



2021 ANNUAL REPORT

## **Fortress Global Funds SPC**





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.

Fortress Fund Managers Limited  
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St. Michael, BB14004  
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[www.fortressfund.com](http://www.fortressfund.com)

The background features two large, thick, curved lines. A blue line starts from the left edge and curves downwards towards the bottom left. A grey line starts from the top center and curves downwards towards the right edge.

Fortress Global Funds SPC

# Investment Objectives & Fund Details

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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), 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.

<b>FUND NAME:</b>	Fortress Global Funds SPC Inc.		
<b>SUB-FUNDS:</b>		<b>FUND INCEPTION:</b>	<b>FUND CLOSURE:</b>
	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	June 30, 2021
	Fortress Income Builder International Fund SP	Feb. 28, 2013	June 30, 2021
<b>NAV CURRENCY:</b>	USD		
<b>LAUNCH PRICE:</b>	\$100 per share		
<b>DEALING/NAV DATES:</b>	15th and end of each month		
<b>MINIMUM INVESTMENT:</b>	\$100,000 initial \$10,000 subsequent		
<b>NAV QUOTATIONS:</b>	Internet: <a href="http://www.fortressfund.com">www.fortressfund.com</a> Bloomberg:   FORFIFA KY FORTGOW KY FORUEFA KY FORIEFA KY FORTEMA 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](http://www.fortressfund.com).

# Directors & Administrators

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## 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  
Maria Nicholls

## REGISTERED OFFICE

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

## INVESTMENT MANAGER

Fortress Fund Managers Limited  
Radley Court  
Upper Collymore Rock  
St Michael  
BB14004  
Barbados.

## ADMINISTRATOR

Fortress Fund Managers Limited  
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Tel: (246) 431 2198  
Fax: (246) 431 0514  
Email: [invest@fortressfund.com](mailto:invest@fortressfund.com)

## PRIMARY CUSTODIAN

Morgan Stanley Smith Barney LLC  
1585 Broadway Avenue  
New York, NY 10036  
USA

## 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  
PO Box 190, Grand Cayman  
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](http://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, 2021:

Fund	Net Asset Value per Share (NAV)	Fund Net Assets	Bloomberg Ticker
Fortress Fixed Income Fund SP	\$117.6562	\$33,979,118	FORFIFA KY
Fortress Global Opportunity Wealth Fund SP	\$139.7834	\$17,405,685	FORTGOW KY
Fortress US Equity Fund SP	\$191.1242	\$39,959,873	FORUEFA KY
Fortress International Equity Fund SP	\$150.3209	\$66,896,714	FORIEFA KY
Fortress Emerging Markets Fund SP	\$149.1973	\$49,193,489	FORTEMA KY

# Investment Performance

Net Asset Value and Return Summary to September 30, 2021:

Fund	Sep. 30, 2021 NAV	Sep. 30, 2020 NAV	One Year Return	Return Since Inception*	Fund Inception
Fortress Fixed Income Fund SP	\$117.6562	\$116.7330	+0.8%	+4.2%	Oct. 2, 2017
Fortress Global Opportunity Wealth Fund SP	\$139.7834	\$116.2320	+20.3%	+4.1%	May 31, 2013
Fortress US Equity Fund SP	\$191.1242	\$139.6704	+36.8%	+10.6%	Feb. 28, 2013
Fortress International Equity Fund SP	\$150.3209	\$120.5127	+24.7%	+5.4%	Feb. 28, 2013
Fortress Emerging Markets Fund SP	\$149.1973	\$114.7882	+30.0%	+4.7%	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](http://www.fortressfund.com).



## Directors' Report



"This was an extremely positive year for the Fortress Global Funds as global equity and credit markets continued to recover from the pandemic shock of early 2020.. "

# Directors' Report

Roger Cave, Investment Director

This was an extremely positive year for the Fortress Global Funds as global equity and credit markets continued to recover from the pandemic shock of early 2020, and to benefit from immense fiscal and monetary support. As has been the case in recent years, the strongest returns came in the U.S. market, where the rally was broad-based and included the kinds of high-quality well-valued shares where our strategies focus. The Fortress US Equity, International Equity and Emerging Markets funds returned 37%, 25% and 30% respectively in the year ended September 30. Fixed income markets were modestly weaker during the year because bond yields rose in anticipation of tighter monetary policy as economic recovery continues. Despite this headwind, the Fortress Fixed Income Fund generated a positive return of just under 1% due to gains in corporate and inflation-linked bonds. The Fortress Global Opportunity Wealth Fund, with its balanced portfolio of holdings in the other funds, gained 20% for the year. We were gratified by the performance of all the funds, which were also ahead of their respective benchmarks.

Most of the gains came early in the year as COVID-19 vaccines led to expectations of a quicker return to more normal economic activity, and as fiscal and monetary stimulus provided strong tailwinds to share prices. More recently, markets have become choppier as the factors at play have shifted. Investors have been grappling with a

resurgence of inflation, supply chain disruptions and labour shortages, as well as moves by major central banks around the world to begin unwinding their pandemic-related stimulus. We still see substantial opportunity for the kinds of well-valued holdings where the funds invest but gains from here will almost certainly be more moderate than those seen in the past year.

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](http://www.fortressfund.com).



## INVESTMENT PERFORMANCE AND POSITIONING

Short summaries by Fund are below.

### Fortress Fixed Income Fund

The Fortress Fixed Income Fund gained 0.8% compared to a benchmark decline of 0.9% for the year. Government bond yields rose as economic activity continued to normalise, growth resumed, and investors began to anticipate the unwind of the extraordinary monetary policy support the U.S. Federal Reserve (Fed) has had in place since early 2020. Our corporate bond holdings performed well as credit spreads tightened across the board. Inflation-linked bonds also performed well. Their outperformance was so strong that we took profits on the Fund's positions as long-term inflation breakeven rates moved towards 2.5%. At these levels, in contrast to those prevailing over much of the last year, we now prefer the risk/reward prospects of conventional bonds. Credit spreads are again at cyclically tight levels, reducing the additional income that can be earned from owning corporate bonds. The average term to maturity of the portfolio is still relatively short at 6.4 years. The Fund's 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 currently 1.6%.

### Fortress Global Opportunity Wealth Fund

The Fortress Global Opportunity Wealth Fund was up 20.3% as its balanced portfolio benefited from substantial gains on global equity investments while the bond allocation showed a small gain. This compares favourably with the blended benchmark return of 15.8%. The Fund's individual allocations to the Fortress equity funds all had strong performance, with the U.S. seeing the largest gains. Emerging markets by contrast felt pressure through much of 2021 even as underlying fundamentals continued to improve, and this has increased future potential returns in this area. The strength among large U.S. growth stocks in recent years argues, in our view, for global diversification to position widely in holdings that are still reasonably valued. Our equity portfolios are as always focused in areas of high-quality and reasonable valuations where we still see substantial potential for future returns. Bond

yields were little changed during the year and remain exceptionally low by historical standards. 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 rose 36.8% during the year, ahead of its benchmark return of 29.4%. Ongoing support from Fed policies continued to support U.S. share prices. The rally was wide and inclusive: value shares kept pace with growth for the first time in five years, and our holdings in high-quality, well-valued shares did particularly well. Still, much of the investor enthusiasm in recent years has centred on the largest and most highly valued U.S. technology shares, leaving them vulnerable to correction if expectations are not met. This means investing selectively, and in a value-conscious way, will be essential. We continue to find many profitable, growing companies in the less fashionable areas of the market, where valuations are still reasonable and suggest excellent future return prospects with limited risk. With an average price/earnings (PE) ratio of 14x and dividend yield of 2.1% we still see significant upside to the portfolio's holdings, in both relative and absolute terms.

## FUND PORTFOLIO SUMMARY

	PE Ratio	PB Ratio	Div Yield	ROE
<b>Fund</b>	13.9	3.9	2.1%	28.1%
<b>Index</b>	20.3	4.6	1.8%	22.7%
<b>+/-</b>	-6.4	-0.7	0.3%	5.4%

### Fortress International Equity Fund

The Fortress International Equity Fund returned 24.7% for the year compared to a benchmark return of 23.9%. We saw meaningful recoveries in earnings among portfolio companies as widespread COVID-19 vaccination helped economic activity return to more normal patterns in most countries. Central bank policy also remained hugely supportive for financial markets. The valuation discounts at which shares in the UK, Europe and Japan now trade relative to the U.S. makes us particularly interested

in this part of the investment world. U.S. stocks have outperformed international by an unusually wide margin since 2009 – at some point this should reverse, leading to a period of outperformance for international. Relative valuations would support this happening at any time. The average PE of the Fund's portfolio is only 11x with a dividend yield of 3%, and we also expect earnings growth of approximately 7% next year. This situation is consistent with well above average future returns for the portfolio.

#### FUND PORTFOLIO SUMMARY

	PE Ratio	PB Ratio	Div Yield	ROE
<b>Fund</b>	11.1	1.8	3.0%	16.2%
<b>Index</b>	14.2	1.8	2.7%	12.7%
<b>+/-</b>	-3.1	-	0.3%	3.5%

#### Fortress Emerging Markets Fund

The Fortress Emerging Markets Fund gained 30.0% for the year, outperforming its benchmark return of 18.2%. Emerging shares rallied strongly from 2020's pandemic lows but weakened through much of 2021. The Chinese government acted against some of the largest companies in China, looking to stem their influence at home and their linkages abroad. This led to declines in share prices from their highs of early 2021. There was a quiet bear market in emerging markets shares through much of the year, even as underlying company fundamentals like earnings were generally stable or improving. As a result of this dynamic, we are again finding some of the best value in the world within emerging markets. The Fund's average PE of 8x (down from 9x this time last year) and dividend yield of 3% are levels typically consistent with meaningful future returns.

