



Your Future. Our Business.

Dear fellow investors,

After a choppy start to the year, financial markets turned downright hostile in the second quarter as investors faced high inflation, rising interest rates, and growing fears of recession. The U.S. Federal Reserve (Fed) and other central banks hiked their target rates aggressively and said plainly they expect more hikes to come to fight decades-high inflation readings. These concerns were added to already substantial worries over the war in Ukraine, geopolitical risks generally, and labour and supply disruptions. Interest rates rose, and bond and stock prices fell around the world. The Fortress funds held their value relatively well but were still down for the quarter.

For long-term investors, such ups and downs in the markets are nothing new. They come with the territory of investing for the kinds of substantial long-term gains we expect. But still, the urge to “do” something is strong, especially when all the news seems to be bad. What should investors *do*? We think it’s simple: continue our regular investment programmes, whatever they may be. For our clients, this means continuing the steady saving that is shown to build wealth over the years. For us at Fortress, our regular investment programme involves buying more high-quality, well-valued assets as their prices go on sale. There are superb long-term investments to make today, and we have been taking advantage of lower prices to add to our global equity and bond investments. The silver lining of market declines like this one is that they increase the future return potential for patient investors who can ignore today’s noise. Markets will recover long before the news gets good again. The Fortress funds as always are positioned to benefit as that inevitably occurs. In the meantime, we keep calm and carry on.

Thank you very much for investing with us.

Sincerely,
Fortress Fund Managers

**OF INTEREST
THIS QUARTER:**

**THE CARIBBEAN
GROWTH FUND**

declined 7.1% in the second quarter and is up 0.6% over the past year. Inflation and recession fears sent global stocks sharply lower. We were buyers on the weakness.

**THE CARIBBEAN
HIGH INTEREST FUND**

declined 0.9% in the second quarter and is down 2.1% over the past year. Central banks hiked interest rates to fight high inflation and bond yields are now higher.

**THE CARIBBEAN
PENSION FUND**

shares declined between 1.9% and 5.9% in the second quarter and have returned between -1.7% and +0.2% over the past year.



Shopping on sale.

Financial assets like stocks and bonds might seem boring (OK, they might *be* boring!). But when high-quality items go on sale, we should get interested. And that’s exactly what happens within the Fortress funds. When prices drop, we go shopping. Having a full pantry of high-quality assets purchased at reasonable prices is how we’ll generate tomorrow’s growth.



Caribbean Growth Fund

HIGHLIGHTS:

- *The Fund declined 7.1% in the second quarter and is up 0.6% over the past year.*
- *High inflation, rising interest rates and growing fears of a recession caused share prices around the world to fall significantly. We were buyers on the weakness.*

The Fund declined 7.1% in the second quarter and is up 0.6% over the past year. The net asset value (NAV) per share as of June 24 was \$7.1944. Net assets of the Fund were \$612 million, up from \$587 million this time last year. The Fund's annual compound rate of return since inception in 1996 is 8.1% per year. Its portfolio remains well diversified by security, geography, and currency.

Global equities fell sharply in the second quarter as investors were hit with a triple threat of high inflation, rising interest rates and growing risks of recession. During the quarter, the U.S. Federal Reserve (Fed) hiked interest rates twice, taking its target rate to a range of 1.5%-1.75%. Just as importantly, with inflation at multi-decade highs, the Fed signalled more hikes should be expected during the year. In this battle against inflation, a "soft landing" for the economy became harder for investors to see. At the same time, COVID-19 lockdowns in China and the ongoing war in Ukraine kept large global risks and disruptions in the picture. By the end of the quarter, every market sector was down, with technology and consumer discretionary stocks falling the most. Our core allocations to the Fortress Global Funds outperformed their respective benchmarks but were still down 7%-14% in the quarter.

In the Caribbean, share prices had pockets of volatility but were on balance little changed. Some of the larger moves included Goddard Enterprises in Barbados with a gain of 30%, and Massy and GraceKennedy which were down 17% and 10% respectively. The performance of Goddard Enterprises is noteworthy in a quarter characterised by general market weakness. It represents the recapture of most of the ground lost during 2020, as earnings improved on the back of the global surge in travel and tourism. Our Guyana holdings were mixed as Banks DIH declined 12% while Demerara Bank rallied 23%.

