds had another strong quarter on economic optimism and central bank support.

THE CARIBBEAN PENSION FUND

shares gained between 3.8% and 10.1% in the fourth quarter and have returned between -0.6% and +3.4% over the past year. Equity investments had a very strong quarter.



Make easy payments online.

Did you know you can add money to your **Fortress Caribbean Growth Fund** account online via most banks' bill payment services?

Look for Fortress in the menu of payees and keep saving and growing your money from anywhere.

TALK TO US at 431-2198 or email invest@fortressfund.com.



Caribbean Growth Fund

HIGHLIGHTS:

- *The Fund gained 11.3% in the quarter and is down 2.9% over the past year.*
- *The recovery in global equities strengthened after U.S. elections and vaccine news in November, while Caribbean shares had mixed returns.*

The Fund gained 11.3% in the fourth quarter and is down 2.9% over the past year. The net asset value (NAV) per share finished the year at \$6.3416. Net assets of the Fund were \$522 million, down from \$527 million this time last year. The Fund's annual compound rate of return since inception in 1996 is 8.0% per year. Its portfolio remains well diversified by security, geography, and currency.

Most Caribbean countries continued to suffer from significantly reduced tourism and the resulting pressure on their economies. Trinidad has felt pressure from lower energy prices in recent months, but this pressure abated in the fourth quarter as oil recovered 20% to nearly \$50 per barrel. The Fund's holdings in Barbados declined further, with pressure in Goddard Enterprises (-10% in the quarter), FirstCaribbean International Bank (-5%) and ICBL (-15%). ICBL finalised its takeover offer to minority shareholders during the quarter and we took the opportunity to reduce the Fund's holding in ICBL as part of that transaction to enable further diversification of the portfolio. The Fund saw carrying value reductions in its relatively small real estate holdings in Barbados. Our positions in Jamaica, meanwhile, recovered further with NCB Financial Group (+9%) and Sagicor Jamaica (+5%) the strongest, but the Jamaican share index is still down nearly 30% from this time last year. The Fund's Trinidad holdings posted gains, led by Guardian Holdings (+10%) which after recent additions is one of the Fund's largest holdings in the region and we think still excellent value.

The Fund's global investments had one of their strongest quarters ever, continuing to reclaim ground from early in the year and in some cases to set new highs. As fear and uncertainty around the outcome of the U.S. election passed, and more and more positive news on COVID-19 vaccines came out, stocks in the U.S. and in major markets around the world surged. Importantly, the rally was wide and inclusive, driving prices higher in areas that had been overlooked through much of the year. The Fund's largest allocations benefited from this, particularly the Fortress Emerging Markets Fund (+26% in the quarter and reaching a new all-time high), Fortress International Equity Fund (+18%), Caledonia Investments (+24% benefiting also from a stronger British Pound) and the Templeton Asian Smaller Companies Fund (+21%). After a year in 2020 where earnings in many industries dropped while those among the largest U.S. technology companies rose along with their already high valuations, we see significant potential in the years ahead for *other* parts of the global equity markets to lead. We are still finding excellent value among profitable, growing companies in the U.S., Europe, Asia and in emerging markets where today's prices imply substantial future returns. Against a backdrop of a healing global economy, extremely low interest rates, and evident limits to growth of the technology giants, we see good prospects ahead for the diversified mix of high-quality, well-value shares in which the Fund invests.

The Fund is once again open to all new subscriptions.

FUND OBJECTIVE

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

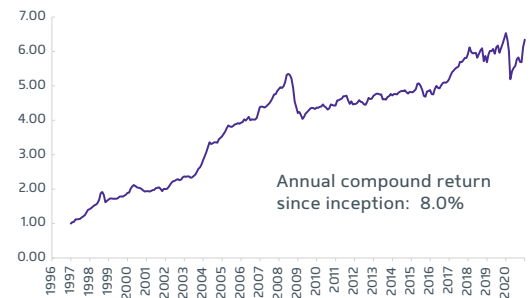
Minimum Investment	\$100
Net Asset Value per share	\$6.3416
Fund Net Assets	\$522,350,962
Fund Inception	Dec 9, 1996

INVESTMENT RETURNS

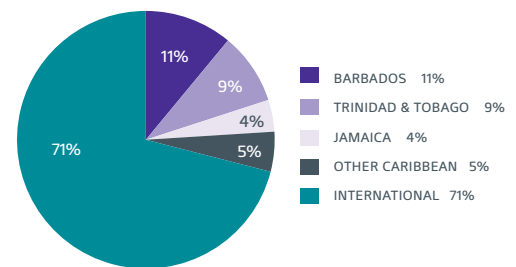
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept
Fortress	11.3%	-2.9%	2.3%	5.4%	8.0%
Jamaica	3.3%	-27.9%	6.3%	17.2%	7.8%
Trinidad	0.8%	-9.8%	1.5%	1.6%	8.5%
Barbados	-5.0%	-17.3%	-5.6%	1.9%	3.1%
MSCI World	14.1%	16.5%	11.1%	12.8%	7.5%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO DECEMBER 31ST, 2020



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

Holding	Country/Region
1 Fortress International Equity Fund	International
2 Fortress Emerging Markets Fund	International
3 Fortress Income Builder Intl Fund	International
4 Fortress OAM Overseas Fund	Europe/Asia
5 Fortress US Equity Fund	U.S.