#### FUND PORTFOLIO SUMMARY

	PE Ratio	PB Ratio	Div Yield	ROE
<b>Fund</b>	8.0	1.2	3.1%	15.0%
<b>Index</b>	12.6	1.8	2.7%	14.3%
<b>+/-</b>	-4.6	-0.6	0.4%	0.7%

#### Fortress Income Builder US Fund

#### & Fortress Income Builder International Fund

The Fortress Income Builder US Fund and Fortress Income Builder International Fund gained 24.6% and 38.8% respectively from September 30, 2020, to June 30, 2021, significantly outpacing their absolute return targets. During the year the decision was taken to discontinue these Funds. As a result, their last NAV date was June 30, after which they were wound up and all assets returned to investors.

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 behavior 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

After a strong rally from last year's lows, which itself followed years of strength in equities especially in the U.S., there are relatively few parts of the equity world today that would be considered on sale. There are pockets in most markets, but areas of widespread undervaluation are rare. One such area right now is emerging markets, where many quality stocks are down 30% or more and trade on mid-single-digit PE ratios. There are risks here, of course, as there always are. But in the context of a globally diversified portfolio, we think emerging could play a very useful role to contribute returns given today's low starting valuations and our expectation for relatively healthy earnings growth. More broadly, we see good opportunities also in the U.S. and developed international markets specifically in the kinds of high-quality, well-valued shares that make up our portfolios. The broader indexes may be another story, as they contain more and more expensive stocks that have already rallied, and which have great expectations already embodied in their (high) prices.

Due to today's low yields, bonds likely offer the inevitable prospect of very low single digit returns in coming years. We hope and expect that as Fed policies normalise, at least somewhat, that yields will rise, and/or credit spreads will widen, offering the prospects of better returns to bond investors. But that has not yet happened. Until it does, we will continue to keep the average term of bond investments moderate and to focus holdings on U.S. Treasuries and the strongest corporate issuers.

The investment landscape today has some meaningful areas of opportunity, in our view, but they are not necessarily where returns have been highest in recent years. We favour well-valued equities over bonds. We favour broad global diversification that includes international and emerging markets shares, which both look priced to be important sources of return for investors in the coming years. And most importantly, we believe that a disciplined focus on value amidst the growing signs of speculation, especially in the U.S., will be essential to generating returns and limiting risk in the future.

Thank you very much for investing with us.



Roger Cave CA, CFA  
Investment Director



Peter Arender, CFA  
Chief Investment Officer



# Financial Statements

## 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 June 30, 2021 and September 30, 2021, as applicable, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period/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 June 30, 2021 and September 30, 2021, as applicable, and its financial performance and its cash flows for the period/year then ended in accordance with International Financial Reporting Standards.

#### Emphasis of Matter

We draw attention to note 2.a to the financial statements which describes that the financial statements of Fortress Income Builder US Fund SP and Fortress Income Builder International Fund SP for the period ended June 30, 2021 have not been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

#### 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 Ethics Standards Board for Accountants' *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**

Other information consists of the information included in the Annual Report / Management Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and the Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Fund's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

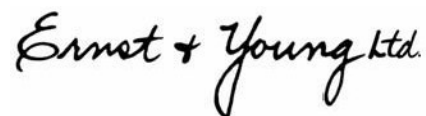
This report is made solely to the Board of Directors, as a body. Our audit work has been undertaken so that we might state to the Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept 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.



Grand Cayman, Cayman Islands

December 20, 2021

# Fortress Global Funds SPC Inc.

Statement of Financial Position

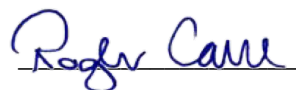
As at September 30, 2021


(expressed in United States dollars)

	September 30, 2021					June 30, 2021	
	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$	Fortress Fixed Income Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$
<b>Assets</b>							
Cash and cash equivalents (note 6)	803,202	598,390	795,334	303,355	2,889,265	—	—
Accounts receivable	31,049	126,221	235,763	2	2,923	—	—
Financial assets at fair value through profit or loss (note 5)	39,129,228	66,178,291	48,168,875	17,105,143	31,089,917	—	—
<b>Total assets</b>	<b>39,963,479</b>	<b>66,902,902</b>	<b>49,199,972</b>	<b>17,408,500</b>	<b>33,982,105</b>	<b>—</b>	<b>—</b>
<b>Liabilities</b>							
Accounts payable and accrued expenses	3,606	6,188	6,483	2,815	2,987	—	—
<b>Total liabilities</b>	<b>3,606</b>	<b>6,188</b>	<b>6,483</b>	<b>2,815</b>	<b>2,987</b>	<b>—</b>	<b>—</b>
<b>Equity</b>							
Net assets attributable to holders of redeemable mutual fund shares (note 8)	39,959,873	66,896,714	49,193,489	17,405,685	33,979,118	—	—
<b>Total liabilities and equity</b>	<b>39,963,479</b>	<b>66,902,902</b>	<b>49,199,972</b>	<b>17,408,500</b>	<b>33,982,105</b>	<b>—</b>	<b>—</b>
<b>Net asset value per share</b>	<b>191.1242</b>	<b>150.3209</b>	<b>149.1973</b>	<b>139.7834</b>	<b>117.6562</b>	<b>—</b>	<b>—</b>

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

Approved by the Board of Directors on December 20, 2021

 Director

 Director



# Fortress Global Funds SPC Inc.

Statement of Financial Position...*continued*

As at September 30, 2021

(expressed in United States dollars)

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

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, 2021

(expressed in United States dollars)

	Net assets attributable to holders of redeemable mutual fund shares						Fortress Income
	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$	Fortress Fixed Income Fund SP \$	Fortress Income Builder US Fund SP* \$	Builder International Fund SP* \$
<b>Balance as at September 30, 2019</b>	<b>14,426,378</b>	<b>36,044,265</b>	<b>39,044,869</b>	<b>5,428,524</b>	<b>27,126,380</b>	<b>13,885,315</b>	<b>18,422,360</b>
Issue of shares	365,000	468,729	265,000	1,134,647	799,930	—	—
Redemption of shares	—	—	—	(141,607)	(350,000)	—	(139,778)
Total comprehensive income/(loss) for the year	(476,563)	(877,394)	(1,806,138)	107,536	2,238,571	(1,576,872)	(2,570,738)
<b>Balance as at September 30, 2020</b>	<b>14,314,815</b>	<b>35,635,600</b>	<b>37,503,731</b>	<b>6,529,100</b>	<b>29,814,881</b>	<b>12,308,443</b>	<b>15,711,844</b>
Issue of shares	22,311,299	24,759,450	2,225,299	9,671,615	11,699,726	—	—
Redemption of shares	(1,850,000)	(2,050,000)	(1,800,000)	(8,720)	(7,808,728)	(15,540,780)	(20,900,420)
Total comprehensive income/(loss) for the year/period	5,183,759	8,551,664	11,264,459	1,213,690	273,239	3,232,337	5,188,576
<b>Balance as at September 30, 2021</b>	<b>39,959,873</b>	<b>66,896,714</b>	<b>49,193,489</b>	<b>17,405,685</b>	<b>33,979,118</b>	<b>—</b>	<b>—</b>

\* For the period October 1, 2020 to June 30, 2021

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, 2021

(expressed in United States dollars)

	For the year ended September 30, 2021					For the period October 1,2020 to June 30, 2021	
	Fortress US Equity Fund SP	Fortress International Equity Fund SP	Fortress Emerging Markets Fund SP	Fortress Global Opportunity Wealth Fund SP	Fortress Fixed Income Fund SP	Fortress Income Builder US Fund SP*	Fortress Income Builder International Fund SP*
	\$	\$	\$	\$	\$	\$	\$
<b>Investment income</b>							
Net fair value gain/(loss) on financial assets/liabilities through profit or loss (note 5)	5,135,946	7,922,228	10,452,340	1,223,000	(292,132)	3,252,006	5,085,328
Dividend income	475,496	1,460,853	1,520,324	2,459	25,747	169,898	332,247
Interest and other income	4	7	8	11	686,131	3	2
<b>Total investment income</b>	<b>5,611,446</b>	<b>9,383,088</b>	<b>11,972,672</b>	<b>1,225,470</b>	<b>419,746</b>	<b>3,421,907</b>	<b>5,417,577</b>
<b>Expenditure</b>							
Management fees (note 7)	233,152	521,964	479,798	(4,405)	111,665	95,743	131,140
Withholding taxes	114,566	152,231	103,904	727	247	53,405	40,257
Brokerage and investment fees	49,691	88,965	64,873	442	2,002	27,818	39,109
Administrator fees (note 7)	23,315	52,196	47,980	10,390	23,928	9,574	13,114
Professional and audit fees	5,530	10,974	9,361	2,393	6,996	2,239	2,882
Other operating expenses	986	4,051	1,288	2,019	1,009	530	2,133
Director fees (note 7)	447	1,043	1,009	214	660	261	366
<b>Operating expenses</b>	<b>427,687</b>	<b>831,424</b>	<b>708,213</b>	<b>11,780</b>	<b>146,507</b>	<b>189,570</b>	<b>229,001</b>
<b>Total comprehensive income for the year/ period</b>	<b>5,183,759</b>	<b>8,551,664</b>	<b>11,264,459</b>	<b>1,213,690</b>	<b>273,239</b>	<b>3,232,337</b>	<b>5,188,576</b>

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, 2021

(expressed in United States dollars)

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

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, 2021

(expressed in United States dollars)