During the quarter we took advantage of lower prices to add to our core holdings. We also worked to adjust some regional Caribbean positions, but as expected found low liquidity to be a challenge. Among the kinds of well-valued, high-quality shares where the Fund invests, we still see excellent return potential from here. There are challenges, though, and they are real. The paths of Fed tightening, inflation, and economic or earnings slowdowns are critical, as are the geopolitical risks. But with many shares now down 25-50% from their recent highs, a lot of bad news is already priced in and there is good value to be found. We suspect central banks may not prove as hostile as investors currently fear. In time, stock prices, as they always do, will begin to anticipate not a recession – but the emergence from it. Prices will move well before the news gets better, and the Fund is positioned to benefit meaningfully when that time comes.

The Fund continues to be open to all new subscriptions.

FUND OBJECTIVE

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

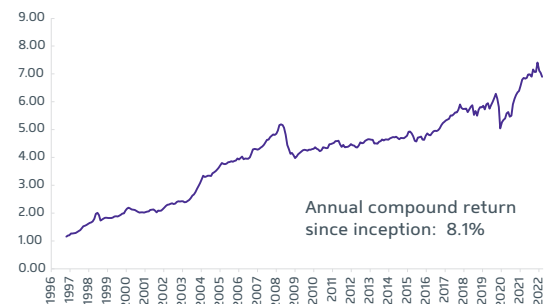
Net Asset Value per share	\$7.1944
Fund Net Assets	\$611,738,669
Fund Inception	Dec 9, 1996

INVESTMENT RETURNS

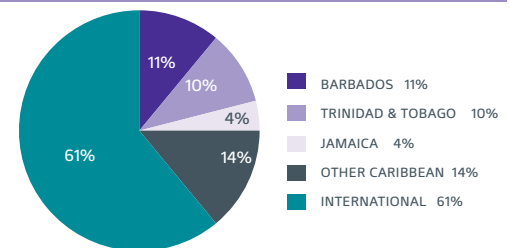
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept
Fortress	-7.1%	0.6%	5.5%	5.3%	8.1%
Jamaica	-0.6%	-11.7%	-11.2%	6.5%	6.9%
Trinidad	-4.5%	-1.8%	-0.6%	2.5%	8.2%
Barbados	5.9%	2.3%	-8.6%	-3.1%	2.7%
MSCI World	-13.5%	-11.5%	8.5%	8.8%	7.1%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO JUNE 30TH, 2022



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

Holding	Country/Region
1 Fortress International Equity Fund	International
2 Fortress US Equity Fund	US
3 Fortress Emerging Markets Fund	International
4 Banks DIH	Guyana
5 Goddard Enterprises	Barbados

EXPENSES

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

MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd.

CUSTODIAN

SigniaGlobe Financial Group

AUDITORS

EY Barbados

ATTORNEY-AT-LAW

Clarke Gittens Farmer

DIRECTORS

John Williams, Chairman
 Ruth Henry
 John Howard
 Greg McConnie
 Maria Nicholls
 Tracey Shuffler
 Roger Cave, Investment Manager

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

Caribbean High Interest Fund



HIGHLIGHTS:

- *The Fund declined 0.9% in the second quarter and is down 2.1% over the past year.*
- *High inflation caused central banks to hike interest rates and drive bond prices sharply lower. Lower bond prices are raising future return prospects.*

The Fund declined 0.9% in the second quarter and is down 2.1% over the past year. The net asset value (NAV) of the Fund's Accumulation share as of June 24 was \$2.0727, while the Distribution share finished at \$0.9895. Net assets of the Fund were \$144 million, up from \$140 million this time last year. The Fund's annual compound rate of return since inception in 2002 is 3.7% per year. Its portfolio remains as diversified as possible across various issuers, industries, geographies, and terms to maturity.