EXPENSES

Manager: 1.75% per annum of net assets
Custodian:
 0.0875% on first \$30M in net assets
 0.075% on amounts over \$30M in net assets
Administrator:
 0.10% on the first \$30M in net assets
 0.0875% on amounts over \$30M in net assets
Redemption Charge: none
Initial Charges: 2%

MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd.

CUSTODIAN

CIBC FirstCaribbean International Bank
 Wealth Management Division

AUDITORS

EY Barbados

ATTORNEY-AT-LAW

Clarke Gittens Farmer

DIRECTORS

Sir Geoffrey Cave, Chairman
 John Howard
 Maria Nicholls
 Tracey Shuffler
 John Williams
 Roger Cave, Investment Manager

Caribbean High Interest Fund



HIGHLIGHTS:

- *The Fund gained 2.3% in the fourth quarter and is up 4.4% over the past year.*
- *Global corporate and emerging markets bonds continued to post gains on economic optimism and ongoing central bank support.*

The Fund gained 2.3% in the fourth quarter and is up 4.4% over the past year. The net asset value (NAV) of the Fund's Accumulation share finished the year at \$2.1025, while the Distribution share finished at \$1.0234. Net assets of the Fund were \$139 million, up from \$135 million this time last year. The Fund's annual compound rate of return since inception in 2002 is 4.1% per year. Its portfolio remains as diversified as possible across various issuers, industries, geographies and terms to maturity.

The healing from the COVID-19 market panic continued during the fourth quarter as global economies recovered further and vaccine developments brought hope for the future. Government bond yields rose slightly, with U.S. Treasury 10-year yields moving from 0.7% to 0.9%. Yields are still exceptionally low by historic standards and remain below the more "normal" 1.9% levels that prevailed before the pandemic and the huge monetary policy support it elicited from the U.S. Federal Reserve (Fed). This Fed support remains largely in place. Credit spreads tightened during the quarter as new issue supply was light and company fundamentals generally improved. This was true in emerging markets debt also. The Fund benefited from its holdings in corporate bonds, both directly and via its substantial allocation to the US\$ Fortress Fixed Income Fund, which had a positive quarter to end the year with a strong 9.6% return. The Fund's small allocations to the Fortress Income Builder funds also contributed gains in the quarter as these investments strengthened significantly.

In Barbados we continued to chip away at longer-term Government of Barbados (GOB) bonds in the secondary market where they are trading at double-digit yields. These purchases kept the Fund's GOB weighting (12% of total) relatively steady as the GOB Series F bonds we acquired shortly after the restructuring continue to make scheduled principal repayments each month. Corporate bond issues in the domestic market have been rare, meaning additional opportunities to put more Barbados dollar cash to work on appropriate terms have also been rare. Cash in the Fund is approximately 10% of total, much lower than in recent years but still higher than we would like. The outlook for fixed income investors remains a challenging one: the small capital market in Barbados limits opportunities to diversify and avoid doubling up on risks, while low yields in global markets limit the future return we can expect to see from these holdings. We are hopeful that more high-quality, appropriately priced bond issues will come in the Barbados market, and that global interest rates eventually move higher along with the economic recovery. In the meantime, we continue to take sensible risks and diversify the portfolio as much as possible within the existing constraints. The average term to maturity of the portfolio is still relatively short at four years and the Fund's gross yield is approximately 3.1%, a good estimate of its medium-term return potential.

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

FUND OBJECTIVE

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

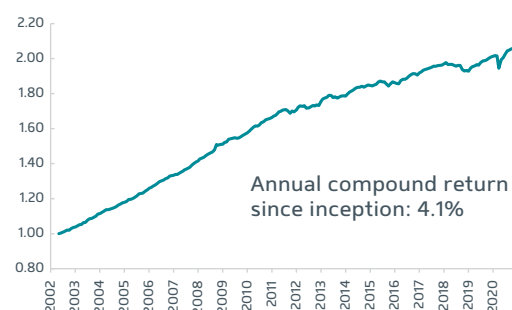
<i>Minimum Investment</i>	\$500
<i>Net Asset Value per share</i>	\$2.1025 / \$1.0234
<i>Fund Net Assets</i>	\$139,105,145
<i>Fund Inception</i>	May 17, 2002

INVESTMENT RETURNS

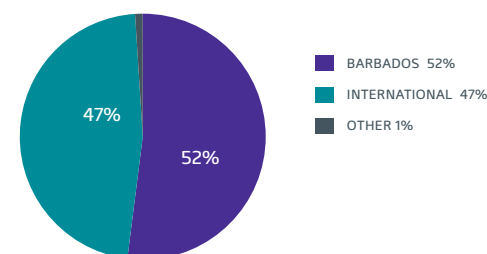
3 Months	1 Year	3 Years	5 Years	Inception
2.3%	4.4%	2.2%	2.4%	4.1%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO DECEMBER 31ST, 2020



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

Holding	Country
1 Fortress Fixed Income Fund	International
2 Government of Barbados Series F Bond	Barbados
3 Deposits - CIBC FirstCaribbean Intl Bank	Barbados
4 First Citizens Repo	Barbados
5 GEL Note 11/30/2021	Barbados

EXPENSES

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

MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd.