	For the year ended September 30, 2021				For the period October 1, 2020 to June 30, 2021		
	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$	Fortress Fixed Income Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$
<b>Cash flows from operating activities</b>							
<b>Comprehensive income for the year/ period</b>	<b>5,183,759</b>	<b>8,551,664</b>	<b>11,264,459</b>	<b>1,213,690</b>	<b>273,239</b>	<b>3,232,337</b>	<b>5,188,576</b>
Adjustments for:							
Net fair value (gain)/loss on financial assets/liabilities at fair value	(5,135,946)	(7,922,228)	(10,452,340)	(1,223,000)	292,132	(3,252,006)	(5,085,328)
Dividend income	(475,496)	(1,460,853)	(1,520,324)	(2,459)	(25,747)	(169,898)	(332,247)
Interest income	(4)	(7)	(8)	(11)	(686,131)	(3)	(2)
<b>Operating loss before working capital changes</b>	<b>(427,687)</b>	<b>(831,424)</b>	<b>(708,213)</b>	<b>(11,780)</b>	<b>(146,507)</b>	<b>(189,570)</b>	<b>(229,001)</b>
Increase/(decrease) in accounts payable	2,209	2,650	2,745	2,177	61	(1,192)	(1,557)
Purchase of financial assets/liabilities at fair value through profit or loss	(26,551,929)	(38,506,499)	(14,482,432)	(9,689,090)	(15,251,390)	(1,768,900)	(2,202,765)
Proceeds on sale of financial assets/liabilities at fair value through profit or loss	6,573,449	14,795,088	13,418,775	159,421	11,652,286	17,068,731	22,735,356
<b>Cash generated from/(used in) operations</b>	<b>(20,403,958)</b>	<b>(24,540,185)</b>	<b>(1,769,125)</b>	<b>(9,539,272)</b>	<b>(3,745,550)</b>	<b>15,109,069</b>	<b>20,302,033</b>
Interest received	4	7	8	11	658,677	3	2
Dividend received	454,548	1,397,549	1,339,852	2,457	22,824	188,400	343,526
<b>Net cash generated from/ (used in) operating activities</b>	<b>(19,949,406)</b>	<b>(23,142,629)</b>	<b>(429,265)</b>	<b>(9,536,804)</b>	<b>(3,064,049)</b>	<b>15,297,472</b>	<b>20,645,561</b>

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, 2021

(expressed in United States dollars)

	For the year ended September 30, 2021					For the period October 1, 2020 to June 30, 2021	
	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$	Fortress Fixed Income Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$
<b>Cash flows from financing activities</b>							
Issue of redeemable mutual fund shares	22,311,299	24,759,450	2,225,299	9,671,615	11,699,726	—	—
Redemption of redeemable mutual fund shares	(1,850,000)	(2,050,000)	(1,800,000)	(8,720)	(7,808,728)	(15,540,780)	(20,900,420)
<b>Net cash generated from/(used in) financing activities</b>	<b>20,461,299</b>	<b>22,709,450</b>	<b>425,299</b>	<b>9,662,895</b>	<b>3,890,998</b>	<b>(15,540,780)</b>	<b>(20,900,420)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>511,893</b>	<b>(433,179)</b>	<b>(3,966)</b>	<b>126,091</b>	<b>826,949</b>	<b>(243,308)</b>	<b>(254,859)</b>
<b>Cash and cash equivalents - beginning of period</b>	<b>291,309</b>	<b>1,031,569</b>	<b>799,300</b>	<b>177,264</b>	<b>2,062,316</b>	<b>243,308</b>	<b>254,859</b>
<b>Cash and cash equivalents - end of period</b>	<b>803,202</b>	<b>598,390</b>	<b>795,334</b>	<b>303,355</b>	<b>2,889,265</b>	<b>—</b>	<b>—</b>

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, 2021

(expressed in United States dollars)

	For the year ended September 30, 2020						
	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$	Fortress Fixed Income Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$
<b>Cash flows from operating activities</b>							
<b>Comprehensive income/(loss) for the year</b>	<b>(476,563)</b>	<b>(877,394)</b>	<b>(1,806,138)</b>	<b>107,536</b>	<b>2,238,571</b>	<b>(1,576,872)</b>	<b>(2,570,738)</b>
Adjustments for:							
Net fair value (gain)/loss on financial assets/liabilities at fair value	589,256	1,206,610	2,608,782	(111,558)	(1,682,150)	1,663,366	2,734,731
Dividend income	(382,514)	(908,525)	(1,405,011)	(2,296)	(7,664)	(340,140)	(463,666)
Interest income	(3,370)	(7)	74	(7)	(683,766)	(4)	(3)
<b>Operating loss before working capital changes</b>	<b>(273,191)</b>	<b>(579,316)</b>	<b>(602,293)</b>	<b>(6,325)</b>	<b>(135,009)</b>	<b>(253,650)</b>	<b>(299,676)</b>
Increase/(decrease) in accounts payable	153	394	(3)	71	338	(373)	(473)
Purchase of financial assets/liabilities at fair value through profit or loss	(4,818,906)	(11,155,683)	(6,807,026)	(1,179,987)	(8,636,622)	(6,027,993)	(6,545,205)
Proceeds on sale of financial assets/liabilities at fair value through profit or loss	4,545,804	9,262,902	4,516,567	300,000	8,760,491	5,275,001	5,550,307
<b>Cash used in operations</b>	<b>(546,140)</b>	<b>(2,471,703)</b>	<b>(2,892,755)</b>	<b>(886,241)</b>	<b>(10,802)</b>	<b>(1,007,015)</b>	<b>(1,295,047)</b>
Interest received	3,370	7	(74)	7	647,657	4	3
Dividend received	382,049	1,044,878	1,394,554	2,296	7,664	339,832	552,231
<b>Net cash generated from/(used in) operating activities</b>	<b>(160,721)</b>	<b>(1,426,818)</b>	<b>(1,498,275)</b>	<b>(883,938)</b>	<b>644,519</b>	<b>(667,179)</b>	<b>(742,813)</b>

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, 2021

(expressed in United States dollars)

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

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



# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

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(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 Act CAP 22. The Company was registered under the Mutual Funds Act 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, 2021, there were five (5) Segregated Portfolios, (each "a fund" and together "the funds") in existence: Fortress US Equity Fund SP, Fortress International Equity Fund SP, Fortress Emerging Markets Fund SP, Fortress Global Opportunity Wealth Fund SP and Fortress Fixed Income Fund SP.

During the current financial year two (2) Segregated Portfolios were closed effective June 30, 2021. These portfolios were Fortress Income Builder US Fund SP and Fortress Income Builder International Fund SP. The financial statements of these funds disclose the operations of the funds for the nine month period from October 1, 2020, to June 30, 2021. All redeemable mutual fund shares of these funds were redeemed at the net asset value calculated as of June 30, 2021 and the proceeds remitted to the shareholders. As such, all balances related to these two funds for the current year are shown as at and for the period ended June 30, 2021.

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 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 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 Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

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(expressed in United States dollars)

### 1 Incorporation and principal activity...continued

- 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.
- Fortress Income Builder US Fund SP targeted a fixed return of 8% per year with low volatility. The fund was an alternative to low-yielding US fixed income investments. It invested 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 targeted a fixed return of 8% per year with low volatility. The fund was an alternative to low-yielding international fixed income investments. It invested 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.

The Company's investment management and advisory activities were managed by Fortress Fund Advisors Limited until June 30, 2021. Subsequently, the Company's investment management and advisory activities were managed by Fortress Fund Managers Limited ("the Manager"). The Company's administration activities are performed by Fortress Fund Managers Limited.

In accordance with the Companies Act 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 20, 2021.

### 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

Except for the Fortress Income Builder US Fund SP and Fortress Income Builder International Fund SP, 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.

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

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(expressed in United States dollars)

## 2 Summary of significant accounting policies...continued

### a) Basis of preparation...continued

The financial statements of the Fortress Income Builder US Fund FP and the Fortress Income Builder International Fund SP have been prepared on a liquidating basis which represents the amounts which were realised on the winding up of normal business operations of the Funds and disposition of the assets and settlement of its obligations. They are not intended to present the financial condition or operational results of the Company on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”).

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.

#### *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, 2020, 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.

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

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(expressed in United States dollars)

## 2 Summary of significant accounting policies...continued

### 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.

##### *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.

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

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(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

#### ii) Recognition, derecognition and measurement...continued

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

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.

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

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(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

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 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.

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

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(expressed in United States dollars)

## 2 Summary of significant accounting policies...continued

### 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.

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.

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

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(expressed in United States dollars)

## 2 Summary of significant accounting policies...continued

### 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.

### 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.



# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

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(expressed in United States dollars)

### 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 consider 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.

#### 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, 2021 is disclosed in note 5.

# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

### 4 Financial risk management...continued

#### Market risk...continued

##### i) Price risk...continued

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 debt securities. The analysis for this fund was 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 13% (2020 - 24%) and the Bloomberg Barclays US Aggregate Bond Index increased by 3% (2020- 6%), 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

	2021 \$	2020 \$
<b>Effect on net assets attributable to redeemable shares of an increase in the indices</b>		
Fortress US Equity Fund SP	<b>6,684,468</b>	4,579,596
Fortress International Equity Fund SP	<b>9,107,493</b>	9,193,985
Fortress Emerging Markets Fund SP	<b>6,447,381</b>	8,568,852
Fortress Global Opportunity Wealth Fund SP	<b>1,348,181</b>	846,211
Fortress Fixed Income Fund SP	<b>1,133,554</b>	1,643,993
Fortress Income Builder US Fund SP	—	3,116,498
Fortress Income Builder International Fund SP	—	3,344,737

The Investment Manager uses the MSCI All Country World Index and the Bloomberg Barclays US Aggregate Bond Index as a reference point in evaluating portfolio risk and performance. 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.

# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

### 4 Financial risk management...continued

#### Market risk...continued

##### 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 US Equity Fund SP, Fortress Global Opportunity Wealth Fund SP, Fortress Fixed Income Fund SP and Fortress Income Builder US 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 \$
<b>Fortress International Equity Fund SP</b>			
<b>At September 30, 2021</b>			
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	3,659,113	7,211,472	4,446,908
<b>Total financial assets</b>	<b>3,659,113</b>	<b>7,211,472</b>	<b>4,446,908</b>
<b>Total financial liabilities</b>	—	—	—
<b>Net position</b>	<b>3,659,113</b>	<b>7,211,472</b>	<b>4,446,908</b>

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

## 4 Financial risk management...continued

Market risk...continued

iii) Foreign currency risk...continued

	GBP \$	JPY \$	EUR \$
<b>Fortress International Equity Fund SP</b>			
<b>At September 30, 2020</b>			
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	1,456,879	4,665,346	3,455,429
Accounts receivable	—	27,614	—
<b>Total financial assets</b>	<b>1,456,879</b>	<b>4,692,960</b>	<b>3,455,429</b>
<b>Total financial liabilities</b>	—	—	—
<b>Net position</b>	<b>1,456,879</b>	<b>4,692,960</b>	<b>3,455,429</b>
<b>ZAR \$</b>			
<b>Fortress Emerging Markets Fund SP</b>			
<b>At September 30, 2021</b>			
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	2,050,987		
<b>Total financial assets</b>	<b>2,050,987</b>		
<b>Total financial liabilities</b>	—		
<b>Net position</b>	<b>2,050,987</b>		
<b>At September 30, 2020</b>			
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	922,172		
<b>Total financial assets</b>	<b>922,172</b>		
<b>Total financial liabilities</b>	—		
<b>Net position</b>	<b>922,172</b>		

# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

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(expressed in United States dollars)

### 4 Financial risk management...continued

#### Market risk...continued

#### iii) Foreign currency risk...continued

	GBP \$	JPY \$	EUR \$
<b>Fortress Income Builder International Fund SP</b>			
<b>At September 30, 2021</b>			
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	—	—	—
<b>Total financial liabilities</b>	—	—	—
<b>Net position</b>	—	—	—
<b>At September 30, 2020</b>			
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	512,491	1,585,115	1,647,945
<b>Total financial assets</b>	<b>512,491</b>	<b>1,585,115</b>	<b>1,647,945</b>
<b>Total financial liabilities</b>	—	—	—
<b>Net position</b>	<b>512,491</b>	<b>1,585,115</b>	<b>1,647,945</b>

# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements September 30, 2021

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(expressed in United States dollars)

### 4 Financial risk management...continued

#### Market risk...continued

#### iii) Foreign currency risk...continued

##### 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.

	Effect of a 5% depreciation as of September 30, 2021 \$	Effect of a 5% depreciation as of September 30, 2020 \$
<b>Fortress International Equity Fund SP</b>		
Balances denominated in GBP	182,956	72,844
Balances denominated in JPY	360,574	234,648
Balances denominated in EUR	222,345	172,771
<b>Fortress Emerging Markets Fund SP</b>		
Balances denominated in ZAR	102,549	46,109
<b>Fortress Income Builder International Fund SP*</b>		
Balances denominated in GBP	—	25,625
Balances denominated in JPY	—	79,256
Balances denominated in EUR	—	82,397

\* Balance for Fortress Income Builder International Fund SP is as of June 30, 2021

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, 2021

(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 Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$	Fortress Fixed Income Fund SP \$	Fortress Income Builder US Fund SP* \$	Fortress Income Builder International Fund SP* \$
<b>September 30, 2021</b>							
Cash and cash equivalents	803,202	598,390	795,334	303,355	2,889,265	—	—
Accounts receivable	31,049	126,221	235,763	2	2,923	—	—
Debt securities	—	—	—	—	30,170,285	—	—
	<b>834,251</b>	<b>724,611</b>	<b>1,031,097</b>	<b>303,357</b>	<b>33,062,473</b>	<b>—</b>	<b>—</b>
<b>September 30, 2020</b>							
Cash and cash equivalents	291,309	1,031,569	799,300	177,264	2,062,316	243,308	254,859
Accounts receivable	10,101	62,917	55,291	—	—	18,502	11,279
Debt securities	—	—	—	—	27,755,491	—	—
	<b>301,410</b>	<b>1,094,486</b>	<b>854,591</b>	<b>177,264</b>	<b>29,817,807</b>	<b>261,810</b>	<b>266,138</b>

\* Balance for the fund is as of June 30, 2021

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, 2021 none (2020- 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, 2021

(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:

	2021	2020
	% of debt securities	
<b>Fortress Fixed Income Fund SP</b>		
AAA/Aaa	34%	41%
AA+	2%	—
AA-	—	1%
AA	4%	—
A+	2%	2%
A	2%	4%
A-	7%	6%
BBB+	15%	14%
BBB/Baa2	21%	17%
BBB-	1%	7%
BB+/Ba1	3%	1%
BB-	—	2%
BB	4%	3%
B+	2%	—
B	2%	—
CCC+	1%	2%
<b>100%</b>	<b>100%</b>	<b>100%</b>

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 Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$	Fortress Fixed Income Fund SP \$	Fortress Income Builder US Fund SP* \$	Fortress Income Builder International Fund SP* \$
<b>September 30, 2021</b>							
Morgan Stanley (BBB+ by Standard & Poor's)	786,787	576,253	781,026	233,414	2,874,563	—	—

\* Balance for the fund is as of June 30, 2021.



# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

### 4 Financial risk management...continued

#### Credit risk ...continued

	Fortress US Equity Fund SP \$	Fortress International Equity Fund SP \$	Fortress Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$	Fortress Fixed Income Fund SP \$	Fortress Income Builder US Fund SP \$	Fortress Income Builder International Fund SP \$
September 30, 2020							
Morgan Stanley (BBB+ by Standard & Poor's)	250,747	932,304	653,417	134,812	2,039,964	200,458	222,865

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, 2021 had a credit rating of BBB+ by Standard & Poor's. At September 30, 2021, 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. The amounts disclosed in the tables below are the contractual undiscounted cash flows.

	Less than 1 month \$	1 -3 months \$
2021		
Fortress US Equity Fund SP		
Accounts payable and accrued expenses	—	3,606
Net assets attributable to holders of redeemable mutual fund shares	39,959,873	—
<b>Total financial liabilities and equity</b>	<b>39,959,873</b>	<b>3,606</b>

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

## 4 Financial risk management...continued

### Liquidity risk...continued

2021

#### Fortress International Equity Fund SP

Accounts payable and accrued expenses	–	6,188
Net assets attributable to holders of redeemable mutual fund shares	66,896,714	–

#### Total financial liabilities and equity

Less than 1 month \$	1 -3 months \$
----------------------------	-------------------

<b>66,896,714</b>	<b>6,188</b>
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#### Fortress Emerging Markets Fund SP

Accounts payable and accrued expenses	–	6,483
Net assets attributable to holders of redeemable mutual fund shares	49,193,489	–

#### Total financial liabilities and equity

<b>49,193,489</b>	<b>6,483</b>
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#### Fortress Global Opportunity Wealth Fund SP

Accounts payable and accrued expenses	–	2,815
Net assets attributable to holders of redeemable mutual fund shares	17,405,685	–

#### Total financial liabilities and equity

<b>17,405,685</b>	<b>2,815</b>
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#### Fortress Fixed Income Fund SP

Accounts payable and accrued expenses	–	2,987
Net assets attributable to holders of redeemable mutual fund shares	33,979,118	–

#### Total financial liabilities and equity

<b>33,979,118</b>	<b>2,987</b>
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#### Fortress Income Builder US Fund SP

Accounts payable and accrued expenses	–	–
Net assets attributable to holders of redeemable mutual fund shares	–	–

#### Total financial liabilities and equity

<b>–</b>	<b>–</b>
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#### Fortress Income Builder International Fund SP

Accounts payable and accrued expenses	–	–
Net assets attributable to holders of redeemable mutual fund shares	–	–

#### Total financial liabilities and equity

<b>–</b>	<b>–</b>
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# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

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(expressed in United States dollars)

## 4 Financial risk management...continued

### Liquidity risk...continued

	Less than 1 month \$	1 -3 months \$
<b>2020</b>		
<b>Fortress US Equity Fund SP</b>		
Accounts payable and accrued expenses	—	1,397
Net assets attributable to holders of redeemable mutual fund shares	14,314,815	—
<b>Total financial liabilities and equity</b>	<b>14,314,815</b>	<b>1,397</b>
<b>Fortress International Equity Fund SP</b>		
Accounts payable and accrued expenses	—	3,538
Net assets attributable to holders of redeemable mutual fund shares	35,635,600	—
<b>Total financial liabilities and equity</b>	<b>35,635,600</b>	<b>3,538</b>
<b>Fortress Emerging Markets Fund SP</b>		
Accounts payable and accrued expenses	—	3,738
Net assets attributable to holders of redeemable mutual fund shares	37,503,731	—
<b>Total financial liabilities and equity</b>	<b>37,503,731</b>	<b>3,738</b>
<b>Fortress Global Opportunity Wealth Fund SP</b>		
Accounts payable and accrued expenses	—	638
Net assets attributable to holders of redeemable mutual fund shares	6,529,100	—
<b>Total financial liabilities and equity</b>	<b>6,529,100</b>	<b>638</b>
<b>Fortress Fixed Income Fund SP</b>		
Accounts payable and accrued expenses	—	2,926
Net assets attributable to holders of redeemable mutual fund shares	29,814,881	—
<b>Total financial liabilities and equity</b>	<b>29,814,881</b>	<b>2,926</b>
<b>Fortress Income Builder US Fund SP</b>		
Accounts payable and accrued expenses	—	1,192
Net assets attributable to holders of redeemable mutual fund shares	12,308,443	—
<b>Total financial liabilities and equity</b>	<b>12,308,443</b>	<b>1,192</b>

# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

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(expressed in United States dollars)

### 4 Financial risk management...continued

#### Liquidity risk...continued

	Less than 1 month \$	1 -3 months \$
2020		
<b>Fortress Income Builder International Fund SP</b>		
Accounts payable and accrued expenses	—	1,557
Net assets attributable to holders of redeemable mutual fund shares	15,711,844	—
<b>Total financial liabilities and equity</b>	<b>15,711,844</b>	<b>1,557</b>

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, 2021, 94% (2020- 92%) 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.