Global bond returns were unusually negative this quarter as yields rose significantly from aggressive central bank rate hikes. In June the U.S. Federal Reserve (Fed) raised its target interest rate by 0.75%, its third hike this year and largest single move since 1994 and warned that more hikes were to come. This brought the rate to a range of 1.5%-1.75% by quarter-end, compared to 0-0.25% at the start of the year. Other global central banks made similar moves. This tighter policy came because of exceptionally high inflation readings, following huge pandemic stimulus and pent-up demand, plus supply and labour market disruptions. Bond yields rose in all maturities. The 10-year U.S. treasury yield rose from 2.3% at the start of the quarter to a high of 3.5% before finishing at 3.0%. Corporate and emerging market bond prices declined even more, pressured by the end of Fed bond buying programmes and by growing fears that the fight against inflation will lead to a recession. The main U.S. bond index finished the quarter down 5%. Our core allocation to the Fortress Fixed Income Fund outperformed but was still down 4.3%.

Over the past several months as economic and interest rate risks mounted, the Fund's holdings have been focused on only the highest quality corporate credits and relatively short maturities. More recently, though, as rates have risen and credit spreads widened, we have gradually added to the Fund's exposure to longer maturity bonds and credit. Today's lower bond prices, following a period of unusual volatility, will lead directly to higher returns in the future.

In Barbados, unfortunately there was no new corporate bond issuance, but our existing corporate positions continued to perform as expected, generating healthy yields. Prices were marked lower, though, in line with global bonds of similar credit quality. Government of Barbados (GOB) bonds saw higher prices on the secondary market so the Fund's positions in these securities were marked higher in the quarter. Cash in the portfolio is now 17% and remains a drag on performance until we can invest it profitably. The average term to maturity of the Fund's holdings remains moderate at 6 years, and the portfolio's gross yield is just under 4%, a good estimate of its medium-term return potential.

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

FUND OBJECTIVE

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

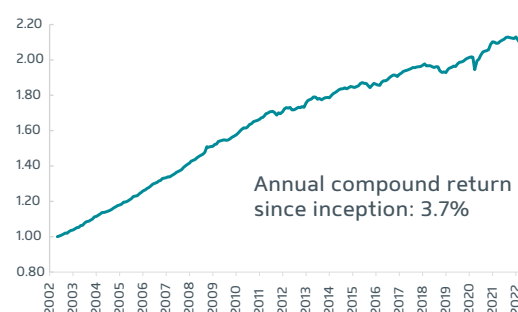
<i>Net Asset Value per share</i>	\$2.0727 / \$0.9895
<i>Fund Net Assets</i>	\$144,205,619
<i>Fund Inception</i>	May 17, 2002

INVESTMENT RETURNS

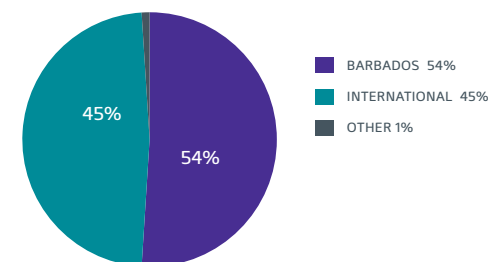
3 Months	1 Year	3 Years	5 Years	Inception
-0.9%	-2.1%	1.6%	1.2%	3.7%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO JUNE 30TH, 2022



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

Holding	Country
1 Fortress Fixed Income Fund	International
2 Deposits - CIBC FirstCaribbean Intl Bank	Barbados
3 Fortress World Fixed Income Fund	International
4 First Citizens Repo July 4, 2022	Barbados
5 Barbados Series B Sep 30, 2033	Barbados

EXPENSES

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

MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd.

CUSTODIAN

SigniaGlobe Financial Group

AUDITORS

EY Barbados

ATTORNEY-AT-LAW

Clarke Gittens Farmer

DIRECTORS

John Williams, Chairman
 Ruth Henry
 John Howard
 Greg McConnie
 Maria Nicholls
 Tracey Shuffler
 Roger Cave, Investment Manager

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



Caribbean Pension Fund

HIGHLIGHTS:

- The three classes of shares of the Pension Fund declined between 1.9% and 5.9% in the second quarter and have returned between -1.7% and +0.2% over the past year. Financial markets fell substantially as central banks raised rates to fight inflation and geopolitical risks persisted.
- Returns by class of share are shown in the table to the right.