CUSTODIAN

CIBC FirstCaribbean International Bank
 Wealth Management Division

AUDITORS

EY Barbados

ATTORNEY-AT-LAW

Clarke Gittens Farmer

DIRECTORS

Sir Geoffrey Cave, Chairman
 John Howard
 Maria Nicholls
 Tracey Shuffler
 John Williams
 Roger Cave, Investment Manager

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



Caribbean Pension Fund

HIGHLIGHTS:

- The three classes of shares of the Pension Fund gained between 3.8% and 10.1% in the fourth quarter and are showing returns of between -0.6% and +3.4% over the past year. Global equities had a strong quarter as vaccine approvals and the U.S. elections raised hopes of a return to normal.
- Returns by class of share are shown in the table to the right.

In the investing world the mission is simple: we are supposed to “buy low and sell high”. All too often, though, investors feel emotions that can cause them to execute this advice backwards. It is tempting to feel that when markets have been rising that they will keep rising and to want to buy with greater enthusiasm at higher and higher prices. Similarly, it is only human to feel fear when prices are falling and to want to sell to avoid the risk of further losses. But when we are standing at the beach, what do we conclude when the tide is going out, or when it is coming in? We know that the tide does not keep moving in the same direction forever – the world settles itself out.

The “tides” in investing are far less predictable than those at the beach. Thankfully, what is happening *under the surface* is the important part. This is where the hundreds of companies whose shares we own are quietly generating and growing their profits, month after month and year after year. This is where the companies and governments whose bonds we own are steadily paying interest each year. This is where returns in one area can offset temporary declines in others via diversification. Pensions are built to engineer steady, regular savings – a powerful tool for accumulating wealth. Pension investment portfolios, meanwhile, are broadly diversified and built to grow that wealth over the long-term. The tides can come and go as you let these work for you over many years.

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

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

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

Fortress Multi-Employer Pension Plan

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

Personal Pension (RRSP)

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

INNOVA Lifestage Income Plan

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

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

EXPENSES

Manager: 0.50% per annum of net assets at the Fund level.
 Fees from the underlying Fortress funds in which the Fund invests are capped at between 0.25% and 0.50% per annum of net assets, depending on the fund.
Custodian: \$7,500 per year paid by the Fund as a whole.
Administrator: 0.03% per annum.
Sales Charge: None
Redemption Charge: none

MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd

CUSTODIAN

CIBC FirstCaribbean International Bank
 Wealth Management Division

AUDITORS

EY Barbados

ATTORNEY-AT-LAW

Clarke Gittens Farmer

FUND OBJECTIVE

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

Net Asset Value

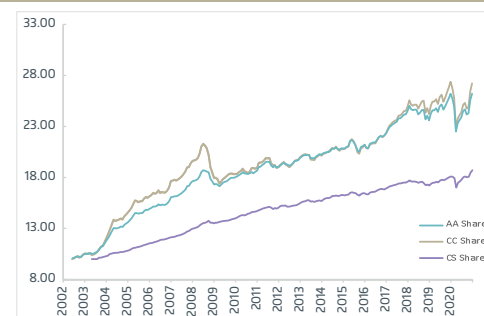
Per Share: \$27.20 / \$26.19 / \$18.71
 (AA/CC/CS)
Fund Net Assets: \$350,649.942

INVESTMENT RETURNS

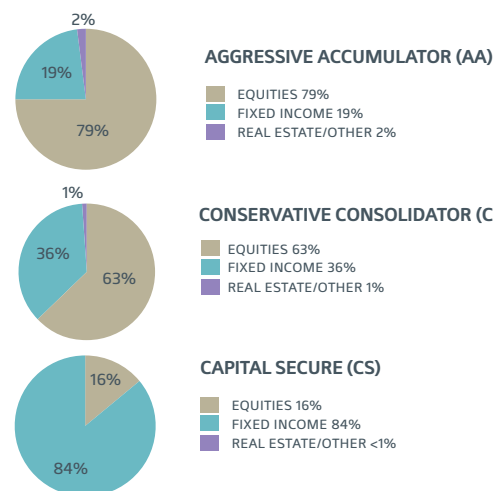
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
AA Share	10.1%	-0.6%	3.0%	5.1%	5.5%
CC Share	8.5%	0.0%	2.3%	4.4%	5.3%
CS Share	3.8%	3.4%	2.1%	2.6%	3.6%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO DECEMBER 31ST, 2020



ASSET ALLOCATION



DIRECTORS

Sir Geoffrey Cave, Chairman
 René Delmas
 John Howard
 Desmond Kinch
 Maria Nicholls
 Tracey Shuffler
 John Williams
 Roger Cave, Investment Manager

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