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.

# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

### 4 Financial risk management...continued

#### Liquidity risk...continued

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 \$
<b>September 30, 2021</b>			
<b>Fortress US Equity Fund SP</b>			
Total assets	39,963,479	—	—
<b>Fortress International Equity Fund SP</b>			
Total assets	66,902,902	—	—
<b>Fortress Emerging Markets Fund SP</b>			
Total assets	49,155,202	44,770	—
<b>Fortress Global Opportunity Wealth Fund SP</b>			
Total assets	17,408,500	—	—
<b>Fortress Fixed Income Fund SP</b>			
Total assets	33,982,105	—	—
<b>Fortress Income Builder US Fund SP</b>			
Total assets	—	—	—
<b>Fortress Income Builder International Fund SP</b>			
Total assets	—	—	—
<b>September 30, 2020</b>			
<b>Fortress US Equity Fund SP</b>			
Total assets	14,316,212	—	—
<b>Fortress International Equity Fund SP</b>			
Total assets	35,626,351	12,787	—
<b>Fortress Emerging Markets Fund SP</b>			
Total assets	37,507,469	—	—
<b>Fortress Global Opportunity Wealth Fund SP</b>			
Total assets	6,529,738	—	—

# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

(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, 2021			
<b>Fortress Fixed Income Fund SP</b>			
Total assets	29,808,518	—	9,289
<b>Fortress Income Builder US Fund SP</b>			
Total assets	12,505,335	—	—
<b>Fortress Income Builder International Fund SP</b>			
Total assets	15,958,026	—	—

The table below analyses the Fund's prior year 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. There are no derivative financial instruments for the current financial year.

	Less than 7 days \$	7 days -1 month \$	1- 12 months \$
September 30, 2020			
<b>Gross settled derivatives</b>			
<b>Fortress Income Builder US Fund SP</b>			
Call SPY 340 20 November 2020	—	—	195,700
<b>Fortress Income Builder International Fund SP</b>			
Call SPY 340 20 November 2020	—	—	244,625

#### 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.

# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

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(expressed in United States dollars)

### 4 Financial risk management...continued

#### 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.

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
	\$	\$	\$	\$
<b>September 30, 2021</b>				
<b>Fortress US Equity Fund SP</b>				
<b>Financial assets at fair value through profit or loss:</b>				
Listed equity securities	39,129,228	—	—	39,129,228

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

## 4 Financial risk management...continued

### Fair value estimation ...continued

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>September 30, 2021</b>				
<b>Fortress International Equity Fund SP</b>				
<b>Financial assets at fair value through profit or loss:</b>				
Listed equity securities	66,178,291	—	—	66,178,291
<b>Fortress Emerging Markets Fund SP</b>				
<b>Financial assets at fair value through profit or loss:</b>				
Listed equity securities	48,168,875	—	—	48,168,875
<b>Fortress Global Opportunity Wealth Fund SP</b>				
<b>Financial assets at fair value through profit or loss:</b>				
Listed equity securities	215,065	—	—	215,065
Mutual funds	—	16,890,078	—	16,890,078
	<b>215,065</b>	<b>16,890,078</b>	<b>—</b>	<b>17,105,143</b>
<b>Fortress Fixed Income Fund SP</b>				
<b>Financial assets at fair value through profit or loss:</b>				
Listed equity securities	919,632	—	—	919,632
Debt securities	30,170,285	—	—	30,170,285
	<b>31,089,917</b>	<b>—</b>	<b>—</b>	<b>31,089,917</b>
<b>Fortress Income Builder US Fund SP</b>				
<b>Financial assets at fair value through profit or loss:</b>				
Listed equity securities	—	—	—	—
<b>Fortress Income Builder International Fund SP</b>				
<b>Financial assets at fair value through profit or loss:</b>				
Listed equity securities	—	—	—	—



# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

## 4 Financial risk management...continued

### Fair value estimation ...continued

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>September 30, 2020</b>				
<b>Fortress US Equity Fund SP</b>				
<b>Financial assets at fair value through profit or loss:</b>				
Listed equity securities	14,014,802	—	—	14,014,802
<b>Fortress International Equity Fund SP</b>				
<b>Financial assets at fair value through profit or loss:</b>				
Listed equity securities	34,544,652	—	—	34,544,652
<b>Fortress Emerging Markets Fund SP</b>				
<b>Financial assets at fair value through profit or loss:</b>				
Listed equity securities	36,652,878	—	—	36,652,878
<b>Fortress Global Opportunity Wealth Fund SP</b>				
<b>Financial assets at fair value through profit or loss:</b>				
Listed equity securities	80,640	—	—	80,640
Mutual funds	—	6,271,834	—	6,271,834
	80,640	6,271,834	—	6,352,474
<b>Fortress Fixed Income Fund SP</b>				
<b>Financial assets at fair value through profit or loss:</b>				
Debt securities	27,746,202	9,289	—	27,755,491
<b>Fortress Income Builder US Fund SP</b>				
<b>Financial assets at fair value through profit or loss:</b>				
Listed equity securities	12,243,525	—	—	12,243,525
<b>Financial liabilities at fair value through profit or loss:</b>				
Written options	195,700	—	—	195,700

# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

### 4 Financial risk management...continued

#### Fair value estimation ...continued

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
September 30, 2020				
<b>Fortress Income Builder International Fund SP Financial assets at fair value through profit or loss:</b>				
Listed equity securities	15,691,888	—	—	15,691,888
<b>Financial liabilities at fair value through profit or loss:</b>				
Written options	244,625	—	—	244,625

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.

There were no transfers between levels for the current financial year. The following table presents the transfers between levels for the prior year:

	Level 1 \$	Level 2 \$	Level 3 \$
September 30, 2020			
<b>Financial assets at fair value through profit or loss:</b>			
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.

# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

### 4 Financial risk management...continued

#### Fair value estimation ...continued

#### Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table analyses within the fair value hierarchy the funds' assets and liabilities (by class) not measured at fair value at September 30, 2021 but for which fair value is disclosed.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>September 30, 2021</b>				
<b>Fortress US Equity Fund SP</b>				
<b>Assets</b>				
Accounts receivable	—	31,049	—	31,049
Cash and cash equivalents	803,202	—	—	803,202
<b>Total</b>	<b>803,202</b>	<b>31,049</b>	<b>—</b>	<b>834,251</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	—	3,606	—	3,606
<b>Total</b>	<b>—</b>	<b>3,606</b>	<b>—</b>	<b>3,606</b>
<b>Fortress International Equity Fund SP</b>				
<b>Assets</b>				
Accounts receivable	—	126,221	—	126,221
Cash and cash equivalents	598,390	—	—	598,390
<b>Total</b>	<b>598,390</b>	<b>126,221</b>	<b>—</b>	<b>724,611</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	—	6,188	—	6,188
<b>Total</b>	<b>—</b>	<b>6,188</b>	<b>—</b>	<b>6,188</b>
<b>Fortress Emerging Markets Fund SP</b>				
<b>Assets</b>				
Accounts receivable	—	235,763	—	235,763
Cash and cash equivalents	795,334	—	—	795,334
<b>Total</b>	<b>795,334</b>	<b>235,763</b>	<b>—</b>	<b>1,031,097</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	—	6,483	—	6,483
<b>Total</b>	<b>—</b>	<b>6,483</b>	<b>—</b>	<b>6,483</b>

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

(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 \$
<b>September 30, 2021</b>				
<b>Fortress Global Opportunity Wealth Fund SP</b>				
<b>Assets</b>				
Accounts receivable	—	2	—	2
Cash and cash equivalents	303,355	—	—	303,355
<b>Total</b>	<b>303,355</b>	<b>2</b>	<b>—</b>	<b>303,357</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	—	2,815	—	2,815
<b>Total</b>	<b>—</b>	<b>2,815</b>	<b>—</b>	<b>2,815</b>
<b>Fortress Fixed Income Fund SP</b>				
<b>Assets</b>				
Accounts receivable	—	2,923	—	2,923
Cash and cash equivalents	2,889,265	—	—	2,889,265
<b>Total</b>	<b>2,889,265</b>	<b>2,923</b>	<b>—</b>	<b>2,892,188</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	—	2,987	—	2,987
<b>Total</b>	<b>—</b>	<b>2,987</b>	<b>—</b>	<b>2,987</b>
<b>Fortress Income Builder US Fund SP</b>				
<b>Assets</b>				
Cash and cash equivalents	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