Financial markets have been volatile recently as worries about high inflation caused central banks to raise interest rates aggressively. After an unusually strong year in 2021, stocks and bonds have fallen this year, resulting in negative year-to-date returns. At times like this, it can be tempting to feel that the safest place for our hard-earned savings is cash – or even better, under the mattress. But for a multi-decade project like preparing for retirement, nothing could be further from the truth. To build wealth and outrun inflation over our lifetimes requires owning assets that can grow substantially over the years – long-term assets like stocks and bonds.

In any given month, quarter or even year, we all know the stock market can bounce up or down – sometimes by a lot. Thankfully, pension investors have an important weapon in their corner: a very long time horizon. Over the course of many years and even decades, these ups and downs naturally smooth out. Over 5 and 10-year horizons, returns on stocks and bonds have almost always been substantially positive. And over multi-decade horizons long-term assets win hands down. One example of this is the noted Ibbotson study of the U.S. market. It showed that over the last 90+ years, bonds generated compound returns of about 5-6% per year while stocks returned 10-11% per year. This compares to treasury bills at only 3% per year. Cash at the bank (or under the mattress!) would have returned even less. Closer to home, our own Fortress Caribbean Growth Fund earned a compound return of over 8% per year over the last 25 years, turning every \$1 invested in 1996 into \$7 today. None of these gains, or the gains in any long-term asset, occurred in a straight line. Ups and downs along the way are a natural part of the process. They go hand in hand with the higher returns that will lead to a secure retirement.

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

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

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

Fortress Multi-Employer Pension Plan

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

Personal Pension (RRSP)

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

INNOVA Lifestage Income Plan

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

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

EXPENSES

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

MANAGER & ADMINISTRATOR

Fortress Fund Managers Ltd

CUSTODIAN

SigniaGlobe Financial Group

AUDITORS

EY Barbados

ATTORNEY-AT-LAW

Clarke Gittens Farmer

FUND OBJECTIVE

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

Net Asset Value

Per Share: \$30.07 / \$28.43 / \$18.87 (AA/CC/CS)

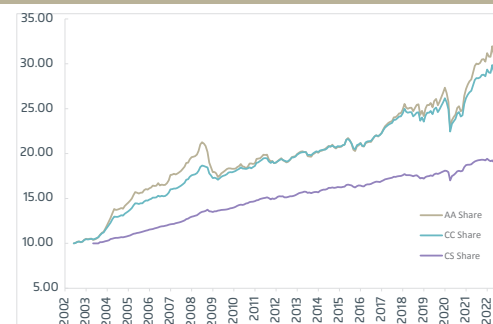
Fund Net Assets: \$397,465,185

INVESTMENT RETURNS

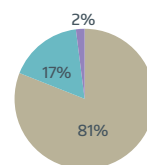
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
AA Share	-5.9%	0.2%	5.2%	4.9%	5.6%
CC Share	-4.8%	0.0%	4.5%	4.0%	5.3%
CS Share	-1.9%	-1.7%	2.2%	1.7%	3.4%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO JUNE 30TH, 2022

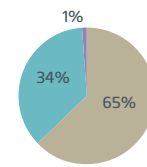


ASSET ALLOCATION



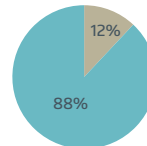
AGGRESSIVE ACCUMULATOR (AA)

- EQUITIES 80%
- FIXED INCOME 18%
- REAL ESTATE/OTHER 2%



CONSERVATIVE CONSOLIDATOR (CC)

- EQUITIES 65%
- FIXED INCOME 34%
- REAL ESTATE/OTHER 1%



CAPITAL SECURE (CS)

- EQUITIES 12%
- FIXED INCOME 88%
- REAL ESTATE/OTHER 0%