(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 \$
<b>September 30, 2021</b>				
<b>Fortress Income Builder International Fund SP</b>				
<b>Assets</b>				
Cash and cash equivalents	—	—	—	—
<b>Total</b>	—	—	—	—
<b>Liabilities</b>				
Accounts payable and accrued expenses	—	—	—	—
<b>Total</b>	—	—	—	—
<b>September 30, 2020</b>				
<b>Fortress US Equity Fund SP</b>				
<b>Assets</b>				
Accounts receivable	—	10,101	—	10,101
Cash and cash equivalents	291,309	—	—	291,309
<b>Total</b>	<b>291,309</b>	<b>10,101</b>	—	<b>301,410</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	—	1,397	—	1,397
<b>Total</b>	—	<b>1,397</b>	—	<b>1,397</b>
<b>Fortress International Equity Fund SP</b>				
<b>Assets</b>				
Accounts receivable	—	62,917	—	62,917
Cash and cash equivalents	1,031,569	—	—	1,031,569
<b>Total</b>	<b>1,031,569</b>	<b>62,917</b>	—	<b>1,094,486</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	—	3,538	—	3,538
<b>Total</b>	—	<b>3,538</b>	—	<b>3,538</b>

# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

(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 \$
<b>September 30, 2020</b>				
<b>Fortress Emerging Markets Fund SP</b>				
<b>Assets</b>				
Accounts receivable	—	55,291	—	55,291
Cash and cash equivalents	799,300	—	—	799,300
<b>Total</b>	<b>799,300</b>	<b>55,291</b>	<b>—</b>	<b>854,591</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	—	3,738	—	3,738
<b>Total</b>	<b>—</b>	<b>3,738</b>	<b>—</b>	<b>3,738</b>
<b>Fortress Global Opportunity Wealth Fund SP</b>				
<b>Assets</b>				
Cash and cash equivalents	177,264	—	—	177,264
<b>Total</b>	<b>177,264</b>	<b>—</b>	<b>—</b>	<b>177,264</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	—	638	—	638
<b>Total</b>	<b>—</b>	<b>638</b>	<b>—</b>	<b>638</b>
<b>Fortress Fixed Income Fund SP</b>				
<b>Assets</b>				
Cash and cash equivalents	2,062,316	—	—	2,062,316
<b>Total</b>	<b>2,062,316</b>	<b>—</b>	<b>—</b>	<b>2,062,316</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	—	2,926	—	2,926
<b>Total</b>	<b>—</b>	<b>2,926</b>	<b>—</b>	<b>2,926</b>

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

(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				
<b>Fortress Income Builder US Fund SP</b>				
<b>Assets</b>				
Accounts receivable	—	18,502	—	<b>18,502</b>
Cash and cash equivalents	243,308	—	—	<b>243,308</b>
<b>Total</b>	<b>243,308</b>	<b>18,502</b>	—	<b>261,810</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	—	1,192	—	<b>1,192</b>
<b>Total</b>	—	<b>1,192</b>	—	<b>1,192</b>
<b>Fortress Income Builder International Fund SP</b>				
<b>Assets</b>				
Accounts receivable	—	11,279	—	<b>11,279</b>
Cash and cash equivalents	254,859	—	—	<b>254,859</b>
<b>Total</b>	<b>254,859</b>	<b>11,279</b>	—	<b>266,138</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	—	1,557	—	<b>1,557</b>
<b>Total</b>	—	<b>1,557</b>	—	<b>1,557</b>

The assets and liabilities 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, 2021

(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 Emerging Markets Fund SP \$	Fortress Global Opportunity Wealth Fund SP \$	Fortress Fixed Income Fund SP \$	Fortress Income Builder US Fund SP* \$	Fortress Income Builder International Fund SP* \$
<b>September 30, 2021</b>							
<b>Financial assets designated at fair value through profit or loss:</b>							
Listed equity investments	39,129,228	66,178,291	48,168,875	215,065	919,632	—	—
Debt securities	—	—	—	—	30,170,285	—	—
Mutual funds	—	—	—	16,890,078	—	—	—
<b>Total financial assets designated at fair value through profit or loss</b>	<b>39,129,228</b>	<b>66,178,291</b>	<b>48,168,875</b>	<b>17,105,143</b>	<b>31,089,917</b>	<b>—</b>	<b>—</b>
<b>Total gain/(losses) recognised in relation to financial assets and liabilities at fair value through profit or loss:</b>							
Realised gains	2,149,125	3,234,826	4,894,943	24,434	904,158	4,579,578	3,861,480
Change in unrealized gains /(losses)	2,986,821	4,687,402	5,557,397	1,198,566	(1,196,290)	(1,327,572)	1,223,848
	<b>5,135,946</b>	<b>7,922,228</b>	<b>10,452,340</b>	<b>1,223,000</b>	<b>(292,132)</b>	<b>3,252,006</b>	<b>5,085,328</b>

\* Balance for the fund is as of June 30, 2021



# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

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

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

(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:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
<b>Financial assets at fair value through profit and loss:</b>				
<b>Fortress US Equity Fund SP</b>				
Garmin Ltd	1,233,722	1,616,784	434,827	455,328
Tractor Supply Co	1,025,695	1,580,358	321,735	702,366
Facebook Inc	1,410,268	1,527,255	—	—
General Dynamics Corp	1,455,879	1,509,431	448,033	346,075
Tyson Foods Inc	1,345,679	1,452,496	355,607	321,192
O'reilly Automotive Inc	1,225,564	1,405,438	—	—
Johnson & Johnson	1,430,437	1,405,050	—	—
Ameriprise Financial Inc	968,052	1,399,836	430,002	493,152
Check Point Software Tech	1,488,710	1,390,392	462,204	433,224
Interpublic Group of Cos Inc	1,002,198	1,389,793	466,659	366,740
Kroger Co	1,164,476	1,354,405	431,639	491,695
Church & Dwight Co Inc	1,396,989	1,345,891	—	—
Philip Morris International	1,251,277	1,317,581	453,865	442,441
Snap-On Inc	1,227,276	1,316,385	482,508	441,390
Unitedhealth Group Inc	792,574	1,289,442	271,946	623,540
Principal Financial Group Inc	1,174,790	1,262,240	436,104	326,187
Ebay Inc	1,284,339	1,240,126	—	—
Anthem Inc	876,264	1,230,240	337,948	510,321
Discover Financial Services	919,222	1,228,500	377,244	323,568
Fortune Brands Home & Security	1,243,485	1,198,228	—	—
Synchrony Financial	1,002,913	1,168,232	465,986	345,444
Northrop Grumman Corp	1,143,948	1,152,480	457,744	410,137
Best Buy Co Inc	913,323	1,152,239	380,396	689,998
Target Corp	754,026	1,143,850	333,233	645,422
A O Smith Corp	1,249,020	1,099,260	—	—
Intel Corp	1,207,983	1,092,240	408,418	336,570
Comcast Corp	989,033	1,068,263	455,160	453,348
Lyondellbasell Ind	985,034	966,655	440,018	373,597
FMC Corp	1,237,790	961,380	—	—
Regeneron Pharmaceuticals Inc	781,654	907,770	—	—
Gilead Sciences Inc	683,824	656,590	419,106	347,545
SPDR S&P 500 ETF	189,878	300,398	352,630	435,357
D R Horton Inc	—	—	349,016	627,729
Morgan Stanley	—	—	504,359	502,840
Hormel Foods Corp	—	—	361,746	498,678
Mckesson Corp	—	—	459,631	491,469
TE Connectivity Ltd	—	—	386,037	478,926
Accenture Plc	—	—	424,942	451,980
Foot Locker Inc	—	—	482,930	346,815
Walgreens Boots Alliance Inc	—	—	536,047	301,728
<b>Balance</b>	<b>35,055,322</b>	<b>39,129,228</b>	<b>12,927,720</b>	<b>14,014,802</b>

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

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

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
<b>Financial assets at fair value through profit and loss:</b>				
<b>Fortress International Equity Fund SP</b>				
Roche Holding Ag	2,865,912	2,936,138	1,138,431	1,095,103
China Merchants Bank	1,880,358	2,621,045	1,190,614	1,179,032
Tokyo Electron Ltd	1,244,338	2,543,975	853,300	1,606,428
KDDI Corp	2,232,432	2,523,902	1,155,290	1,037,420
Toronto Dominion Bank	2,213,676	2,500,470	1,116,633	892,432
Manulife Financial Corp	2,292,171	2,491,580	1,303,793	1,025,167
Kirkland Lake Gold Ltd	2,528,496	2,466,287	1,115,393	1,169,520
Legal & General Group Plc	2,263,814	2,466,068	1,172,894	761,680
Itochu Corp	1,561,720	2,458,698	864,965	1,545,127
Willis Towers Watson Plc	2,618,153	2,440,830	—	—
Orix Corporation	1,981,728	2,411,636	1,291,857	1,092,452
Sekisui House Ltd	1,977,804	2,341,138	1,081,991	1,142,891
Daito Trust Construction Co Ltd	2,277,672	2,319,994	1,314,174	936,595
Heineken Holding Nv	2,356,170	2,317,911	1,067,448	1,012,518
Koninklijke Ahold Nv	1,609,989	2,293,954	929,930	1,368,467
Canadian Tire Corp	2,059,897	2,278,401	1,368,966	1,228,519
Wolters Kluwer	1,757,024	2,195,227	1,070,416	1,178,186
Magna International Inc	1,805,400	2,166,912	1,122,054	992,775
Michelin	1,809,866	2,152,954	1,127,367	1,042,799
Bunzl Plc	2,110,669	2,120,345	—	—
British American Tobacco Plc	2,240,183	2,056,057	—	—
SAP Se	1,946,071	2,016,670	—	—
Nippon Telegraph & Telephone Corp	1,545,861	1,993,168	861,291	946,228
Air Liquide Sa	1,971,595	1,957,802	—	—
Kering	2,220,974	1,909,600	—	—
Logitech International	1,311,711	1,789,445	882,351	1,623,510
Ping An Insurance Group	2,515,561	1,592,780	1,287,468	1,107,875
Alibaba Group Holdings	2,261,027	1,450,890	1,136,939	1,322,910
China Overseas Land & Invt Ltd	1,773,311	1,391,419	1,084,662	840,825
WPP Plc	1,445,399	1,193,045	1,445,399	695,199
Ishare MSCI EAFE ETF	612,216	779,950	541,141	572,851
Ashtead Group Plc	—	—	878,262	1,682,184
ATOS Se	—	—	1,294,165	1,241,864
Toyota Motor Cp	—	—	1,015,208	1,099,252
Daimler Ag	—	—	1,450,544	1,044,163
Marubeni Corp	—	—	1,113,027	884,876
Persimmon Plc	—	—	1,068,984	1,175,804
	<b>61,291,198</b>	<b>66,178,291</b>	<b>34,344,957</b>	<b>34,544,652</b>

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

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

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
<b>Financial assets at fair value through profit and loss:</b>				
<b>Fortress Emerging Markets Fund SP</b>				
China Longyuan Power GRP	961,086	3,261,720	1,384,691	1,167,815
Great Wall Motor Co Ltd	680,935	2,448,215	1,750,214	2,165,391
Haier Smart Home Co Ltd	821,289	2,237,501	—	—
Nedbank Group Ltd	2,357,093	2,201,573	1,337,273	418,160
China Merchants Bank	672,534	2,148,476	672,534	1,271,469
CSPC Pharmaceutical Group	1,580,448	2,137,989	1,164,168	1,672,272
Barloworld Ltd	1,672,943	2,050,987	1,672,943	922,172
Sberbank Russia Sponsored ADR	1,428,097	1,878,236	1,428,097	1,166,163
Taiwan Semiconductor	1,950,617	1,819,895	1,012,133	2,067,285
Rosneft Oil Co PJSC	1,101,405	1,783,795	1,101,405	1,037,979
Naspers Ltd	1,808,646	1,726,194	1,391,098	1,487,869
Itau Unibanco Holdings	2,049,716	1,622,633	1,672,109	934,902
China Overseas Land & Inv't Ltd	1,867,004	1,540,426	1,214,654	941,454
Nine Dragons Paper Holdings	1,604,986	1,524,475	1,604,986	1,552,323
Banco Bradesco SA	1,878,762	1,468,280	1,542,939	951,866
Netease Inc-ADR	1,110,456	1,451,800	1,306,418	1,818,680
Companhia De Sanamento Basico	1,573,214	1,416,000	825,134	913,000
Lukoil PJSC	831,431	1,408,554	831,431	850,836
Ping An Insurance GP	2,003,999	1,388,297	1,260,013	1,282,263
Mondi Ltd	1,261,603	1,382,904	1,261,603	1,188,327
Alibaba Group Holdings- SP ADR	2,148,061	1,362,060	1,117,173	1,528,696
Ishare MSCI Emerging Markets	1,053,187	1,360,260	1,053,187	1,190,430
Hengan Intl Group Co Ltd	1,673,089	1,231,788	—	—
Agricultural Bank Of China	1,604,093	1,230,102	1,351,178	913,103
Tatneft Pao	1,132,840	1,205,050	681,840	626,150
Industrial & Commercial Bank of China	1,310,935	1,005,772	1,310,935	938,139
Guangzhou Automobile Group Co	1,184,193	973,780	1,184,193	917,244
Beijing Enterprises Holdings	1,248,029	929,339	1,248,029	696,900
Shimao Property Holdings Ltd	1,128,811	912,048	833,741	1,643,355
Vipshop Holdings Ltd - ADR	1,193,854	580,394	—	—
Hello Group Inc - SPN ADR	1,556,693	480,332	—	—
Haier Electronics Group	—	—	1,109,654	1,725,882
Commercial Intl Bank-GDR Reg	—	—	1,244,025	1,075,000
Grupo Aeroportuario	—	—	1,366,957	963,049
Momo Inc	—	—	1,556,693	624,704
	<b>44,450,049</b>	<b>48,168,875</b>	<b>38,491,448</b>	<b>36,652,878</b>

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

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

	2021		2020	
	Cost \$	Fair Value \$	Cost \$	Fair Value \$
<b>Financial assets at fair value through profit and loss:</b>				
<b>Fortress Global Opportunity Wealth Fund SP</b>				
Fortress Fixed Income Fund	5,547,440	5,825,007	1,756,440	2,002,955
Fortress International Equity Fund	3,968,618	4,437,253	1,557,618	1,704,229
Fortress US Equity Fund	3,432,200	4,122,285	1,261,200	1,425,986
Fortress Emerging Markets Fund	1,488,400	1,708,408	631,400	681,476
Frank Templeton Inv	659,952	797,125	350,970	336,564
Vanguard TTL World STK Index	184,645	215,065	69,531	80,640
Legg Mason WA Asian Opportunity Fund	—	—	99,994	120,624
	<b>15,281,255</b>	<b>17,105,143</b>	<b>5,727,153</b>	<b>6,352,474</b>

	Rate	Maturity	2021		2020	
			Cost \$	Fair Value \$	Cost \$	Fair Value \$
Financial assets at fair value through profit and loss:						
Fortress Fixed Income Fund SP						
US Treasury	2.88%	2028-08-15	4,533,034	4,656,749	1,523,092	1,776,446
US Treasury	2.25%	2027-02-15	2,597,051	2,663,476	994,582	1,118,984
US Treasury	2.25%	2049-08-15	1,991,502	2,080,001	—	—
US Treasury	0.63%	2030-05-15	1,201,125	1,123,406	1,201,125	1,198,593
Abbvie Inc	2.95%	2026-11-21	873,151	919,998	—	—
Ishares JPM EM	—	—	929,794	919,632	—	—
Citrix Systems Inc	4.50%	2027-12-01	911,936	896,384	—	—
Amazon.Com Inc	1.65%	2028-05-12	799,528	811,776	—	—
Morgan Stanley	3.19%	2027-05-04	800,000	808,683	—	—
Juniper Networks Inc	2.00%	2030-12-10	736,800	771,789	—	—
Apple Inc	1.20%	2028-02-08	698,313	687,343	—	—
Altria Group Inc	2.45%	2032-02-04	676,745	676,730	—	—
Verizon Communications	4.40%	2025-05-15	602,051	617,672	602,051	614,383
AT&T Inc	4.72%	2024-06-12	596,684	615,268	596,684	611,433
American Express Co	2.60%	2023-02-27	599,656	604,700	599,656	604,263
Becton Dickinson & Co	4.12%	2022-06-06	599,425	601,045	599,424	601,736
Southwest Airlines Co	5.25%	2025-05-04	498,708	576,749	498,708	562,306
AT&T	3.88%	2026-01-15	509,113	555,598	509,113	571,541
Govt Of Bermuda	3.72%	2027-01-25	506,153	550,639	506,153	554,136
MGM Resorts Intl	6.75%	2025-05-01	495,625	543,828	495,625	538,842
Balance c/fwd			21,156,394	21,681,466	8,126,213	8,752,663

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

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

	Rate	Maturity	2021		2020	
			Cost \$	Fair Value \$	Cost \$	Fair Value \$
Financial assets at fair value through profit and loss:						
Fortress Fixed Income Fund SP						
Balance b/fwd			21,156,394	21,681,466	8,126,213	8,752,663
Amkor Technology Inc	6.63%	2027-09-15	545,625	537,587	—	—
US Steel Corp	6.88%	2029-03-01	498,000	536,469	—	—
PNC Financial Serv	2.60%	2026-07-23	499,113	534,140	499,113	548,700
MSCI INC	3.88%	2031-02-15	518,125	531,404	—	—
Amgen Inc	2.25%	2023-08-19	492,499	517,321	492,499	525,331
JP Morgan Chase & Co	4.92%	2023-10-24	509,430	507,173	509,430	509,173
Bayer US Finance	4.04%	2023-12-15	496,078	506,485	496,078	505,453
Mosaic Co	4.25%	2023-11-15	460,699	487,250	460,698	495,454
Analog Devices Inc	3.90%	2025-12-15	405,860	448,768	405,860	462,448
KB HOME	4.80%	2029-11-15	403,333	444,044	403,333	448,308
SYSCO Corp	3.55%	2025-03-15	399,058	433,266	399,058	437,410
Northrop Grumman Corp	3.25%	2023-01-08	400,136	422,659	400,136	434,441
Goldman Sachs Group Inc	6.40%	2023-11-29	400,283	412,096	400,283	412,079
Amazon.com Inc	5.20%	2025-12-03	332,451	353,686	332,451	370,506
Anthem Inc	3.35%	2024-12-01	301,567	325,463	301,567	332,620
Sagikor Financial Co	5.30%	2028-05-13	307,500	321,671	—	—
Scotiabank Peru SA	4.50%	2027-12-13	310,333	310,979	310,333	322,380
General Electric Co	1.52%	2026-05-05	292,268	297,320	292,268	279,151
Helmerich & Payne Inc	4.65%	2025-03-15	260,075	278,911	260,075	274,805
Lennar Corp	4.88%	2023-12-15	259,507	273,656	259,507	272,946
Xerox Corporation	3.80%	2024-05-15	248,980	266,130	248,980	257,867
LYB Intl Finance BV	4.00%	2023-07-15	231,906	243,792	406,853	436,755
Anthem Inc	4.10%	2028-03-01	200,000	227,043	200,000	233,526
Transocean Inc	11.50%	2027-01-30	112,674	191,138	112,674	75,787
US Treasury TIPS Note	0.63%	2043-02-15	—	—	3,294,307	4,160,917
US Treasury TIPS	0.25%	2025-01-15	—	—	1,536,991	1,751,176
US Treasury TIPS Note	0.88%	2029-01-15	—	—	1,233,257	1,316,473
Morgan Stanley Float Rate Corp	5.60%	2023-10-24	—	—	713,066	713,756
Kohl's Corp	9.50%	2025-05-15	—	—	514,750	610,209
Spirit Aerosystems Inc	3.20%	2021-06-15	—	—	600,000	570,220
Juniper Networks Inc	0.0435	2025-03-15	—	—	518,021	569,709
ABBVIE INC	2.95%	2026-11-21	—	—	499,417	550,335
PNC Bank NA	1.80%	2022-07-22	—	—	500,000	502,236
ABBVIE INC	2.60%	2022-11-21	—	—	350,000	352,111
Sagikor Finance Ltd	8.88%	2022-08-11	—	—	269,334	261,257
Noble Holdings Int Ltd	4.63%	2021-03-01	—	—	192,078	9,289
			30,041,894	31,089,917	25,538,630	27,755,491

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

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

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
<b>Financial assets at fair value through profit and loss:</b>				
<b>Fortress Income Builder US Fund SP</b>				
Best Buy Co Inc	—	—	483,348	779,030
Tractor Supply Co	—	—	291,628	745,368
Fortune Brands Home & Security	—	—	349,968	666,204
UnitedHealth Group Inc	—	—	329,101	623,540
Target Corp	—	—	261,448	519,486
Ameriprise Financial Inc	—	—	417,920	508,563
TE Connectivity Ltd	—	—	323,318	508,248
Hormel Foods Corp	—	—	245,840	498,678
Eastman Chemical Co	—	—	474,082	460,908
Snap-On Inc	—	—	480,816	441,390
Kroger Co	—	—	391,719	437,439
Globe Life Inc	—	—	283,545	423,470
Discover Financial Services	—	—	464,814	410,238
Garmin Ltd	—	—	396,125	407,898
DTE Energy Company	—	—	373,334	402,640
Walt Disney Co	—	—	291,411	384,648
Anthem Inc	—	—	410,366	376,026
Eversource Energy Co	—	—	236,425	350,910
Tyson Foods Inc	—	—	377,702	344,984
Principal Financial Group Inc	—	—	416,863	338,268
General Dynamics Corp Com	—	—	426,742	332,233
Raytheon Technologies Corp	—	—	159,034	322,397
Synchrony Financial	—	—	449,526	319,274
Prudential Financial Inc	—	—	560,184	317,600
US Bancorp	—	—	429,176	293,970
Intel Corp	—	—	349,580	289,968
Omnicom Group	—	—	420,155	287,100
Foot Locker Inc	—	—	389,976	241,119
Walgreens Boots Alliance Inc	—	—	487,108	211,928
	—	—	<b>10,971,254</b>	<b>12,243,525</b>

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

(expressed in United States dollars)

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

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
<b>Financial assets at fair value through profit and loss:</b>				
<b>Fortress Income Builder International Fund SP</b>				
Tokyo Electron Ltd	—	—	484,259	906,855
ITOCHU Corp	—	—	526,327	776,382
Toyota Motor CP	—	—	638,335	715,176
Bunzl Plc	—	—	541,870	689,915
Magna International Inc	—	—	737,735	667,951
Michelin	—	—	582,773	634,280
Securitas AB	—	—	697,094	628,243
CRH PLC	—	—	558,661	624,357
Allianz SE	—	—	530,912	615,118
Nippon Telegraph & Telephone Corp	—	—	505,527	599,140
ATOS SE	—	—	622,939	596,740
KDDI Corp	—	—	607,824	589,214
Randstad Holdings	—	—	434,463	574,130
Henkel AG & Co KGAA	—	—	613,398	561,553
Orix Corporation	—	—	600,692	515,915
Canadian Imperial Bank of Commerce	—	—	564,973	515,568
Canadian Tire Corp	—	—	561,994	513,561
Legal & General Group PLC	—	—	717,340	512,491
Toronto Dominion Bank	—	—	618,824	508,640
Manulife Financial Corp	—	—	629,551	493,805
Daimler AG	—	—	689,434	452,112
Bank of Nova Scotia	—	—	507,155	440,006
Heineken Holding NV	—	—	460,150	436,162
Barratt Developments PLC	—	—	425,263	435,229
D S Smith PLC	—	—	646,541	392,172
MTU Aero Engines AG	—	—	537,619	381,999
Continental AG	—	—	652,509	313,124
Sumitomo Chemical Co Ltd	—	—	661,600	309,232
Subaru Corp	—	—	626,846	292,818
	—	—	<b>16,982,608</b>	<b>15,691,888</b>



# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

(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:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
<b>Financial liabilities at fair value through profit and loss:</b>				
<b>Fortress Income Builder US Fund SP</b>				
Call SPY 340 20 November 2020	—	—	251,000	195,700
	—	—	<b>251,000</b>	<b>195,700</b>
<b>Fortress Income Builder International Fund SP</b>				
Call SPY 340 20 November 2020	—	—	311,500	244,625
	—	—	<b>311,500</b>	<b>244,625</b>

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, 2021 the funds held no written option contracts. The table below shows the carrying value and the underlying notional amount of the options written in the prior year. These numbers are most meaningfully considered in the context of the total market value and offsetting exposures within each fund’s portfolio.

	2021		2020	
	Carrying value	Notional value	Carrying value	Notional value
	\$	\$	\$	\$
<b>Fortress Income Builder US Fund SP</b>				
Written options	—	—	195,700	6,800,000
<b>Fortress Income Builder International Fund SP</b>				
Written options	—	—	244,625	8,500,000

# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

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(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 (2020 - 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 and Fortress Fund Managers Limited (collectively “the Manager”) both served as investment advisor and manager of the funds. As a result of providing management services, the Manager 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 \$1,640,997 (2020 - \$1,316,888) for the year.

Management fees of \$71,940 (2020 - \$43,110) were refunded by the Manager 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 \$180,497 (2020- \$145,140) for the year.

Directors’ fees of \$4,000 (2020- \$4,000) were accrued during the year. Directors’ interest (including beneficial interests) in participating redeemable mutual fund shares are as follows:

	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
<b>September 30, 2021</b>				
<b>Shareholder</b>				
Director	7,631	4,448	(4,314)	<b>7,765</b>
	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
<b>September 30, 2020</b>				
<b>Shareholder</b>				
Director	5,704	1,927	—	<b>7,631</b>

# Fortress Global Funds SPC Inc.

Notes to the Financial Statements

September 30, 2021

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(expressed in United States dollars)

## 7 Related parties

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

	Number of shares	
	2021	2020
<b>Fortress Mutual Fund Limited</b>		
Fortress International Equity Fund SP	378,546	266,246
Fortress Emerging Markets Fund SP	272,685	280,022
Fortress US Equity Fund SP	170,763	91,498
Fortress Global Opportunity Wealth Fund SP	29,999	29,999
Fortress Income Builder International Fund SP	—	153,901
Fortress Income Builder US Fund SP	—	87,417
<b>Fortress Caribbean High Interest Fund Limited</b>		
Fortress Fixed Income Fund SP	102,268	127,339
Fortress Global Opportunity Wealth Fund SP	14,587	—
Fortress Income Builder International Fund SP	—	20,430
Fortress Income Builder US Fund SP	—	19,859
<b>Fortress Caribbean Pension Fund Limited</b>		
Fortress Global Opportunity Wealth Fund SP	25,189	13,484
Fortress Emerging Markets Fund SP	2,856	2,856
<b>Fortress Global Opportunity Wealth Fund SP</b>		
Fortress Fixed Income Fund SP	49,508	17,158
Fortress International Equity Fund SP	29,519	14,141
Fortress US Equity Fund SP	21,569	10,210
Fortress Emerging Markets Fund SP	11,450	5,936
<b>Fortress Fund Managers Limited</b>		
Fortress Fixed Income Fund SP	6,455	—
<b>Fortress Fund Advisors Limited</b>		
Fortress Fixed Income Fund SP	—	6,455

# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

(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 Managers 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, 2021, 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 Emerging Markets Fund SP	Fortress Global Opportunity Wealth Fund SP	Fortress Fixed Income Fund SP	Fortress Income Builder US Fund SP*	Fortress Income Builder International Fund SP*
<b>Balance as at September 30, 2019</b>	<b>99,570</b>	<b>291,741</b>	<b>324,403</b>	<b>47,433</b>	<b>251,332</b>	<b>120,318</b>	<b>183,792</b>
Issue of shares	2,920	3,959	2,318	10,065	7,191	—	—
Redemption of shares	—	—	—	(1,325)	(3,112)	—	(1,856)
<b>Balance as at September 30, 2020</b>	<b>102,490</b>	<b>295,700</b>	<b>326,721</b>	<b>56,173</b>	<b>255,411</b>	<b>120,318</b>	<b>181,936</b>
Issue of shares	118,242	163,726	14,643	68,406	99,365	—	—
Redemption of shares	(11,654)	(14,400)	(11,643)	(60)	(65,976)	(120,318)	(181,936)
<b>Balance as at September 30, 2021</b>	<b>209,078</b>	<b>445,026</b>	<b>329,721</b>	<b>124,519</b>	<b>288,800</b>	<b>—</b>	<b>—</b>

\* Balance for the fund is as of June 30, 2021

# Fortress Global Funds SPC Inc.

## Notes to the Financial Statements

September 30, 2021

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(expressed in United States dollars)

### **8 Capital management**...continued

During the current financial year, the funds Fortress Income Builder US Fund SP and Fortress Income Builder International Fund SP were closed effective June 30, 2021. The redeemable participating shares on these portfolios were redeemed at the calculated net asset value as at June 30, 2021, and the proceeds remitted to the shareholders.

### **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 September 30, 2021, 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 December 20, 2021, 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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